

---

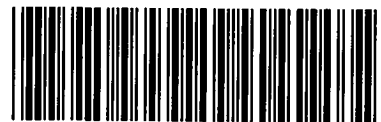
**NEI OVERSEAS HOLDINGS LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

FRIDAY



\*A3AX9NNS\*

A38

27/06/2014

#90

COMPANIES HOUSE

---

**NEI OVERSEAS HOLDINGS LIMITED**

---

**COMPANY INFORMATION**

---

<b>DIRECTORS</b>	G Allan (resigned 31 December 2013) Rolls-Royce Directorate Limited W Mansfield (appointed 22 October 2013)
<b>COMPANY SECRETARY</b>	Rolls-Royce Secretariat Limited
<b>REGISTERED NUMBER</b>	01189545
<b>REGISTERED OFFICE</b>	Moor Lane Derby DE24 8BJ

---

**NEI OVERSEAS HOLDINGS LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	1
<b>Directors' responsibilities statement</b>	2
<b>Independent auditor's report</b>	3
<b>Profit and loss account</b>	4
<b>Statement of total recognised gains and losses</b>	5
<b>Balance sheet</b>	6
<b>Notes to the financial statements</b>	7 - 10

---

**NEI OVERSEAS HOLDINGS LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

The directors present their report and the financial statements for the year ended 31 December 2013.

**PRINCIPAL ACTIVITIES**

NEI Overseas Holdings Limited is a holding company.

**RESULTS**

The profit for the year, after taxation, amounted to £10 thousand (2012 - £24 thousand).

**DIRECTORS**

The directors who served during the year were:

G Allan (resigned 31 December 2013)  
Rolls-Royce Directorate Limited  
W S Mansfield (appointed 22 October 2013)

**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.

**DISCLOSURE 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 relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

Our auditor, KPMG Audit Plc have instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and resolution concerning their appointment will be proposed at the next board of directors meeting.

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



**Rolls-Royce Secretariat Limited**  
Secretary

Date: 23 June 2014

---

**NEI OVERSEAS HOLDINGS LIMITED**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND  
THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

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 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 NEI OVERSEAS HOLDINGS LIMITED**

We have audited the financial statements of NEI Overseas Holdings Limited for the year ended 31 December 2013, 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](http://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 2013 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 from the requirement to prepare a strategic report.



Jimmy Daboo (Senior Statutory Auditor)  
for and on behalf of  
**KPMG Audit Plc, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 23/6/14

---

NEI OVERSEAS HOLDINGS LIMITED

---

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

	Note	2013 £000	2012 £000
Administrative income/(expense)		-	24
<b>OPERATING PROFIT</b>		-	24
Income from shares in group undertakings		10	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		10	24
Tax on profit on ordinary activities	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	8	10	24

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 2013

---

	Note	2013 £000	2012 £000
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>10</b>	<b>24</b>
Unrealised deficit on revaluation of fixed asset investments	8	<u>(16)</u>	<u>(7)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><b>(6)</b></u>	<u><b>17</b></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 2013**

	Note	2013 £000	2012 £000
<b>FIXED ASSETS</b>			
Investments	5	7,271	7,287
<b>CURRENT ASSETS</b>			
Debtors	6	3,372	3,362
<b>NET ASSETS</b>		<u>10,643</u>	<u>10,649</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	36,013	36,013
Investment revaluation reserve	8	7,269	7,285
Profit and loss account	8	(32,639)	(32,649)
<b>SHAREHOLDERS' FUNDS</b>	9	<u>10,643</u>	<u>10,649</u>

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



**Rolls-Royce Directorate Limited**

Director

Date: 23 June 2014

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**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 £7,269 thousand (2012 - £7,285 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 2013**

---

**2. AUDITOR'S REMUNERATION**

The fees for the audit of the company financial statements were £6,000 (2012 - £6,000) and were paid by Rolls-Royce plc.

**3. STAFF COSTS**

The Company has no employees. The directors did not receive any remuneration (2012 - £NIL).

**4. TAXATION**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	<b>2013 £000</b>	<b>2012 £000</b>
Profit on ordinary activities before tax	<b>10</b>	<b>24</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	<b>2</b>	<b>6</b>
<b>Effects of:</b>		
Non-taxable income	<b>(2)</b>	<b>(6)</b>
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

There were no factors that may significantly affect future tax charges.

**5. FIXED ASSET INVESTMENTS**

	<b>Investments in subsidiary companies £000</b>	<b>Unlisted investments £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 January 2013	<b>74</b>	<b>7,213</b>	<b>7,287</b>
Revaluations	<b>(16)</b>	<b>-</b>	<b>(16)</b>
At 31 December 2013	<b>58</b>	<b>7,213</b>	<b>7,271</b>
<b>Net book value</b>			
At 31 December 2013	<b>58</b>	<b>7,213</b>	<b>7,271</b>
At 31 December 2012	<b>74</b>	<b>7,213</b>	<b>7,287</b>

---

**NEI OVERSEAS HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**5. FIXED ASSET INVESTMENTS (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
Kalvet Engineering (Proprietary) Limited	Ordinary	100%

<b>Name</b>	<b>Business</b>	<b>Registered office</b>
Kalvet Engineering (Proprietary) Limited	Dormant	South Africa

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 (2012: £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.

**Unlisted investments**

The company has the following unlisted investment:

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>
Northern Engineering Industries Africa Limited (in liquidation)	South Africa	24%

**6. DEBTORS**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>3,372</b>	3,363
Other debtors	-	(1)
	<b><u>3,372</u></b>	<b><u>3,362</u></b>

**7. SHARE CAPITAL**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
36,013,100 Ordinary shares of £1 each	<b><u>36,013</u></b>	<b><u>36,013</u></b>

---

## NEI OVERSEAS HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

---

#### 8. RESERVES

	Investment revaluation reserve £000	Profit and loss account £000
At 1 January 2013	7,285	(32,649)
Profit for the financial year	-	10
Revaluation of investments	(16)	-
	<hr/>	<hr/>
At 31 December 2013	7,269	(32,639)
	<hr/>	<hr/>

#### 9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Opening shareholders' funds	10,649	10,632
Profit for the financial year	10	24
Revaluation of investments	(16)	(7)
	<hr/>	<hr/>
Closing shareholders' funds	10,643	10,649
	<hr/>	<hr/>

#### 10. CONTINGENT LIABILITIES

On 6 December 2012, Rolls-Royce Holdings plc (the ultimate parent company of the company) announced that it had passed information to the Serious Fraud Office (SFO), an independent United Kingdom government department, relating to concerns in overseas markets. Since that date Rolls-Royce Holdings plc has continued its investigations and is engaging with the SFO and other authorities in the UK, the USA and elsewhere.

In December 2013, Rolls-Royce Holdings plc announced that it had been informed by the SFO that it had commenced a formal investigation. The consequence of these disclosures will be decided by the regulatory authorities. It remains too early to predict the outcomes, but these could include the prosecution of individuals and of the Rolls-Royce Holdings plc group. Accordingly, the potential for fines, penalties or other consequences (including debarment from government contracts, suspension of export privileges and reputational damage) cannot currently be assessed. As the investigation is ongoing, it is not yet possible to identify the timescale in which these issues might be resolved.

#### 11. 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.