

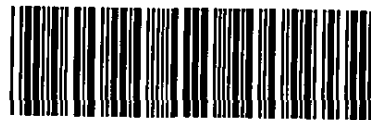
Registered number 00542021

VINTERS INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

WEDNESDAY



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COMPANIES HOUSE

VINTERS INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS	D Goma Rolls-Royce Directorate Limited
COMPANY SECRETARY	Rolls-Royce Secretariat Limited
COMPANY NUMBER	00542021
REGISTERED OFFICE	Moor Lane Derby DE24 8BJ

VINTERS INTERNATIONAL LIMITED

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VINTERS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a holding company

DIRECTORS

The directors who served during the year were

D Goma
Rolls-Royce Directorate Limited

EVENTS SINCE THE END OF THE YEAR

On 1 January 2013, the company exercised its control rights over Engine Holding GmbH as defined within the Shareholder Agreement with Daimler AG. Engine Holding GmbH and its group became a subsidiary with a 50% non-controlling interest as part of the Rolls-Royce group's consolidated accounts

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

VINTERS INTERNATIONAL LIMITED

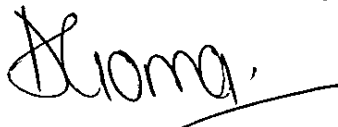
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

AUDITOR

Under section 487(2) of the Companies Act 2006, KPMG Audit Plc, Statutory Auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



D Goma
Director

Date

2/8/13

VINTERS INTERNATIONAL LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND
THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINTERS INTERNATIONAL LIMITED

We have audited the financial statements of Vinters International Limited for the year ended 31 December 2012, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

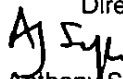
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.


Anthony Sykes (Senior statutory auditor)
for and on behalf of
KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date 2 August 2013

VINTERS INTERNATIONAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
Administrative income/(expense)		1	(75)
OPERATING PROFIT/(LOSS)		1	(75)
Income from fixed asset investments		109,544	87,406
Interest receivable and similar income		78	1,908
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		109,623	89,239
Tax on profit on ordinary activities	4	(19)	(486)
PROFIT FOR THE FINANCIAL YEAR	9	109,604	88,753

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

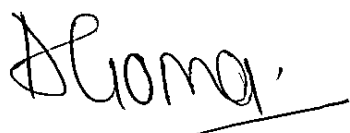
The notes on pages 7 to 12 form part of these financial statements

VINTERS INTERNATIONAL LIMITED
REGISTERED NUMBER 00542021

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	2011 £000
FIXED ASSETS				
Investments	5		1,664,081	1,827,517
CURRENT ASSETS				
Debtors	6	4	-	
Cash in hand		19,493	4,773	
		<u>19,497</u>	<u>4,773</u>	
CREDITORS. amounts falling due within one year	7	<u>(1,142,585)</u>	<u>(1,400,901)</u>	
NET CURRENT LIABILITIES			<u>(1,123,088)</u>	<u>(1,396,128)</u>
NET ASSETS			<u>540,993</u>	<u>431,389</u>
CAPITAL AND RESERVES				
Called up share capital	8		230,125	230,125
Share premium account	9		42,862	42,862
Revaluation reserve	9		34,738	34,738
Profit and loss account	9		<u>233,268</u>	<u>123,664</u>
SHAREHOLDERS' FUNDS	10		<u>540,993</u>	<u>431,389</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



21/8/13

D Goma
Director

The notes on pages 7 to 12 form part of these financial statements

VINTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by a revaluation reserve of £34,738 thousand (2011 - £34,738 thousand). This relates to revaluation of investments in prior years and in accordance with applicable accounting standards in the United Kingdom.

The Company is exempt by virtue of section 399 of the Companies Act 2006 from the requirement to prepare group financial statements.

1.2 Investments

Investments held as fixed assets are shown at cost or at revaluation less provision for impairment.

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.4 Cash flow statement

The company is a wholly owned subsidiary of Rolls-Royce plc and is included in the consolidated financial statements of Rolls-Royce plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

1.5 Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose related party transactions with other group companies that are wholly owned by the group.

1.6 Taxation

Provision for taxation is made at the current rate and for deferred taxation at the projected rate on all timing differences, which have originated, but not reversed at the balance sheet date.

VINTERS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

1.7 Hedge accounting

The company does not generally apply hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. In 2011, the company has applied cash flow hedge accounting in respect of foreign exchange contracts entered into to hedge the cost of its investment in Engine Holding GmbH.

During 2011, £1,275 thousand, was added to a cash flow reserve, and was subsequently utilised when the company's cash flow exposures were closed.

The company does not apply hedge accounting in respect of commodity swaps held to manage the cash flow exposures of forecast transactions in those commodities.

The company applies hedge accounting in respect of transactions entered into to manage the fair value and cash flow exposures of its borrowings. Forward foreign exchange contracts are held to manage the fair value exposures of borrowings denominated in foreign currencies and are designated as fair value hedges. Interest rate swaps are held to manage the interest rate exposures and are designated as fair value or cash flow hedges of fixed and floating rate borrowings respectively.

Changes in the fair values of derivatives designated as fair value hedges and changes in fair value of the related hedged item are recognised directly in the income statement.

Changes in the fair values of derivatives that are designated as cash flow hedges and are effective are recognised directly in equity. Any ineffectiveness in the hedging relationships is included in the income statement. The amounts deferred in equity are recognised in the income statement to match the recognition of the hedged item or, in the case of the cash flow hedges of the investment in Engine Holding GmbH, included in the initial carrying value of the joint venture.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, for cash flow hedges and if the forecast transaction remains probable, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is transferred to the income statement.

The portion of a gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in equity. The ineffective portion is recognised immediately in the income statement.

2 AUDITOR'S REMUNERATION

The fees for the audit of the company financial statements were £5,000 (2011 - £5,000) and were paid by Rolls-Royce plc.

3. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2011 - £NIL).

VINTERS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

4 TAXATION

	2012 £000	2011 £000
UK corporation tax charge on profit for the year	19	486

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	109,623	89,239
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	26,858	23,648
Effects of		
Non-taxable income	(26,839)	(23,162)
Current tax charge for the year (see note above)	19	486

Factors that may affect future tax charges

The 2013 Budget announced that the UK corporation tax rate will reduce to 20% by 2015. The reduction is not expected to have a material effect on the company's future current tax charge.

5 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associates £000	Loans to subsidiaries £000	Total £000
Cost or valuation				
At 1 January 2012	341,767	1,317,035	168,715	1,827,517
Additions	-	5,279	-	5,279
Disposals	-	-	(168,715)	(168,715)
At 31 December 2012	341,767	1,322,314	-	1,664,081
Net book value				
At 31 December 2012	341,767	1,322,314	-	1,664,081
At 31 December 2011	341,767	1,317,035	168,715	1,827,517

VINTERS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

5 FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Rolls-Royce AB *	Ordinary	100%
Rolls-Royce OY AB	Ordinary	100%
Rolls-Royce Marine AS	Ordinary	100%
Bergen Engines AS	Ordinary	100%
Ulstein Turbine AS *	Ordinary	93%

Name	Business	Registered office
Rolls-Royce AB *	Marine - manufacture of marine propeller systems	Sweden
Rolls-Royce OY AB	Marine - manufacture of marine winches and propeller systems	Finland
Rolls-Royce Marine AS	Marine - design and manufacture of ship equipment	Norway
Bergen Engines AS	Marine - Design and manufacture of medium-speed diesel engines	Norway
Ulstein Turbine AS *	Holding company	Norway

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
Engine Holding GmbH	Germany	Ordinary	50%	Holding company

6. DEBTORS

	2012 £000	2011 £000
Other debtors	<u>4</u>	<u>-</u>

VINTERS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7. CREDITORS

Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	1,139,970	1,400,415
Corporation tax	19	486
Other creditors	2,596	-
	<u>1,142,585</u>	<u>1,400,901</u>

8 SHARE CAPITAL

	2012 £000	2011 £000
Allotted, called up and fully paid		
230,125,106 ordinary shares of £1 each	<u>230,125</u>	<u>230,125</u>

9 RESERVES

	Share premium account £000	Revaluation reserve £000	Profit and loss account £000
At 1 January 2012	42,862	34,738	123,664
Profit for the year			109,604
	<u>42,862</u>	<u>34,738</u>	<u>233,268</u>
At 31 December 2012			

10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	431,389	342,636
Profit for the year	109,604	88,753
	<u>540,993</u>	<u>431,389</u>
Closing shareholders' funds		

11. POST BALANCE SHEET EVENTS

On 1 January 2013, the company exercised its control rights over Engine Holding GmbH as defined under the Shareholder Agreement with Daimler AG. Engine Holding GmbH and its group became a subsidiary with a 50% non-controlling interest as part of the Rolls-Royce group's consolidated accounts.

VINTERS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

12. CONTROLLING PARTY

The company is a subsidiary undertaking of Vinters Engineering plc, incorporated in Great Britain

The largest group in which the results of the company are consolidated is that headed by Rolls-Royce Holdings plc. The smallest group in which the results of the company are consolidated is that headed by Rolls-Royce plc, incorporated in Great Britain.

The consolidated accounts of these groups are available to the public and may be obtained from 65 Buckingham Gate, London, SW1E 6AT