

Registration number: 00542021

Vinters International Limited

Annual Report and Financial Statements
for the year ended 31 December 2020

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Vinters International Limited

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Vinters International Limited

Company Information

Registered office

Moor Lane
Derby
Derbyshire
DE24 8BJ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Vinters International Limited
Strategic Report
for the year ended 31 December 2020

The Directors present their Strategic Report on Vinters International Limited (the "Company") together with the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Company during the year were that of a holding company. The Company had no other activities during the current or prior financial year.

Business review

The Company holds investments in subsidiaries within the Power Systems sector of the Rolls-Royce Holdings plc group.

Profit for the year was £71,728,000 (2019: £625,399,000). This was as a result of no investment disposals in 2020 compared to achieving a profit on disposal of £251,853,000 from the disposal of investments in the Commercial Marine entities in 2019. Lower dividend income was received (£92,094,000 received in 2020 compared to £426,454,000 received in 2019), as a result of the impacts of COVID-19 on the financial performance of its investments. The carrying value of the investment in Rolls-Royce Power Systems AG was retained with no investment impairment charged during 2020 (2019: impairment of £35,696,000 on investment in Kamewa Holdings AB).

The net assets of the Company at 31 December 2020 were £399,435,000 (2019: £327,707,000). Net assets have increased due to the repayment of capital of £96,599,000 (2019: £911,480,000) on the outstanding intercompany loan with Rolls-Royce plc which was offset by interest accrued during the year of £18,235,000 (2019: £28,222,000). The total outstanding amounts payable at 31 December 2020 were £2,012,063,000 (2019: £2,082,656,000) - further details of the loan movements can be seen in note 12. In addition, the Company has recognised a deferred tax asset of £8,875,000 (2019: £nil), for corporate interest restriction disallowance applied within the Rolls-Royce Holdings plc group.

Principal risks and uncertainties

The Company acts in accordance with the policies set by Rolls-Royce Holdings plc. The Rolls-Royce Holdings plc group has an established, structured approach to risk management which is detailed in the Rolls-Royce Holdings plc Annual Report which can be obtained from the address in note 16.

The Directors have determined that the carrying value of investments is a principal risk and uncertainty facing the Company. The Company holds a significant investment in one subsidiary within the Power Systems sector of the Rolls-Royce Holdings plc group. A decline in this subsidiary undertaking could materially impact upon the carrying value of investments in the Company's balance sheet. The Company undertakes a review of the carrying value of investments annually to identify trigger events and performs a discounted cash flow analysis if any trigger event is identified.

Financial risk management

The following financial risks are considered key by the Directors:

Liquidity

The Company has a loan with Rolls-Royce Holdings plc group undertakings which is held at a floating rate and is therefore exposed to movements in interest rates which is mitigated by the Rolls-Royce Holdings plc group managing the overall interest rate risk at a group level. At the balance sheet date, the Company had a loan with Kamewa Holdings AB, this was settled in full after the liquidation of Kamewa Holdings AB in June 2021.

Vinters International Limited
Strategic Report
for the year ended 31 December 2020 (continued)

Financial risk management (continued)

Credit risk

The Company's credit risk is primarily attributable to fellow group undertakings not being able to meet their obligation leading to financial costs. The amounts in the balance sheet are presented net of allowances for doubtful debts. Since all of the trade receivables are due from fellow Rolls-Royce Holdings plc group undertakings which are supported by Rolls-Royce plc if required, the overall credit risk to the Company is deemed to be low.

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from cash flow transactions with other group companies which are denominated in currencies other than Sterling. To mitigate this risk, the Company enters into derivative forward contracts in order to economically hedge exposures in a currency other than its functional currency.

Key performance indicators

The key performance indicator monitored by the business was profit after tax. Given the nature of the Company's activities, the Company's Directors believe that no further key performance indicators are necessary or appropriate for an understanding of the Company's specific development, performance or the position of its business.

Climate-related corporate reporting

Given the principal activities of the Company, the Directors believe that there are no specific climate-related risks or requirements. The Company adopts the policies and frameworks set by the Rolls-Royce Holdings plc group which include the sustainability measures set out in the Rolls-Royce Holdings plc Annual Report on page 34. The Company is aligned to the objectives of the Rolls-Royce Holdings plc group. The Directors fully recognise their responsibility to have regard to the impact of the Company's operations on the community and environment.

Streamlined Energy & Carbon Reporting (SECR)

The Company is a subsidiary of the Rolls-Royce Holdings plc group and therefore the SECR disclosures required in relation to both Rolls-Royce Holdings plc and the Company have been included in the Rolls-Royce Holdings plc Annual Report on pages 38 and 39. The Rolls-Royce Holdings plc Annual Report has been prepared for the same financial year as the Company.

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, Section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

To discharge their Section 172 duties the Company's Directors had regard to the factors set out above in making the principal decisions taken by the Company.

The Company's key stakeholder is its immediate parent, Vinters Engineering Limited. The Company Directors believe that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2020.

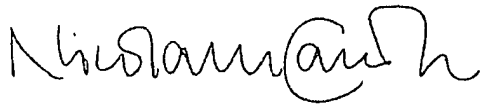
Vinters International Limited
Strategic Report
for the year ended 31 December 2020 (continued)

Section 172(1) statement (continued)

From the perspective of the Company's Directors, as a result of the Rolls-Royce Holdings plc group governance structure, the Rolls-Royce Holdings plc Board of Directors have taken the lead in carrying out the duties of a board in respect of the Company's other stakeholders. The Company's Directors have also considered relevant matters where appropriate to the Company through ad hoc board meetings. As the Company is an immediate holding company and has no employees, consideration of the business relationships with the Company's wider stakeholders; the impact of the Company's operations on the environment and communities in which it operates; and the Company's compliance in relation to safeguarding of human rights and community relationships is not applicable. The Company has made no principal decisions during the year.

Culture is a combination of the values, attitudes and behaviours demonstrated by the Company in its activities and relations with stakeholders. The Company embodies and demonstrates the desired culture of the Rolls-Royce Holdings plc group to maintain a reputation for high standards of business conduct through the adoption of the Group Policy manual which ensures that the Company embodies the philosophy to act with integrity and is trusted to deliver excellence. Further details on the Group Policy manual and the policies the Company adopts can be found in the Rolls-Royce Holdings plc Annual Report which are publicly available from the address in note 16.

Approved by the Board on 6 August 2021 and signed on its behalf by:



.....
N Carroll
Director

Vinters International Limited
Directors' Report
for the year ended 31 December 2020

The Directors present their report on the Company together with the audited financial statements for the year ended 31 December 2020.

Principal activities

The principal activities of the Company during the year was that of a holding company. The Company had no other activities during the current or prior financial year.

Results

The profit for the financial year, after taxation, amounted to £71,728,000 (2019: profit after taxation of £625,399,000).

Dividends

The Directors do not recommend the payment of a dividend (2019: £Nil).

Future developments

The Directors do not expect any change to the level of activity for the foreseeable future. The Company will continue to hold investments in subsidiaries of the Rolls-Royce Holdings plc group.

Financial risk management

Further details of the financial risk management are set out in the Strategic Report on page 3.

Directors

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

Rolls-Royce Industries Limited (resigned 18 August 2020)

I R Hetherington (appointed 13 May 2020 and resigned 28 August 2020)

J Gentles (appointed 18 August 2020 and resigned 15 January 2021)

T Iacolino (appointed 18 August 2020)

N Carroll (appointed 15 January 2021)

Qualifying third party indemnity provisions

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of this report.

Going concern

The financial statements have been prepared on a going concern basis. The Company has net current liabilities of £150,880,000 (2019: £129,277,000) as the result of amounts due to group undertakings of which £154,562,000 has been settled subsequent to the balance sheet date on the wind up of the counterparty. The Directors determine that the future cash inflows to arise through dividend income from its investments which would be used to settle intercompany loans, due to mature in 2031. Interest on the loans with group undertakings results in annual cash outflows. The dividend amounts received and timing are dependent on the financial performance of its investments. The Directors consider that the Company will have the financial resources to meet its financial liabilities as they fall due but due to the nature of the cash flows, is reliant on support from its parent undertaking.

Vinters International Limited

Directors' Report for the year ended 31 December 2020 (continued)

Going concern (continued)

As a result Rolls-Royce plc, a parent undertaking, has provided written confirmation of its intention to continue to provide financial support, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the Company has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future. Rolls-Royce plc group have considered the forecast cash flows and liquidity of the group for a period to February 2023 and has the potential to provide financial support if required. After considering the above, the Directors are satisfied that it remains appropriate to prepare the Company financial statements on a going concern basis.

Post balance sheet events

As at 11 June 2021, the Company received a dividend of 1,728,234,000 SEK as part of the Kamewa Holdings AB liquidation, of which the proceeds were utilised to settle the outstanding loan and accrued interest of 1,729,343,000 SEK (£154,562,000) at the balance sheet date and all other residual balances with Kamewa Holdings AB.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of Directors' Responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Vinters International Limited

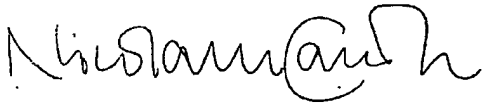
**Directors' Report
for the year ended 31 December 2020 (continued)**

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 6 August 2021 and signed on its behalf by:



.....
N Carroll
Director

Vinters International Limited

Independent Auditors' Report to the members of Vinters International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vinters International Limited 's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2020; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Vinters International Limited

Independent Auditors' Report to the members of Vinters International Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Vinters International Limited

Independent Auditors' Report to the members of Vinters International Limited (continued)

Auditors' 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 auditors' 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to applicable Generally Accepted Accounting Practices and tax compliance legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions throughout the audit with management and the company's in-house legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Assess completeness of journal entries to identify unusual journal entries for testing. As there are limited transactions given the nature of the Company's activities, all journals have been audited; and
- Challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias), in particular impairment assessments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Vinters International Limited

**Independent Auditors' Report to the members of Vinters International Limited
(continued)**

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Rachel Cletheroe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
6 August 2021

Vinters International Limited
Income Statement
for the year ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Profit on disposal of assets held for sale	3	-	251,853
Impairment of investments	9	-	(35,696)
Profit before financing and taxation		-	216,157
Income from shares in group undertakings	9	92,094	426,454
Finance income	4	481	7,362
Finance costs	5	(32,109)	(28,594)
Profit before taxation		60,466	621,379
Tax on profit	8	11,262	4,020
Profit for the financial year		71,728	625,399

The above results were derived from continuing operations.

The notes on pages 16 to 30 form an integral part of these financial statements.

Vinters International Limited
Statement of Comprehensive Income
for the year ended 31 December 2020

	2020 £ 000	2019 £ 000
Profit for the financial year	<u>71,728</u>	<u>625,399</u>
Total comprehensive income for the year	<u>71,728</u>	<u>625,399</u>

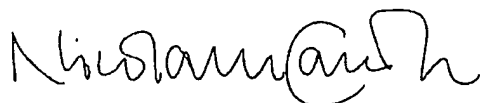
The notes on pages 16 to 30 form an integral part of these financial statements.

Vinters International Limited
Balance Sheet
as at 31 December 2020
(Registration number: 00542021)

	Note	2020 £ 000	(As restated) 2019 £ 000
Non-current assets			
Investments	9	2,398,941	2,398,941
Deferred tax	8	8,875	-
		<u>2,407,816</u>	<u>2,398,941</u>
Current assets			
Trade and other receivables	11	3,469	11,118
Cash and cash equivalents	10	213	304
		<u>3,682</u>	<u>11,422</u>
Current liabilities			
Loans and borrowings	12	(154,562)	(140,699)
Net current (liabilities)/assets		<u>(150,880)</u>	<u>(129,277)</u>
Total assets less current liabilities		<u>2,256,936</u>	<u>2,269,664</u>
Non-current liabilities			
Loans and borrowings	12	(1,857,501)	(1,941,957)
Net assets		<u>399,435</u>	<u>327,707</u>
Equity			
Called up share capital	13	230,125	230,125
Share premium account		42,862	42,862
Retained earnings		126,448	54,720
Total equity		<u>399,435</u>	<u>327,707</u>

The prior financial year comparatives have been restated for the classification of loans and borrowings. Further details are in note 2.

The financial statements on pages 12 to 30 were approved and authorised for issue by the Directors on 6 August 2021 and signed on its behalf by:



.....
N Carroll
Director

The notes on pages 16 to 30 form an integral part of these financial statements.

Vinters International Limited
Statement of Changes in Equity
for the year ended 31 December 2020

	Called up share capital £ 000	Share premium account £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	<u>230,125</u>	<u>42,862</u>	<u>54,720</u>	<u>327,707</u>
Profit for the financial year	<u>-</u>	<u>-</u>	<u>71,728</u>	<u>71,728</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>71,728</u>	<u>71,728</u>
At 31 December 2020	<u>230,125</u>	<u>42,862</u>	<u>126,448</u>	<u>399,435</u>

	Called up share capital £ 000	Share premium account £ 000	(Accumulated losses)/Retained earnings £ 000	Total £ 000
At 1 January 2019	<u>230,125</u>	<u>42,862</u>	<u>(570,679)</u>	<u>(297,692)</u>
Profit for the financial year	<u>-</u>	<u>-</u>	<u>625,399</u>	<u>625,399</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>625,399</u>	<u>625,399</u>
At 31 December 2019	<u>230,125</u>	<u>42,862</u>	<u>54,720</u>	<u>327,707</u>

The notes on pages 16 to 30 form an integral part of these financial statements.

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020

1 General information

The Company is a private company limited by shares, incorporated and domiciled in the East Midlands in the United Kingdom.

The address of its registered office is Moor Lane, Derby, Derbyshire, DE24 8BJ.

The principal activity of the Company is a holding company.

2 Significant accounting policies

The significant accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

Basis of preparation

The financial statements of Vinters International Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006.

In these financial statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- The following paragraphs of IAS 1, *Presentation of financial statements*:
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (statement of cash flows information);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements); and
 - 134-136 (capital management disclosures).
- IAS 7, *Statement of cash flows*;
- Paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and error* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24 *Related party disclosures*, to disclose related party transactions entered into between two or more members of a group;
- Paragraph 38 of IAS 1, *Presentation of financial statements* – comparative information requirements in respect of paragraph 73(e) of IAS 16 *Property, plant and equipment*;
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a), 120 to 127 and 129 of IFRS 15: *Revenue from Contracts with Customers*;
- IFRS 7 *Financial Instruments: Disclosures*; and
- Paragraph 17 of IAS 24, *Related party disclosures* (key management compensation).

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

2 Significant accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis. The Company has net current liabilities of £150,880,000 (2019: £129,277,000) as the result of amounts due to group undertakings of which £154,562,000 has been settled subsequent to the balance sheet date on the wind up of the counterparty. The Directors determine that the future cash inflows to arise through dividend income from its investments which would be used to settle intercompany loans, due to mature in 2031. Interest on the loans with group undertakings results in annual cash outflows. The dividend amounts received and timing are dependent on the financial performance of its investments. The Directors consider that the Company will have the financial resources to meet its financial liabilities as they fall due but due to the nature of the cash flows, is reliant on support from its parent undertaking.

As a result Rolls-Royce plc, a parent undertaking, has provided written confirmation of its intention to continue to provide financial support, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the Company has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future. Rolls-Royce plc group have considered the forecast cash flows and liquidity of the group for a period to February 2023 and has the potential to provide financial support if required. After considering the above, the Directors are satisfied that it remains appropriate to prepare the Company financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies. The financial statements are not considered to contain any area involving a higher degree of judgement or complexity and therefore no further considerations are required.

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, no new standards or IFRIC interpretations that are effective for the year ended 31 December 2020 that have a material impact on the Company's financial statements.

Prior period restatement

The balance sheet has been restated in line with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. IAS 1 requires that an entity shall classify a liability as current if the liability is due to be settled within 12 months after the reporting period. In 2019, the outstanding loan payable to Kamewa Holdings AB of £140,699,000 was classified within non-current loans and borrowings. At the 2019 financial statement signing date, the loan was expected to be repaid by 31 December 2020, which would have been within 12 months of the balance sheet date. This balance has therefore been restated as a current liability at 31 December 2019 in the current year financial statements. There is no impact on the net assets reported in the 2019 restated figures.

Investments

Investments held as non-current assets are shown at cost less accumulated impairment losses.

Impairment of non-current assets

Impairment of non-current assets is considered in accordance with IAS 36 *Impairment of Assets* and are assessed for any indications of impairment annually. If any indication of impairment is identified, an impairment test is performed to estimate the recoverable amount.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

2 Significant accounting policies (continued)

Exemption from preparing group accounts

The financial statements contain information about Vinters International Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its parent, Rolls-Royce plc, a company incorporated in the United Kingdom, which are publicly available. The address of the parent company's registered address is set out in note 16.

Financial instruments

Derivatives

Forward exchange derivative contracts are initially recognised at fair value at the date of inception of the contract and are subsequently remeasured to their fair value at each reporting date. Changes in fair value are recognised in the income statement as finance income/(costs).

The fair value of derivative financial instruments is determined using valuation techniques that utilise observable inputs (Level 2). The key assumptions used in valuing forward foreign exchange contracts are the forward exchange rates relating to the relevant currency pairs and maturity dates.

The Company does not apply hedge accounting for forward exchange derivative contracts in accordance with IFRS 9 *Financial Instruments*.

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 income statement as finance income/(costs).

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax changes or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

2 Significant accounting policies (continued)

Trade and other receivables

Trade and other receivables consist of amounts due from fellow group undertakings. The Company makes an estimate of the recoverable value of trade and other receivables. When assessing the impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Interest receivable/payable

Interest receivable/payable is credited/charged to the income statement using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and borrowings

All borrowings are initially recorded at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Functional and presentational currency

The functional and presentational currency of the Company is Pound Sterling.

Rounding of amounts

All amounts in the financial statements have been rounded to the nearer thousand Pounds Sterling unless otherwise stated.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

3 Profit on disposal of assets held for sale

The analysis of the Company's other gains and losses for the year is as follows:

	2020	2019
	£ 000	£ 000
Profit on disposal of assets held for sale	<u>-</u>	<u>251,853</u>

On 1 April 2019 the Company completed the sale of its interests in the Commercial Marine business for a cash consideration of £337,884,000. This was part of the wider disposal of the Commercial Marine business by Rolls-Royce Holdings plc. There were no disposals during the year ended 31 December 2020, and no assets were classified as held for sale.

Prior to the disposal of the Commercial Marine business, the Company held a carrying value of £86,031,000 pertaining to assets held for sale, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, in respect of its 100% shareholding in Rolls-Royce Marine AS and Rolls-Royce Oy AB, two of the companies included within the Commercial Marine disposal.

The profit on disposal of £251,853,000 thousand was derived thus:

	2019
	£ 000
Consideration received in respect of shareholdings disposed	337,884
Less:	
Carrying value of Rolls-Royce Marine AS disposed	(63,186)
Carrying value of Rolls-Royce Oy AB disposed	(22,845)
Profit on disposal	<u>251,853</u>

4 Finance income

	2020	2019
	£ 000	£ 000
Interest receivable	10	13
Foreign exchange gains	-	429
Gains on derivatives	471	6,920
	<u>481</u>	<u>7,362</u>

The Company enters into forward exchange derivative contracts to mitigate the exchange risk for certain foreign currency receivables. During the year, the Company entered into a contract to sell €100,000,000 (2019: €500,000,000) in exchange for a fixed sterling amount. There was a gain resulting from this transaction of £471,000 (2019: £6,920,000). At 31 December 2020 the Company does not have any outstanding forward foreign exchange derivative contracts (2019: nil).

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

5 Finance costs

	2020 £ 000	2019 £ 000
Interest payable	19,075	28,594
Foreign exchange loss	13,034	-
	<u>32,109</u>	<u>28,594</u>

6 Auditors' remuneration

The fees for the audit of the Company financial statements were £33,000 (2019 - £27,000) and were paid on its behalf by Rolls-Royce plc £Nil (2019: £Nil) was paid to the Company's auditors for non-audit services.

7 Employees and Directors costs

The Company has no employees in either the current or prior financial year.

All Directors fees or emoluments were paid by Rolls-Royce plc and the amount attributable to the qualifying services provided by the Directors to the Company cannot be reliably estimated. No charge has been made in the current or prior years for the services of Directors.

8 Taxation

Tax credited in the income statement

	2020 £ 000	2019 £ 000
Current taxation		
Group relief receivable at 19% (2019: 19%)	(2,387)	(4,034)
Adjustment to prior periods	-	14
Total current tax credit	<u>(2,387)</u>	<u>(4,020)</u>
Deferred taxation		
Origination and reversal of temporary differences	(3,622)	-
Adjustments in respect of prior periods	(5,253)	-
Total deferred tax credit	<u>(8,875)</u>	<u>-</u>
Total tax on profit	<u>(11,262)</u>	<u>(4,020)</u>

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

8 Taxation (continued)

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

The differences are explained below:	2020 £ 000	2019 £ 000
Profit before tax	<u>60,466</u>	<u>621,379</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	11,489	118,062
Effects of:		
Adjustments in respect of prior periods	(5,253)	14
Income non-taxable	<u>(17,498)</u>	<u>(122,096)</u>
Total tax credit	<u>(11,262)</u>	<u>(4,020)</u>

Factors that may affect future tax charges

The Spring 2020 Budget announced that the UK corporation tax rate would remain at 19% rather than reducing to 17% from 1 April 2020.

The Spring 2021 Budget further announced that the UK corporation tax rate will increase to 25% from 1 April 2023. The deferred tax asset has been calculated at 19% as this rate has been substantively enacted at the Balance Sheet date. Had the 25% been substantively enacted on or before 31 December 2020 it would have had the effect of increasing the deferred tax asset by £2,802,000.

Deferred tax

Deferred tax asset

	Asset – corporate interest restriction disallowance £ 000
As at 1 January 2020	–
Amount credited to income statement	<u>8,875</u>
As at 31 December 2020	<u>8,875</u>

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

9 Investments

Subsidiaries	£ 000	
Cost		
At 1 January and 31 December 2020		<u>3,464,142</u>
Accumulated provisions		
At 1 January and 31 December 2020		1,065,201
Net book value		
At 31 December 2020		<u>2,398,941</u>
At 31 December 2019		<u>2,398,941</u>
	2020	2019
	£ 000	£ 000
Dividend income received		
Rolls-Royce Power Systems AG	87, 858	426,440
Rolls-Royce Japan Co. Ltd	4,236	-
MTU Italia SRL	<u>-</u>	<u>15</u>
	<u>92,094</u>	<u>426,454</u>

In accordance with the requirements of IAS 36 *Impairment of Assets*, the carrying value of the Company's investment in Rolls-Royce Power Systems AG has been assessed by reference to value in use, estimated using the expected cash flow approach. Cash flow forecasts used to derive value in use have been prepared by management using the most recent forecasts, which are consistent with external sources of information on market conditions. These forecasts generally cover the next five years, with cash flows beyond this period based on a growth rate of 2.0% (2019: 1.0%) that reflects the products, industries and countries in which Rolls-Royce Power Systems AG operates. Whilst these forecasts represent management's best estimate, in addition, the impact on the cash flows of (i) a severe but plausible downside scenario and (ii) various sensitivities have also been considered.

Vinters International Limited

Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

9 Investments (continued)

The key assumptions for the impairment tests are the discount rate and, in the cash flow projections, the programme assumptions, the growth rates and the impact of foreign exchange rates on the relationship between selling prices and costs. Impairment tests are performed using prevailing exchange rates. The principal value in use assumptions for investment balances considered to be individually significant are:

- Trading assumptions (e.g. volume of equipment deliveries, pricing achieved and cost escalation) that are based on current and known future programmes, estimates of market share and long-term economic forecasts;
- Plausible downside scenario included with a 15% weighting;
- Cash flows beyond the five-year forecasts that are assumed to grow at 2.0% (2019: 1.0%); and
- Pre-tax discount rate of 11.7% (2019: 11.0%).

The Directors do not consider that any reasonably possible changes in the key assumptions would cause the value in use of the investment to fall below its carrying value.

The Company's investment in Kamewa Holdings AB was fully impaired in 2019 on the basis that Kamewa Holdings AB was expected to be dissolved during 2020 with no proceeds expected. Due to administrative requirements which have now been settled, Kamewa Holdings AB was not dissolved during 2020, but rather the liquidation proceedings were settled during June 2021. Accordingly, no further impairment charge has been made during 2020 (2019: £35,696,000 impairment charge).

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

9 Investments (continued)

The following were subsidiary undertakings / participating interest of the Company as at 31 December 2020:

*indicates a direct shareholding by the Company:

Company name	Share class	Address	% Holding 2020
Bergen Engines AS	Ordinary	125 Hordvikneset, N-5108 Hordvik, Bergen, 1201, Norway	100%
Bergen Engines Bangladesh Private Limited	Ordinary	Green Grandeur, 6th Floor, Plot n.58E, Kamal Ataturk Avenue Banani, C/A Dhaka, 1213, Bangladesh	100%
Bergen Engines BV	Ordinary	Werfdijk 2, 3195HV Pernis, Rotterdam, Netherlands	100%
Bergen Engines Denmark A/S	Ordinary	Ostre Halnepromenade 349000, Alborg, Denmark	100%
Bergen Engines India Private Limited	Ordinary	52-b 2nd Floor, Okhla Industrial Estate, Phase 3, New Delhi 110-020, India	100%
Bergen Engines Limited	Ordinary	Moor Lane, Derby, Derbyshire, DE24 8BJ, England	100%
Bergen Engines Property Co AS	Ordinary	125 Hordvikneset, N-5108 Hordvik, Bergen, 1201, Norway	100%
Bergen Engines SL	Social Participation	Calle Dinamarca, s/n (esquina Calle Alemania) Poligono, Industrial de Constanti, 43120 Constanti, Tarragona, Spain	100%
Bergen Engines SRL	Social Capital	13 Via Castel Morrone, 16161, Genoa, Italy	100%
Kamewa Holding AB* (In liquidation)	Ordinary	Box 1010, S-68129, Kristinehamn, Sweden	100%
Karl Maybach-Hilfe GmbH	Capital Stock	Maybachplatz 1, 88045, Friedrichshafen, Germany	100%
MTU Africa (Proprietary) Limited	Capital Stock	36 Marconi Street, Montague Gardens, Cape Town, 7441, South Africa	100%
MTU America Inc.	Ordinary	Corporation Service Company, 251 Little Falls Drive, Wilmington Delaware 19808, United States	100%
MTU Asia Pte Ltd	Ordinary	10 Tukang Innovation Drive, Singapore 618302	100%
MTU Benelux BV	Ordinary	Merwedestraat 86, 3313 CS, Dordrecht, Netherlands	100%

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

9 Investments (continued)

Company name	Share class	Address	% Holding 2020
MTU China Company Limited	Ordinary	Room 1803, 18/F Ascendas Plaza, No. 333 Hanyao Qiao Road, Xuhai District, Shanghai, 200030, China	100%
MTU Do Brasil Limitada	Ordinary	Via Anhanguera, KM 29203, 05276-000 Sao Paulo SP Brazil	100%
MTU Engineering (Suzhou) Co Limited	Ordinary	9 Long Yun Rd, Suzhou Industrial Park, Suzhou 215024 Jiang Su, China	100%
MTU France SAS	Ordinary	Immeuble Colorado, 8/10 Rue Rosa Luxembourg-Parc des Bellevues, 95610 Eragny-sur-Oise, France	100%
MTU Friedrichshafen GmbH	Capital Stock	1 Maybachplatz, 88045 Friedrichshafen, Germany	100%
MTU Hong Kong Ltd	Ordinary	Room 1006, 10/F, Hang Seng Tsimshatsui Building, 18 Carnarvon Road, Tsimshatsui, Kowloon, Hong Kong	100%
MTU Iberica Propulsion Y Energia SL	Ordinary	Calle Copernico 26-28, 28823 Coslada, Madrid, Spain	100%
MTU India Private Limited	Ordinary	H6th Floor, RM2 Galleria S/Y No. 144 Bengalura, Bangalore, Kamataka 560064, India	100%
MTU Israel Limited	Ordinary	4 Ha'Alon Street, South Building, Third Floor, 4059300 Kfar Neter, Israel	100%
MTU Italia SRL	Capital Stock	Via Aurelia Nord, 328, 19021 Arcola (SP), Italy	100%
MTU Japan Co Limited	Ordinary	Resorttrust Building 4-14-3, Nishitenma Kita-ku, Osaka, Japan	100%
MTU Korea Limited	Ordinary	22nd Floor, Olive Tower, 41 Sejongdaero 9gil, Junggo, 100-737, Seoul, Republic of Korea	100%
MTU Middle East FZE	Ordinary	S3B5SR06, Jebel Ali Free Zone, P.O. Box 61141 Dubai, United Arab Emirates	100%
MTU Motor Turbin Sanayi Ve Ticaret. A.S.	Ordinary	Hatira Solak, No. 5, Omerli Mahellesi, 34555 Arnavutköy, Istanbul, Turkey	100%
MTU Onsite Energy GmbH	Capital Stock	Dasinger Strasse 11, 86165, Augsburg, Germany	100%
MTU Onsite Energy Systems GmbH	Capital Stock	8 Rotthofer Straße, 94099 Ruhstorf a.d. Rott, Germany	75.1%

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

9 Investments (continued)

Company name	Share class	Address	% Holding 2020
MTU Polska Sp. Zoo	Ordinary	Ul. Slaska, Nr 9. Raum, Stargard Szczecinski, 73-110, Potsdam Stargard Szczecinski, Poland	100%
MTU Reman Technologies GmbH	Capital Stock	Friedrich-List-Strasse 8, 39122 Magdeburg, Germany	100%
MTU South Africa (Pty) Ltd	Ordinary	36 Marconi Street, Montague Gardens, Cape Town, 7441 South Africa	100%
MTU UK Limited	Ordinary	Moor Lane, Derby, Derbyshire, England, DE24 8BJ	100%
PT MTU Indonesia	Ordinary	Secure Building Blok B, Jl. Raya Protokol Halim, Perdanakusuma Jakarta, 13610, Indonesia	100%
Rolls-Royce Japan Co, Ltd*	Ordinary	31 Floor, Kasumigaseki building, Chiyoda-Ku, Tokyo 100-6031, Japan	100%
Rolls-Royce Solutions Berlin GmbH^	Preference A-Preference	Villa Rathenau, Wilhelminenhofstrasse 75 12459, Berlin, Germany	72%
Rolls-Royce Power Systems AG	Ordinary	1 Maybachplatz, 88045, Friedrichshafen, Germany	100%
Servowatch Systems Limited	Ordinary	Endeavour House, Benbridge Industrial Estate Holloway Road, Heybridge, Essex, CM9 4ER United Kingdom	100%
MTU Power Systems SDN BHD Malaysia	Ordinary	Level 10 Menara LGB, 1 Jalan wan Kadir Taman Tun Dr Ismail, 6000 Kuala Lumpur, Malaysia	100%
MTU South Africa (Pty) Ltd	Ordinary	36 Marconi Street, Montague Gardens, Cape Town, 7441 South Africa	100%

^ Vinters International Limited indirectly holds 100% of the Preference and 100% of the A-Preference share classes of Rolls-Royce Solutions Berlin GmbH. The overall ownership percentage is 72%.

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

9 Investments (continued)

Joint ventures

Details as at 31 December 2020 are as follows:

Company name	Share class	Address	Proportion of ownership interest and voting rights held 2020
Mest Co. Limited	Normal	97 Bukjeonggongdan 2-gil, Yangsan-si, Gyeongsangnom-do, 50571, Republic of Korea	46.8%
Shanxi North MTU Diesel Co Ltd	Ordinary	No.97 Daqing West Rd, Datong City, Shanxi Province, China	49%
ForceMTU Power Systems Private Limited	Capital Stock	Mumbai Pune Road, Maharashtra 411035, India	49%
MTU Power Systems SDN BHD Malaysia	Ordinary	Level 10 Menara LGB, 1 Jalan wan Kadir Taman Tun Dr Ismail, 6000 Kuala Lumpur, Malaysia	49%
MTU Yuchai Power Company Limited	Capital Stock	No 7 Danan Road, Yuchou, Yulin, Guangxi, China, 537005	50%

10 Cash and cash equivalents

	2020	2019
	£ 000	£ 000
Cash at bank	<u>213</u>	<u>304</u>

Vinters International Limited
Notes to the Financial Statements
for the year ended 31 December 2020 (continued)

11 Trade and other receivables

	2020 £ 000	2019 £ 000
Amounts owed by group undertakings	<u>3,469</u>	<u>11,118</u>

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Expected credit losses in respect of loans and receivables from group entities in accordance with IFRS 9 are not deemed to be material.

12 Loans and borrowings

	2020 £ 000	(As restated) 2019 £ 000
Current loans and borrowings		
Amounts due to group undertakings	<u>154,562</u>	<u>140,699</u>

The current liability at 31 December 2020 was 1,713,965,000 SEK (31 December 2019: 1,713,965,000 SEK) with interest accrued of 15,378,000 SEK (2019: 4,588,000 SEK) at an interest rate of STIBOR of 0.0517% plus margin of 0.3% from 1 January 2020 to 31 March 2020 and 0.409% plus margin of 0.3% from 1 April 2020 to 31 December 2020 (2019: STIBOR of 0.0517% plus margin of 0.3%). The liability in GBP at 31 December 2020 was £154,562,000 (2019: £140,699,000). The maturity date of the loan was originally 31 March 2020 this was subsequently extended to 31 December 2020. Due to delays with the liquidation, in January 2021, the loan was further extended to 30 June 2021.

The prior financial year comparatives have been restated for the classification of loans and borrowings. Further details are in note 2.

	2020 £ 000	(As restated) 2019 £ 000
Non-current loans and borrowings		
Amounts due to group undertakings	<u>1,857,501</u>	<u>1,941,957</u>

The Company holds a £2,900,000 thousand intercompany loan facility due to Rolls-Royce plc at an interest rate of 0.35% plus base rate as prescribed by the Bank of England. This intercompany loan is repayable in 2031. During the year the Company repaid capital amounting to £96,599,000 (2019: £911,480,000) along with interest of £27,093,000 (2019: £32,187,000). A further £21,000,000 (2019: £31,000,000) was drawn on the loan and interest of £18,235,000 (2019: £28,222,000) was accrued during the year. At 31 December 2020 amounts drawn were £1,838,773,000 (2019: £1,914,372,000) and interest accrued at 31 December 2020 was £18,727,000 (2019: £27,585,000).

The prior financial year comparatives have been restated for the classification of loans and borrowings. Further details are in note 2.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

13 Called up share capital

Allotted and fully paid shares

	2020		2019	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	230,125	230,125	230,125	230,125

14 Contingent liabilities

In January 2017, after full cooperation, the Rolls-Royce Holdings plc Group ('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. Following the expiry of its term the DPA with the DoJ was dismissed by the US District Court on 19 May 2020. 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.

15 Post balance sheet events

As at 11 June 2021, the Company received a dividend of 1,728,234,000 SEK as part of the Kamewa Holdings AB liquidation, of which the proceeds were utilised to settle the outstanding loan and accrued interest of 1,729,343,000 SEK (£154,562,000) at the balance sheet date and all other residual balances with Kamewa Holdings AB.

16 Parent and ultimate parent undertaking

The Company's immediate parent is Vinters Engineering Limited.

The ultimate parent undertaking and controlling party is Rolls-Royce Holdings plc, which is the parent undertaking of the largest group to consolidate these financial statements. Rolls-Royce plc is the parent undertaking of the smallest group to consolidate these financial statements.

Both sets of financial statements are available upon request from Kings Place, 90 York Way, London, United Kingdom, N1 9FX.