



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

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: Sigurd Øvrebø
Dato for fastsettelse av årsregnskapet: 11.09.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

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, 12.10.2022



Resultatregnskap

Beløp i: NOK	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Sales revenue	10	141 121 420	
Sum inntekter		141 121 420	
Kostnader			
Cost of materials		48 458 602	
Personnel expenses	6	33 137 355	
Depreciation of tangible and intangible fixed assets	9	5 523 151	
Other operating expenses	12	33 069 787	
Sum kostnader		120 188 894	
Driftsresultat		20 932 526	
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	7		
Annen renteinntekt	7	18 742	
Other financial income	7	62 420	
Sum finansinntekter		81 162	
Rentekostnad til foretak i samme konsern	7		
Annen rentekostnad	7	7 549	
Other financial expenses	7	589 857	
Sum finanskostnader		597 406	
Netto finans		-516 244	
Ordinært resultat før skattekostnad		20 416 281	0
Tax expense	5	4 504 229	
Ordinært resultat etter skattekostnad		15 912 052	0
Årsresultat		15 912 052	0
Årsresultat etter minoritetsinteresser		15 912 052	
Totalresultat		15 912 052	



Resultatregnskap

Beløp i: NOK	Note	2019	2018
Overføringer og disponeringer			
Utbytte		10 000 000	
Allocated to other equity		5 912 052	
Sum overføringer og disponeringer		15 912 052	



Balanse

Beløp i: NOK	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Licences, patents etc.	9	2 162 608	
Utsatt skattefordel	5		
Goodwill	9	2 941 264	
Sum immaterielle eiendeler		5 103 872	
Varige driftsmidler			
Land, buildings and other real estate	9		
Plant and machinery	9	2 448 285	
Ships, rigs and other semi submersible installations	9		
Equipment., fixtures and fittings and other movables	9	14 409 563	
Sum varige driftsmidler	9	16 857 848	
Finansielle anleggsmidler			
Lån til foretak i samme konsern	11		
Lån til tilknyttet selskap og felles kontrollert virksomhet	11		
Sum anleggsmidler		21 961 720	0
Omløpsmidler			
Varer			
Inventories	4	1 514 970	
Sum varer		1 514 970	
Fordringer			
Accounts receivables		7 504 909	
Other short-term receivables	8	7 062 333	30 000
Konsernfordringer	11	21 692 389	
Sum fordringer		36 259 631	30 000
Bankinnskudd, kontanter og lignende			
Bank deposits, cash and cash equivalents	3	50 319 726	
Sum bankinnskudd, kontanter og lignende		50 319 726	



Balanse

Beløp i: NOK	Note	2019	2018
Sum omløpsmidler		88 094 328	30 000
SUM EIENDELER		110 056 048	30 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	1, 2	30 030 000	30 000
Overkurs	1	27 000 000	
Sum innskutt egenkapital		57 030 000	30 000
Opptjent egenkapital			
Other equity	1	5 912 052	
Sum opptjent egenkapital		5 912 052	
Sum egenkapital		62 942 052	30 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5	155 550	
Sum avsetninger for forpliktelser		155 550	
Annen langsiktig gjeld			
Langsiktig konserngjeld	11		
Sum langsiktig gjeld		155 550	0
Kortsiktig gjeld			
Leverandørgjeld		11 820 165	
Tax payable	5	4 348 679	
Public taxes & duties payable		2 138 850	
Utbytte	1	10 000 000	
Kortsiktig konserngjeld	11		
Other short-term liabilities	8	18 650 751	
Sum kortsiktig gjeld		46 958 445	
Sum gjeld		47 113 995	0



Balanse

Beløp i: NOK	Note	2019	2018
SUM EGENKAPITAL OG GJELD		110 056 048	30 000



To the General Meeting of Rolls-Royce Electrical Norway AS

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rolls-Royce Electrical Norway AS, which comprise the balance sheet as at 31 December 2019, 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 accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2019, 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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 Matters

The financial statements for the previous period have not been audited and the comparative figures have therefore not been subject to audit. This matter does not affect our opinion on the financial statements.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

PricewaterhouseCoopers AS, Sandviksbodene 2A, Postboks 3984 - Sandviken, NO-5835 Bergen

T: 02316, org. no.: 987 009 713 VAT, www.pwc.no

State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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/revisionsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

(2)



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

Other Matters

This audit report replaces our previous audit report as of 01.09.2020, which was issued at the statutory deadline for holding the annual shareholders meeting. Complete annual financial statements and Board of Directors report were at this point in time not submitted by the Board of Directors and Managing Director.

Bergen, 18 September 2020
PricewaterhouseCoopers AS

Fredrik Gabrielsen
State Authorised Public Accountant
(This document is signed electronically)

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 Securely signed with Brevio

Revisjonsberetning

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Gabrielsen, Fredrik	BANKID_MOBILE	2020-09-18 12:02

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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The seal is a guarantee for the authenticity
of the document.



Annual Report 2019

Rolls-Royce Electrical Norway AS

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

Org.no.: 921 045 379



Directors' annual report 2019 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.

In 2019 Rolls-Royce Marine AS was sold to Kongsberg Maritime AS. Before the completion of this sale, Rolls-Royce Electrical Norway AS acquired part of the business of Rolls-Royce Marine AS for NOK 37 million in February 2019

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

The cash flow from operating activities is NOK 20,8 million in 2019, cash flow from investing activities is NOK -27,5 million and cash flow from financing activities is NOK 57 million. The favourable cash position at the year end of NOK 50,3 million and a year-end current ratio of 1,9 along with a positive outlook has given the confidence to declare a NOK 10 million dividend.

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.

The covid 19 situation is ongoing and uncertain and 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 2020

Contracts entering Q1 2020 were significantly better than budgeted. By the end of Q1 2020, they had already produced and delivered in accordance with the annual budget for product deliveries. In Q2 and Q3, the company experienced a higher sickness absence than normal due to Covid19 - this has led to a somewhat lower degree of utilization in the engineering in this period. At the end of Q3 2020, the forecast 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 affecting 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. During its first operating year prepayments on contracts have been received by Rolls-Royce plc to ensure Rolls-Royce Electrical Norway AS maintains its required liquidity.



Working environment, gender equality and discrimination

The board considers the working environment in the company to be good. No special measures have been implemented in this regard. 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 2.6% 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, and has incorporated a personnel policy is considered to be gender neutral in all areas. At the end of the year, the company had 31 employees, 3 women and 28 men. The company's board consists of 4 people, of which 2 are women.

Environmental reporting

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

Annual result and dispositions

In 2019, the company had a profit after tax expense of NOK 15,912,052, which is proposed to be allocated as follows:

Allocation of earnings	Amount
Allocation to dividend	10 000 000
To other equity	5 912 052

Trondheim, 11.09.2020

The board of Rolls-Royce Electrical Norway AS

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Robert Emmerson Watson
chairman of the board

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Riona
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Riona Lois Armesmith
member of the board

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Stig Ove Stornes
member of the board

Sigurd Øvrebø
general Manager

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Joanne Emma Chetwynd
member of the board



Income statement
Rolls-Royce Electrical Norway AS

Operating income and operating expenses	Note	2019	2018
Sales revenue	10	141 121 420	0
Total operating income		141 121 420	0
Cost of materials		48 458 602	0
Personnel expenses	6	33 137 355	0
Depreciation of tangible and intangible fixed assets	9	5 523 151	0
Other operating expenses	12	33 069 787	0
Total operating expenses		120 188 894	0
Operating profit/loss		20 932 526	0
Financial income and expenses			
Other interest income	7	18 742	0
Other financial income	7	62 420	0
Other interest expenses	7	7 549	0
Other financial expenses	7	589 857	0
Net financial items		-516 244	0
Result before tax		20 416 281	0
Tax expense	5	4 504 229	0
Ordinary result after tax		15 912 052	0
Result for the year		15 912 052	0
Allocation of result for the year			
Dividends		10 000 000	0
Allocated to other equity		5 912 052	0
Total brought forward		15 912 052	0



Balance sheet
Rolls-Royce Electrical Norway AS

Assets	Note	2019	2018
Fixed assets			
<i>Intangible assets</i>			
Licences, patents etc.	9	2 162 608	0
Goodwill	9	2 941 264	0
Total intangible assets		5 103 872	0
<i>Tangible assets</i>			
Plant and machinery	9	2 448 285	0
Equipment., fixtures and fittings and other movables	9	14 409 563	0
Total tangible assets	9	16 857 848	0
Total fixed assets		21 961 720	0
Current assets			
<i>Inventories</i>			
Inventories	4	1 514 970	0
Total Inventories		1 514 970	0
<i>Receivables</i>			
Accounts receivables		7 504 909	0
Other short-term receivables	8	7 062 333	30 000
Receivables from group companies	11	21 692 389	0
Total receivables		36 259 631	30 000
<i>Bank deposits, cash and cash equivalents</i>			
Bank deposits, cash and cash equivalents	3	50 319 726	0
Total bank deposits, cash and cash equivalents		50 319 726	0
Total current assets		88 094 328	30 000
Total assets		110 056 048	30 000




Balance sheet

Rolls-Royce Electrical Norway AS

Equity and liabilities	Note	2019	2018
Equity			
<i>Paid in equity</i>			
Share capital	1, 2	30 030 000	30 000
Share premium reserve	1	27 000 000	0
Total paid-up equity		57 030 000	30 000
<i>Retained earnings</i>			
Other equity	1	5 912 052	0
Total retained earnings		5 912 052	0
Total equity		62 942 052	30 000
Liabilities			
<i>Non-current liabilities</i>			
Deferred tax	5	155 550	0
Total non-current liabilities		155 550	0
<i>Current liabilities</i>			
Trade payables		11 820 165	0
Tax payable	5	4 348 679	0
Public taxes & duties payable		2 138 850	0
Dividend	1	10 000 000	0
Other short-term liabilities	8	18 650 751	0
Total current liabilities		46 958 445	0
Total liabilities		47 113 995	0
Total equity and liabilities		110 056 048	30 000


Trondheim, 11.09.2020
The board of Rolls-Royce Electrical Norway AS


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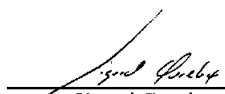
Robert Emmerson Watson
chairman of the board


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Riona Lois Armesmith
member of the board


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Stig Ove Stornes
member of the board


Sigurd Øvrebo
general Manager


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Joanne Emma Chetwynd
member of the board



Indirect cash flow
Rolls-Royce Electrical Norway AS

	Note	2019
Cash flows from operating activities		
Profit/loss before tax		20 416 281
Ordinary depreciation		5 523 151
Change in inventory		-1 514 970
Change in accounts receivable		-7 504 909
Change in accounts payable		11 820 165
Change in other accrual items		-7 935 121
Net cash flows from operating activities		<u>20 804 596</u>
Cash flows from investment activities		
Payments to buy fixed assets		-27 484 871
Net cash flows from investment activities		<u>-27 484 871</u>
Cash flows from financing activities		
Proceeds from equity		57 000 000
Net cash flows from financing activities		<u>57 000 000</u>
Net change in cash and cash equivalents		50 319 726
Cash and cash equivalents at the end of the period		<u>50 319 726</u>



Notes to the financial statement 2019

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 and the company has a right to payment for 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 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



Notes to the financial statement 2019

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.

Additionally, for trade receivables, an unspecified provision is made to cover expected losses.

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 2019

Note 1 Equity

	Share capital	Share premium reserve	Retained earnings	Total equity
Equity 01.01	30 000	0	0	30 000
Share capital increase	30 000 000		0	30 000 000
Share premium contribution		27 000 000	0	27 000 000
Suggested dividends			-10 000 000	-10 000 000
Annual net profit/loss			15 912 052	15 912 052
Equity 31.12	30 030 000	27 000 000	5 912 052	62 942 052

Note 2 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 3 Bank deposits

Funds standing on the tax deduction account (restricted funds) are NOK 1 380 612.

Note 4 Inventory

	2019	2018
Stocks of raw materials	1 514 970	0
Total	1 514 970	0

Of the total inventory value of Rolls-Royce Electrical Norway AS as at 31.12.2019 has been valued at acquisition cost.



Notes to the financial statement 2019

Note 5 Tax

This year's tax expense	2019	2018
Entered tax on ordinary profit/loss:		
Payable tax	4 348 679	0
Changes in deferred tax	155 550	0
Tax expense on ordinary profit/loss	4 504 229	0
Taxable income:		
Ordinary result before tax	20 416 281	0
Permanent differences	57 487	0
Changes in temporary differences	-707 044	0
Taxable income	19 766 724	0
Payable tax in the balance:		
Payable tax on this year's result	4 348 679	0
Total payable tax in the balance	4 348 679	0

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

	2019	2018	Difference
Tangible assets	707 043	0	-707 043
Total	707 043	0	-707 043
Deferred tax (22 %)	155 550	0	-155 550
Effect of change in tax rate			



Notes to the financial statement 2019

Note 6 Personnel expenses, number of employees, remuneration, loan to employees

Payroll expenses	2019
Salaries/wages	27 043 497
Social security fees	4 078 834
Pension expenses	1 337 352
Other remuneration	677 671
Total	33 137 355

Average number of employees during the accounting year 31

Remuneration to executives	General Manager	Board
Salaries/wages	1 428 863	0
Pension expenses	69 689	0
Other remuneration	117 109	0
Total	1 615 661	0

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 tjenstepensjon"). The company's pension scheme meets the requirement of this law.

Auditors

PWC has been elected as auditor from 2019, no fee has been expensed to the auditor in 2019.

Note 7 Specification of financial income and financial expenses

Financial income	2019	2018
Other interest income	18 742	0
Agio	62 420	0
Total financial income	81 162	0

Financial expenses	2019	2018
Other interest expense	7 549	0
Other financial expenses	420 559	0
Disagio	169 299	0
Total financial expenses	597 406	0



Notes to the financial statement 2019

Note 8 Receivables and liabilities

The company has no debt secured by a mortgage in 2019. The company also has no long-term receivables or liabilities.

Note 9 Fixed assets

	Goodwill	Plant and machinery	Fixtures and fittings
+ Inflow purchased fixed assets	4 644 100	2 701 917	17 697 444
= Acquisition cost 31.12.19	4 644 100	2 701 917	17 697 444
Accumulated depreciation 31.12.19	1 702 836	253 632	3 287 881
= Book value 31.12.19	2 941 264	2 448 285	14 409 563
This year's ordinary depreciations	1 702 836	253 632	3 287 881
Economic life	2,5 years	3-10 years	3-5 years
		Intangible assets	Total
+ Inflow purchased fixed assets		2 441 410	27 484 871
= Acquisition cost 31.12.19		2 441 410	27 484 871
Accumulated depreciation 31.12.19		278 802	5 523 151
= Book value 31.12.19		2 162 608	21 961 720
This year's ordinary depreciations		278 802	5 523 151
Economic life		3-10 years	

In February 2019, Rolls-Royce Electrical Norway AS acquired part of the business of Rolls-Royce Marine AS for NOK 37 million. Goodwill of NOK 4 644 100 was created via this transaction.



Notes to the financial statement 2019

Note 10 Revenues

Activity distribution	2019
Revenues from engineering	78 990 512
Revenues from materials/expenses	62 130 908
Total	141 121 420

Geographical distribution	2019
Norway	25 475 169
UK	96 981 912
USA	18 664 339
Total	141 121 420

Note 11 Intercompany balances

Receivables	2019
Trade receivables Rolls-Royce plc	6 279 720
Trade receivables Rolls-Royce Corporation	15 412 669
Total receivables	21 692 389

In 2019, the company had intercompany sales of NOK 115 646 251, divided between Rolls-Royce plc of NOK 96 981 912 and Rolls-Royce Corporation of NOK 18 664 339. Furthermore, there were NOK 162 098 in costs for forward exchange contracts held with Rolls-Royce Group Treasury.

Note 12 Leases

Leases:

Annual rent of off-balance sheet fixed assets	2019
Buildings including real estate	2 801 264
Sum	2 801 264



Notes to the financial statement 2019

Note 13 Post balance sheet date events

The corona epidemic that started in early 2020 has had significant consequences and created greater uncertainty for companies both nationally and internationally.

Electrification in our core markets remains important for achieving global CO₂-targets. This is the main driver for continued operations and growth in Rolls-Royce Electrical Norway AS.

The Covid-19 situation is ongoing and uncertain and will continue to be monitored, with working procedure adjusted as necessary.



Skatteetaten

Vår dato 17.09.2020	Din/Deres dato 03.09.2020	Saksbehandler Vibeke Horne
800 80 000 Skatteetaten.no	Din/Deres referanse AR387656155	Telefon 90518192
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.