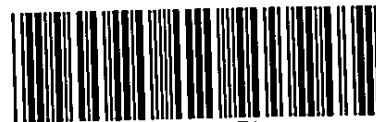


Registered number. 01189545

NEI OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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COMPANIES HOUSE

NEI OVERSEAS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	G Allan Rolls-Royce Directorate Limited
COMPANY SECRETARY	Rolls-Royce Secretariat Limited
REGISTERED NUMBER	01189545
REGISTERED OFFICE	Moor Lane Derby DE24 8BJ

NEI OVERSEAS HOLDINGS LIMITED

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NEI OVERSEAS HOLDINGS 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

NEI Overseas Holdings Limited is a holding company

DIRECTORS

The directors who served during the year were

G Allan
Rolls-Royce Directorate Limited

PROPOSED DIVIDENDS

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

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


Rolls-Royce Secretariat Limited
Secretary
Date 30 July 2013

NEI OVERSEAS HOLDINGS 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, 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 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 NEI OVERSEAS HOLDINGS LIMITED

We have audited the financial statements of NEI Overseas Holdings Limited for the year ended 31 December 2012, set out on pages 4 to 10. 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 2, 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.

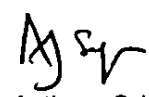
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.


Anthony Sykes (Senior Statutory Auditor)
for and on behalf of
KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date 30 July 2013

NEI OVERSEAS HOLDINGS LIMITED

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

	Note	2012 £000	2011 £000
Administrative income/(expense)		<u>24</u>	<u>(1)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		24	(1)
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	8	<u>24</u>	<u>(1)</u>

All amounts relate to continuing operations

The notes on pages 7 to 10 form part of these financial statements

NEI OVERSEAS HOLDINGS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		24	(1)
Unrealised deficit on revaluation of fixed asset investments	8	<u>(7)</u>	<u>(29)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>17</u>	<u>(30)</u>

The notes on pages 7 to 10 form part of these financial statements

NEI OVERSEAS HOLDINGS LIMITED
REGISTERED NUMBER: 01189545

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Investments	5		7,287		7,294
CURRENT ASSETS					
Debtors	6		3,362		3,338
NET ASSETS			<u>10,649</u>		<u>10,632</u>
CAPITAL AND RESERVES					
Called up share capital	7		36,013		36,013
Investment revaluation reserve	8		7,285		7,292
Profit and loss account	8		(32,649)		(32,673)
SHAREHOLDERS' FUNDS	9		<u>10,649</u>		<u>10,632</u>

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



G Allan
Director

Date 30 July 2013

The notes on pages 7 to 10 form part of these financial statements

NEI OVERSEAS HOLDINGS 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 £7,285 thousand (2011 - £7,292 thousand), and in accordance with applicable accounting standards. The revaluation reserve relates to revaluation of investments as described in 1.5 below.

1.2 Group financial statements

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

1.3 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 FRS1.

1.4 Related party transactions

The company has taken advantage of the exemption in FRS8 not to disclose related party transactions with other group companies.

1.5 Investments

Investments in subsidiary undertakings have been revalued each 31 December with the surplus arising on revaluation being taken to an Investment revaluation reserve. Deficits not covered by prior revaluations are written-off through the profit and loss for the year.

Other investments held as fixed assets are shown at cost and are assessed for impairment annually.

1.6 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.

NEI OVERSEAS HOLDINGS LIMITED

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

2. AUDITOR'S REMUNERATION

The fees for the audit of the company financial statements were £6,000 (2011 - £6,000) 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)

4. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - the same as) 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/loss on ordinary activities before tax	24	(1)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	6	-
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(6)	-
Current tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may significantly affect future tax charges

NEI OVERSEAS HOLDINGS LIMITED

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

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 January 2012	81	7,213	7,294
Revaluations	(7)	-	(7)
At 31 December 2012	<u>74</u>	<u>7,213</u>	<u>7,287</u>
Net book value			
At 31 December 2012	<u>74</u>	<u>7,213</u>	<u>7,287</u>
At 31 December 2011	<u>81</u>	<u>7,213</u>	<u>7,294</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Kalvet Engineering (Proprietary) Limited	Ordinary	100%
NEI (Thailand) Limited	Ordinary	100%

Name	Business	Registered office
Kalvet Engineering (Proprietary) Limited	Dormant	South Africa
NEI (Thailand) Limited	Dormant	Thailand

The amount at which the above fixed asset investments would have been included in the financial statements under the historical cost accounting rules is £7,213,000 (2011 £7,213,000)

The unlisted investment is an investment Rolls-Royce Holdings Canada Inc. It has not been revalued during the year as it is not a direct subsidiary of the company

In the opinion of the directors these fixed asset investments are worth as least the amounts at which they are stated in the balance sheet

6. DEBTORS

	2012 £000	2011 £000
Amounts owed by group undertakings	3,363	3,338
Other debtors	(1)	-
	<u>3,362</u>	<u>3,338</u>

NEI OVERSEAS HOLDINGS LIMITED

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

7. SHARE CAPITAL

	2012 £000	2011 £000
Allotted, called up and fully paid		
36,013,100 Ordinary shares of £1 each	<u>36,013</u>	<u>36,013</u>

8. RESERVES

	Investment revaluation reserve £000	Profit and loss account £000
At 1 January 2012	7,292	(32,673)
Profit for the year	-	24
Revaluation of investments	(7)	-
	<u>7,285</u>	<u>(32,649)</u>
At 31 December 2012		

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	10,632	10,662
Profit/(loss) for the year	24	(1)
Revaluation of investments	(7)	(29)
	<u>10,649</u>	<u>10,632</u>
Closing shareholders' funds		

10. CONTROLLING PARTY

The immediate parent undertaking is Rolls-Royce Power Engineering plc

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.

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