



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 921 045 379
Organisasjonsform: Aksjeselskap
Foretaksnavn: ROLLS-ROYCE ELECTRICAL NORWAY AS
Forretningsadresse: Jarleveien 8A
7041 TRONDHEIM

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: James Whiteley
Dato for fastsettelse av årsregnskapet: 23.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	12	119 009 931	141 964 024
Sum inntekter		119 009 931	141 964 024
Kostnader			
Raw materials and consumables used		9 437 751	25 690 200
Employee benefits expense	1	40 814 985	39 216 214
Depreciation and amortisation expenses	2, 3	6 306 157	6 649 720
Nedskrivning av varige driftsmidler og immaterielle eiendeler	2, 3		
Other expenses	1, 4, 12	48 881 843	43 835 885
Sum kostnader		105 440 736	115 392 019
Driftsresultat		13 569 196	26 572 005
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	5		
Annen renteinntekt	5	4 491	7 564
Other financial income	5	43 103	837 775
Sum finansinntekter		47 594	845 339
Rentekostnad til foretak i samme konsern	5		
Annen rentekostnad	5		39 348
Other financial expenses	5	395 572	2 300 309
Sum finanskostnader		395 572	2 339 657
Netto finans		-347 978	-1 494 318
Ordinært resultat før skattekostnad		13 221 217	25 077 687
Income tax expense	6	2 916 706	5 538 578
Ordinært resultat etter skattekostnad		10 304 511	19 539 109
Årsresultat		10 304 511	19 539 109
Årsresultat etter minoritetsinteresser		10 304 511	19 539 109



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Totalresultat		10 304 511	19 539 109
Overføringer og disponeringer			
Other equity		10 304 511	19 539 109
Sum overføringer og disponeringer		10 304 511	19 539 109



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	2, 3		
Patents, licenses, trademarks, and similar rights	3	2 060 767	2 148 885
Utsatt skattefordel	6	372 310	94 795
Goodwill	3		1 083 623
Sum immaterielle eiendeler		2 433 077	3 327 304
Varige driftsmidler			
Machinery and equipment	2	1 881 118	2 164 701
Equipment and other movables	2	13 620 067	12 998 454
Sum varige driftsmidler		15 501 185	15 163 155
Finansielle anleggsmidler			
Lån til foretak i samme konsern	12		
Lån til tilknyttet selskap og felles kontrollert virksomhet	12		
Sum anleggsmidler		17 934 261	18 490 459
Omløpsmidler			
Varer			
Sum varer	10	2 389 119	2 099 603
Fordringer			
Accounts receivables		7 590 096	5 393 107
Other short-term receivables	11	10 744 520	12 905 742
Konsernfordringer	12	20 259 999	23 680 673
Sum fordringer		38 594 615	41 979 521
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	55 589 135	52 764 975
Sum bankinnskudd, kontanter og lignende		55 589 135	52 764 975
Sum omløpsmidler		96 572 869	96 844 100



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		114 507 130	115 334 558
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8, 9	30 030 000	30 030 000
Overkurs	8	27 000 000	27 000 000
Sum innskutt egenkapital		57 030 000	57 030 000
Opptjent egenkapital			
Other equity	8	35 755 672	25 451 161
Udekket tap			1
Sum opptjent egenkapital		35 755 672	25 451 161
Sum egenkapital		92 785 672	82 481 161
Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		7 739 004	8 937 370
Tax payable	6	3 194 221	5 788 923
Public duties payable		2 315 780	2 392 624
Utbytte	8		
Kortsiktig konserngjeld	12		
Other current liabilities	11	8 472 453	15 734 481
Sum kortsiktig gjeld		21 721 458	32 853 398
Sum gjeld		21 721 458	32 853 398
SUM EGENKAPITAL OG GJELD		114 507 130	115 334 558



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 578710

Enheten

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Organisasjonsform: Aksjeselskap
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årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: James Whiteley
Dato for fastsettelse av årsregnskapet: 23.06.2022

Revisjon

Årsregnskapet er utarbeidet av ekstern
autorisert regnskapsfører: Ja

Grunnlag for avgivelse

År 2021: Årsregnskap er elektronisk innlevert.
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021.

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Brønnøysundregistrene, 06.07.2022



Organisasjonsnr: 921 045 379
ROLLS-ROYCE ELECTRICAL NORWAY AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Revenue	12	119 009 931	141 964 024
Sum inntekter		119 009 931	141 964 024
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Raw materials and consumables used		9 437 751	25 690 200
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Årsresultat etter minoritetsinteresser		10 304 511	19 539 109
Totalresultat		10 304 511	19 539 109
Overføringer og disponeringer			



Other equity	10 304 511	19 539 109
Sum overføringer og disponeringer	10 304 511	19 539 109



Organisasjonsnr: 921 045 379
ROLLS-ROYCE ELECTRICAL NORWAY AS

BALANSE

Beløp i: NOK	Note	2021	2020
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BALANSE - EGENKAPITAL OG GJELD			



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Innskutt egenkapital			
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Gjeld			
Langsiktig gjeld			
Utsatt skatt	6		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Leverandørgjeld		7 739 004	8 937 370
Tax payable	6	3 194 221	5 788 923
Public duties payable		2 315 780	2 392 624
Utbytte	8		
Kortsiktig konserngjeld	12		
Other current liabilities	11	8 472 453	15 734 481
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Sum gjeld		21 721 458	32 853 398
SUM EGENKAPITAL OG GJELD		114 507 130	115 334 558



Organisasjonsnr: 921 045 379
ROLLS-ROYCE ELECTRICAL NORWAY AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note

Antall aksjer og aksjeeiere

Note

6

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
39.00

Omløpsmidler Startdato Sluttdato Endring

Skattemessig fremf.undersk. Startdato Sluttdato Endring

Kortsiktig gjeld Startdato Sluttdato Endring



To the General Meeting of Rolls-Royce Electrical Norway AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Rolls-Royce Electrical Norway AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Rolls-Royce Electrical Norway AS



Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable legal requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Bergen, 20 May 2022
PricewaterhouseCoopers AS

Jan Roger Hånes
State Authorised Public Accountant

(This document is signed electronically)



 Securely signed with Brevio

Revisjonsberetning

Signers:

Name	Method	Date
Hånes, Jan Roger	BANKID_MOBILE	2022-05-20 17:48

This document package contains:

- Closing page (this page)
- The original document(s)
- The electronic signatures. These are not visible in the document, but are electronically integrated.



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of the document.



Annual Report 2021

Rolls-Royce Electrical Norway AS

Directors' Report
Income statement
Balance sheet
Cash flows
Notes to the Accounts

Org.no.: 921 045 379





Directors' annual report 2021 for Rolls-Royce Electrical Norway AS

The nature of the business

Rolls-Royce Electrical Norway AS is 100% owned by Rolls-Royce plc. The ultimate parent company being Rolls-Royce Holdings plc, which has its business address in London, is listed on the London Stock Exchange, and prepares consolidated accounts within which Rolls-Royce Electrical Norway AS is consolidated. The company is located in Trondheim municipality.

Rolls-Royce Electrical Norway AS is a company whose business includes electrification in aircraft, marine and subsea. Deliveries include R&D, testing, commissioning and product deliveries.

The cash flow from operating activities is NOK 8,2 million in 2021, cash flow from investing activities is NOK -5,4 million, and cash flow from financing activities is NOK 0,0 million. The favourable cash position at the year end is NOK 55,6 million and gives a year-end current ratio of 4,45.

Going concern

In accordance with the regnskapslovens § 3-3a, it is confirmed that the conditions required for continued operation are present, and that this assumption is used as the basis for the preparation of the accounts.

Statement of the annual accounts

The board does not know of any matters of importance for judging the company's position and results that do not appear in the profit and loss statement and the balance sheet with notes.

The corona epidemic that began at the beginning of 2020 has had significant consequences and created greater uncertainty for companies both nationally and internationally. For 2021 this has affected the sick leave to a greater extent. It has also given restrictions on the ability to travel with the consequences it has. The situation is ongoing but the uncertainty is reduced. The pandemic will continue to be monitored with working procedure adjusted as necessary

Electrification in our core markets continue to be important to reach global CO2 targets. This is the main driver for continued operation and growth in Rolls-Royce Electrical Norway AS.

Other than those mentioned above, no post financial year end events or transactions have occurred which, in the board's view, are important in assessing the financial statement.

Outlook for 2022

Contracts entering 2022 are proximately as budgeted. By the end of Q1 2022 is engineering delivered in accordance with the annual budget. Product are contracted and deliveries will improve in Q2 - Q4. The forecast for 2022 is that the company will deliver in accordance with the budget both in terms of turnover and profit.

Financial risk

The company's revenues and costs are primarily in Norwegian Kroner. Where the company does invoice customers in a foreign currency the revenue is calculated based on Norwegian Kroner price, the financial risk being foreign exchange movement during debtor day period. If deemed necessary hedging is available via Rolls-Royce Group Treasury. The company undertakes no hedging of interest rates and has no long-term borrowings in place. No significant financial risk exists.

Market Risk





The global trend towards electrification is the driving force behind Rolls-Royce Electrical Norway AS's business. The market for electrification in specific business sectors can change for many reasons effecting those business sectors, for example the effect Corona has had on aviation. These market changes can have knock on effects of temporarily reducing R&D towards electrification. However the general trend towards electrification across all Rolls-Royce business sectors continues, this should allow Rolls-Royce Electrical Norway AS to benefit from this market growth in our core markets.

Liquidity risk

The company has minimal large investments and related financial outlays.

Working environment, gender equality and discrimination

The board considers the working environment in the company to be good. There are continuous ongoing measures to maintain this status. Employees in the company have not been exposed to accidents or injuries in connection with the performance of their work. Total sickness absence last year has been a total of 4,6% of total working hours in the financial year.

Rolls-Royce Electrical Norway AS aims to be a workplace where there is full equality between women and men. It has incorporated a personnel policy which is considered to be gender neutral in all areas. At the end of the year, the company had 39 employees, 5 women and 34 men. The company's board consists of 5 people, of which 2 are women.

Environmental reporting

The company does not conduct activities that pollute the external environment.

Liability insurance

There is a general insurance for Directors & Officer's Liability signed with Nightingale Insurance Ltd.

Annual result and dispositions

In 2021, the company had a profit after tax expense of NOK 10.304.511,- which is to be allocated to other equity in full.

Allocation of earnings

Allocated to dividend 0,-
To other equity 10.304.511,-

20.05.2022

The board of Rolls-Royce Electrical Norway AS

Robert Emmerson Watson
chairman of the board

Stig Ove Stornes
member of the board

Julia Adelheid Gross
member of the board

Sigurd Øvrebø
general Manager





Income Statement

Rolls-Royce Electrical Norway AS

Operating income and operating expenses	Note	2021	2020
Revenue	12	119 009 931	141 964 024
Total income		119 009 931	141 964 024
Raw materials and consumables used		9 437 751	25 690 200
Employee benefits expense	1	40 814 985	39 216 214
Depreciation and amortisation expenses	2, 3	6 306 157	6 649 720
Other expenses	1, 4, 12	48 881 843	43 835 885
Total expenses		105 440 736	115 392 019
Operating profit		13 569 196	26 572 005
Financial income and expenses			
Other interest income	5	4 491	7 564
Other financial income	5	43 103	837 775
Other interest expenses	5	0	39 348
Other financial expenses	5	395 572	2 300 309
Net financial items		-347 978	-1 494 318
Net profit before tax		13 221 217	25 077 687
Income tax expense	6	2 916 706	5 538 578
Net profit		10 304 511	19 539 109
Allocated to			
Other equity		10 304 511	19 539 109
Total		10 304 511	19 539 109





Balance Sheet 31.12

Rolls-Royce Electrical Norway AS

Assets	Note	2021	2020
Fixed assets			
Intangible assets			
Patents, licenses, trademarks, and similar rights	3	2 060 767	2 148 885
Deferred tax assets	6	372 310	94 795
Goodwill	3	0	1 083 623
Total intangible assets		2 433 077	3 327 304
Property, plant and equipment			
Machinery and equipment	2	1 881 118	2 164 701
Equipment and other movables	2	13 620 067	12 998 454
Total property, plant and equipment		15 501 185	15 163 155
Total non-current assets		17 934 261	18 490 459
Current assets			
Inventories	10	2 389 119	2 099 603
Debtors			
Accounts receivables		7 590 096	5 393 107
Other short-term receivables	11	10 744 520	12 905 742
Receivables from group companies	12	20 259 999	23 680 673
Total receivables		38 594 615	41 979 521
Cash and cash equivalents	7	55 589 135	52 764 975
Total current assets		96 572 869	96 844 100
Total assets		114 507 130	115 334 558





Balance Sheet 31.12

Rolls-Royce Electrical Norway AS

Equity and liabilities	Note	2021	2020
Equity			
Paid-in capital			
Share capital	8, 9	30 030 000	30 030 000
Share premium reserve	8	27 000 000	27 000 000
Total paid-up equity		57 030 000	57 030 000
Retained earnings			
Other equity	8	35 755 672	25 451 161
Total retained earnings		35 755 672	25 451 161
Total equity		92 785 672	82 481 161
Current liabilities			
Trade payables		7 739 004	8 937 370
Tax payable	6	3 194 221	5 788 923
Public duties payable		2 315 780	2 392 624
Other current liabilities	11	8 472 453	15 734 481
Total current liabilities		21 721 458	32 853 398
Total liabilities		21 721 458	32 853 398
Total equity and liabilities		114 507 130	115 334 558

20.05.2022

The board of Rolls-Royce Electrical Norway AS

Robert Emmerson Watson
chairman of the board

Stig Ove Stornes
member of the board

Julia Adelheid Gross
member of the board

Sigurd Øvrebø
general Manager





Cash Flow Statement

Rolls-Royce Electrical Norway AS

	Note	2021	2020
Cash flows from operating activities			
Profit/loss before tax		13 221 217	25 077 687
Taxation paid		5 788 923	4 348 679
Ordinary depreciation		6 306 157	6 649 720
Change in inventory		-289 516	-584 632
Change in accounts receivable		-2 196 989	2 111 803
Change in accounts payable		-1 198 365	-2 882 796
Change in other accrual items		-1 756 977	-10 494 189
Net cash flows from operating activities		8 296 603	15 528 914
Cash flows from investment activities			
Payments to buy tangible assets		5 472 445	3 083 665
Net cash flows from investment activities		-5 472 445	-3 083 665
Cash flows from financing activities			
Payment of dividend		0	10 000 000
Net cash flows from financing activities		0	-10 000 000
Net change in cash and cash equivalents		2 824 159	2 445 250
Cash and cash equivalents at the start of the period		52 764 975	50 319 726
Cash and cash equivalents at the end of the period		55 589 134	52 764 975





Notes to the financial statement 2021

Accounting principles

The annual accounts have been prepared in accordance with the Accounting Act and generally accepted accounting principles, and under the assumption of continued operations.

Use of estimates

The preparation of accounts in accordance with the Accounting Act requires the use of estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in the notes.

Revenue

Income from sale of goods and services are recognised at fair value, net after deduction of VAT, returns, discounts and reductions.

Revenue from sale of goods

Revenue from sale of goods are recognised in the income statement when both risk and control have passed on to the buyer. The risk being the asset's profit and loss potential, whilst control is defined as having both the decision-making rights as well as the jurisdiction. Historical data is applied to estimate and make provisions for quantity discount and returns at the date of sales.

Revenue from sale for services

Revenues for services are recognised when the services are performed.

Classification and assessment of balance sheet items

Assets intended for long term ownership or use are classified as fixed assets. Fixed assets are valued at acquisition cost.

Current assets and current liabilities include items due for payment within one year of the balance sheet date, along with inventory items. Current assets are valued at the lower of acquisition cost and estimated fair value.

Receivables are classified as current assets if they are to be repaid within one year. Similar criteria apply to current liabilities.

First year's instalment on long term liabilities and long term receivables are, however, not classified as short term liabilities and current assets.

Some items are assessed according to other rules. The items in question will be among the items covered below.

Intangible assets

Expenditure on Research and Development is capitalised providing a future economic benefit relating to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenditure is expensed as and when incurred. Capitalised development costs are depreciated on a straight-line basis over the asset's expected useful life.

Fixed assets

Tangible fixed assets are capitalised and depreciated on a straight-line basis down to the residual value over the expected useful economic life of the assets. When the depreciation plan is changed, the effect is distributed over the remaining depreciation period. Maintenance of operating equipment is expensed on an ongoing basis.

Upgrades or improvements are added to the acquisition cost of the asset and depreciated in line with the asset. The difference between maintenance and upgrade / improvement is assessed based on the condition of the asset when purchased. Land is not depreciated.

Leased fixed assets are capitalized as fixed assets if the lease is considered financial.

Expenses for renting other fixed assets are expensed as operating costs. Prepayments are reflected in the





Notes to the financial statement 2021

balance sheet as a prepaid expense, and are distributed over the rental period.

Impairment of fixed assets

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent ingoing cashflows can be identified. If the carrying amount is higher than both the fair value less cost to sell and the value in use (net present value of future use/ownership), the asset is written down to the highest of fair value less cost to sell and the value in use. Value in use is the present value of future cash flows related to the asset.

Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present.

Inventory

The inventory of purchased goods is valued at the lower of acquisition cost according to the FIFO principle and net sales value. Finished goods of own production and work in progress are valued at production cost.

Receivables

Trade receivables and other receivables are recorded in the balance sheet at face value after deduction of provisions for expected loss. Provisions for losses are made on the basis of individual assessments of the individual receivables.

Pensions

Pension schemes financed via hedged schemes are not capitalized. The pension premium is considered in these cases such as pension costs and are classified together with wage costs

Tax

The tax charge in the income statement includes both payable taxes for the period and changes in deferred tax. Deferred tax is calculated at 22 % on the basis of the temporary differences that exist between accounting and tax values, as well as any possible taxable loss carried forwards at the end of the accounting year. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset and netted.

Deferred tax on surplus values in connection with acquisitions of subsidiaries will not be settled.

List of deferred tax assets on net tax-reducing differences that have not been offset and losses to carry forward, is justified by assumed future earnings. Deferred tax assets that can be capitalized and deferred tax is entered net in the balance sheet.

Foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate at the end of the accounting year. Agio gains and losses relating to sales and purchases of goods in foreign currencies are recognised as financial income and expenses.

Warranties, guarantee commitments/complaints and service

Provision for warranties and service work for completed projects / sales is recorded at the expected cost of such work. The estimate is based on historical figures for service and warranty repairs. The amount is recorded under other current liabilities and is recognised in the income statement on a straight-line basis over the warranty and service period.

Cash Flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short term investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.





Notes to the financial statement 2021

Note 1 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses	2021	2020
Salaries/wages	32 684 394	32 157 167
Social security fees	4 966 828	4 828 892
Pension expenses	1 761 664	1 735 312
Other remuneration	1 402 099	494 843
Total	40 814 985	39 216 214

Average number of employees during the accounting year 39 39

Remuneration to executives	General Manager	Board
Salaries/wages	1 489 234	0
Pension expenses	83 630	0
Other remuneration	123 627	0
Total	1 696 491	0

The General Managers salary includes a management and performance bonus calculated by Rolls-Royce Group, his other remuneration includes share based payment paid as a retention bonus. No salary or other benefits have been paid to others on the board. No loan or security has been provided to the general manager or other leading persons.

OTP (Statutory occupational pension)

The company is required to have a pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon"). The company's pension scheme meets the requirement of this law.

Liability insurance

There is a general insurance for Directors & Officer's Liability signed with Nightingale Insurance Ltd.

Auditors

PWC has been elected as auditor for 2021. In 2021 NOK 280 000 has been expensed to the P&L in this regard (2020: NOK 240 000) along with additional audit fees of NOK 6 200 relating to other assurance services (2020: 79 570), all numbers are presented ex vat.





Notes to the financial statement 2021

Note 2 Tangible assets

	Construction in process	Plant & machinery	Equipment, fixtures & fittings	Total
Acquisition cost 01.01.2021	0	2 701 917	20 326 907	23 028 824
Inflow of purchased tangible assets	1 749 836	0	3 258 455	5 008 291
Acquisition cost 31.12.2021	1 749 836	2 701 917	23 585 362	28 037 115
Accumulated depreciations 31.12	0	820 800	11 715 131	12 535 931
Book value 31.12.2021	1 749 836	1 881 117	11 870 231	15 501 184
Acc. depreciations and write-downs 01.01.2021	0	537 216	7 328 453	7 865 669
This year's depreciation	0	283 584	4 386 678	4 670 262
Acc. depreciations and write-downs 31.12.2021	0	820 800	11 715 131	12 535 931
Economic lifetime	0 years	3-10 years	3-5 years	

Note 3 Intangible assets

	Licenses	Goodwill	Total
Acquisition cost 01.01.2021	2 895 612	4 644 100	7 539 712
Inflow of purchased intangible assets	464 154	0	464 154
Acquisition cost 31.12.2021	3 359 766	4 644 100	8 003 866
Accumulated depreciations 31.12	1 298 999	4 644 100	5 943 099
Book value 31.12.2021	2 060 767	0	2 060 767
Acc. depreciations and write-downs 01.01.2021	746 727	3 560 476	4 307 203
This year's depreciation	552 272	1 083 624	1 635 896
Acc. depreciations and write-downs 31.12.2021	1 298 999	4 644 100	5 943 099
Economic lifetime	3-10 years	2,5 years	





Notes to the financial statement 2021

Note 4 Leases

Leases:

Annual rent of off-balance sheet fixed assets	2021	2020
Buildings including real estate	4 612 415	3 271 097
Sum	4 612 415	3 271 097

Note 5 Specification of financial income and financial expenses

Financial income	2021	2020
Other interest income	15 310	18 742
Agio	32 284	837 775
Total financial income	47 594	856 517

Financial expenses	2021	2020
Other interest expense	0	39 348
Other financial expenses	0	-193 170
Disagio	395 572	2 493 479
Total financial expenses	395 572	2 339 657





Notes to the financial statement 2021

Note 6 Tax

This year's tax expense	2021	2020
Entered tax on ordinary profit/loss:		
Payable tax	3 194 221	5 788 923
Changes in deferred tax assets	-277 515	- 250 345
Tax expense on ordinary profit/loss	2 916 706	5 538 578
Taxable income:		
Ordinary result before tax	13 221 217	25 077 687
Permanent differences	36 540	97 667
Changes in temporary differences	1 261 432	1 137 932
Taxable income	14 519 188	26 313 286
Payable tax in the balance:		
Payable tax on this year's result	3 194 221	5 788 923
Total payable tax in the balance	3 194 221	5 788 923
Calculation of effective tax rate		
Profit before tax	13 221 217	25 077 687
Calculated tax on profit before tax	2 908 668	5 517 091
Tax effect of permanent differences	8 039	21 487
Total	2 916 706	5 538 578
Effective tax rate	22,1 %	22,1 %

The tax effect of temporary differences that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences

	2021	2020	Difference
Tangible assets	-1 584 011	-376 734	1 207 277
Warrenties	-108 308	-54 154	54 154
Total	-1 692 319	-430 888	1 261 431
Basis for deferred tax assets	-1 692 319	-430 888	1 261 431
Deferred tax assets (22 %)	-372 310	-94 795	277 515

Note 7 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 1 514 663.





Notes to the financial statement 2021

Note 8 Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	30 030 000	27 000 000	25 451 161	82 481 161
Annual net profit/loss			10 304 511	10 304 511
Equity 31.12	30 030 000	27 000 000	35 755 672	92 785 672

Note 9 Share capital and shareholder information

Share capital	Number	Nominal value	Book value
Ordinary shares	300	100 100	30 030 000

Shareholders:	Number of shares	Ownership
Rolls-Royce plc	300	100 %
Total	300	100 %
Total number of shares	300	100 %

The company has one share class and all shares have equal voting rights. Rolls-Royce Electrical Norway AS is 100% owned by Rolls-Royce plc. The ultimate parent company being Rolls-Royce Holdings plc which has a business address in London and is listed on the London Stock Exchange, prepares consolidated accounts where Rolls-Royce Electrical Norway AS is included in the consolidation. The consolidated financial statements are available on the website <https://www.rolls-royce.com/investors.aspx>.

Note 10 Inventory

	2021	2020
Stocks of raw materials	1 872 437	1 325 075
Stocks of goods in manufacture	238 921	79 000
Stocks of self-produced finished goods	277 761	695 527
Total	2 389 119	2 099 602

The inventory value of Rolls-Royce Electrical Norway AS as at 31.12.2021 has been valued at acquisition cost for raw materials, and production cost for work in progress and finished goods.





Notes to the financial statement 2021

Note 11 Receivables and liabilities

The company has no debt secured by a mortgage in 2021. The company also has no long-term receivables or liabilities.

Note 12 Intercompany balances

<u>Receivables</u>	<u>2021</u>	<u>2020</u>
Trade receivables Rolls-Royce plc	16 959 461	37 563 432
Prepayment Rolls-Royce plc		- 15 174 805
Trade receivables Rolls-Royce Corporation	98 688	1 292 045
Trade receivables Rolls-Royce Electrical Bavaria	3 201 850	
Total receivables	20 259 999	23 680 672

In 2021, the company had intercompany sales of 98 253 414 (2020: NOK 110 994 531), divided between Rolls-Royce plc of NOK 69 817 699 (2020: 96 316 307), Rolls-Royce Corporation of NOK 9 117 260 (2020: NOK 14 509 874) and Rolls-Royce Electrical Bavaria NOK 19 318 456 (2020: 0).

Note 13 Government grants

In 2021 no government grants have been approved or received.

Note 14 Contingent liabilities

In January 2017, after full cooperation, the Group concluded deferred prosecution agreements (DPA) with the SFO and the US Department of Justice (DoJ) and a leniency agreement with the MPF, the Brazilian federal prosecutors. The terms of both DPAs have now expired; the DPA with the DoJ was dismissed by the US District Court on 19 May 2020 and the SFO filed notice of discontinuance of proceedings with the UK Court on 18 January 2022. Certain authorities are investigating members of the Group for matters relating to misconduct in relation to historical matters. The Group is responding appropriately. Action may be taken by further authorities against the Group or individuals. In addition, the Group could still be affected by actions from customers and customers' financiers. The Directors are not currently aware of any matters that are likely to lead to a material financial loss over and above the penalties imposed to date, but cannot anticipate all the possible actions that may be taken or their potential consequences.





Verification

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Skatteetaten

Vår dato 17.09.2020	Din/Deres dato 03.09.2020	Saksbehandler Vibeke Horne
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Org.nr 974761076	Vår referanse 2020/5866625	Postadresse Postboks 9200 Grønland 0134 OSLO

ROLLS-ROYCE ELECTRICAL NORWAY AS
Jarleveien 8A
7041 TRONDHEIM

Att. James Whiteley

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk for Rolls-Royce Electrical Norway AS, org.nr. 921 045 379

Vi viser til deres brev av 3. september 2020 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for Rolls-Royce Electrical Norway AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering Rolls-Royce Electrical Norway AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

Bakgrunn

Rolls-Royce Electrical Norway AS er eid av et utenlandsk selskap. Selskapet driver virksomhet knyttet til produksjon av elektromotorer, generatorer og transformatorer. Flere av styremedlemmene i selskapet er utenlandske.

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i



samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informativ regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapet er direkte eid av et utenlandsk selskap. Videre er det vektlagt at selskapet driver virksomhet i en bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Vibeke Horne
rådgiver
Brukerdialog, brukerkontakt
Skatteetaten

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.