

Registered number: 1489323

Rolls-Royce and Japanese Aero Engines Limited

Annual report and financial statements
for the year ended 31 March 2010

**Directors on
13 October 2010**

M Ibi
K Ichimaru
M Ito
M King
K Seki
M J Terrett
Y Watanabe

Secretary :

D J Goma



Registered Office : Moor Lane, Derby DE24 8BJ

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Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 31 March 2010

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Principal activities

The principal activity of the Company is co-ordination of the design, development and manufacture of aero engines. The Directors do not expect any change in the present level of activity in the foreseeable future

Directors

The directors, who served throughout the year except as noted, were as follows

S Hasegawa (resigned 31 March 2010)

M Ibi (appointed 1 April 2010)

K Ichimaru

M Ito

M King

K Seki

M J Terrett

Y Watanabe

Directors' indemnities

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

Statement as to disclosure of information to auditors

So far as each of the persons who were directors of the company at the date of approval of this directors' report is aware, there is no relevant audit information of which the company's auditors are individually unaware. Each director has taken all the steps that s/he ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

Approved by the Board and signed on its behalf by

D J Goma
Secretary

13 October 2010



Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 auditors' report to the members of Rolls-Royce and Japanese Aero Engines Limited

We have audited the financial statements of Rolls-Royce and Japanese Aero Engines Limited for the year ended 31st March 2010 set out on pages 4 to 6. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' 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 auditors

As explained more fully in the Statement of directors' responsibilities 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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 31st March 2010 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

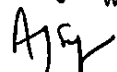
Opinion on other matter prescribed by the Companies Act 2006

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.



A J Sykes (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
London

13 October 2010

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

The Company did not trade during the current or prior year. The Company did not receive any income or incur any expenditure during the year and consequently has made neither profit nor loss.

BALANCE SHEET AS AT 31 MARCH 2010

	Notes	2010 £	2009 £
Current assets			
Debtors	4	2,999	2,999
Cash at bank and in hand		2,747	2,747
		<u>5,746</u>	<u>5,746</u>
Creditors: Amounts falling due within one year	5	(3,746)	(3,746)
Net current assets		<u>2,000</u>	<u>2,000</u>
Net assets		<u>2,000</u>	<u>2,000</u>
Capital and reserves			
Called-up share capital	6	<u>2,000</u>	<u>2,000</u>
Shareholders' funds		<u>2,000</u>	<u>2,000</u>

The financial statements on pages 4 to 6 were approved by the board of directors and signed on its behalf by



M J Terrett

Director

13 October 2010

Company number 1489323

Notes to the financial statements

31 March 2010

1 Significant accounting policies

The principal accounting policies are summarised below

Basis of preparation

The financial statements have been prepared on the going concern basis, in accordance with applicable accounting standards, on the historical cost basis except where FRS requires an alternative treatment

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1

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

2 Audit remuneration

The fees for the audit of the company financial statements were £1,000 (2009 £1,000) and were paid by Rolls-Royce plc

3 Employee Information

The company had no employees during the year ended 31 March 2010 (2009 Nil)

No remuneration has been received by the directors in respect of their services to the Company (2009 £Nil)

4 Debtors

	2010 £	2009 £
Trade debtors	<u>2,999</u>	<u>2,999</u>

Notes to the financial statements
31 March 2010

5 Creditors Amounts falling due within one year

	2010 £	2009 £
Trade creditors	<u>3,746</u>	<u>3,746</u>

6 Share capital

	2010 £	2009 £
Authorised, issued and fully paid 1000 'A' ordinary shares of £1 each	1,000	1,000
Authorised, issued and fully paid 1000 'B' ordinary shares of £1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>

The shares are held as follows

Rolls-Royce plc, London, England

IHI Corporation Tokyo, Japan

Kawasaki Heavy Industries Ltd, Tokyo, Japan

Mitsubishi Heavy Industries Ltd, Tokyo, Japan

1000 A shares

598 B shares

252 B shares

150 B shares

2,000

The rights attaching to the two classes of shares are identical in all respects