

**COMPANY NUMBER 1975872**

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
**(formerly Sinfin Freight Forwarding Limited)**

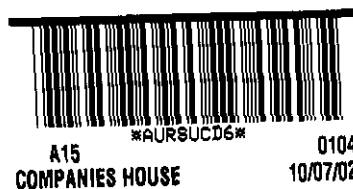
**Annual Report**  
**for the year ended 31 December 2001**

**Directors on**  
**12<sup>th</sup> June 2002:**

**J R Ashfield**  
**J F Gibbins**  
**D J Goma**  
**J E Warren**

**Secretary :**

**J R Ashfield**



**Registered Office : Moor Lane, Derby DE24 8BJ**

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
**(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)**

**REPORT OF THE DIRECTORS**

The Directors present their report and audited accounts for the year ended 31 December 2001.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**PRINCIPAL ACTIVITY**

During the year the Company's freight forwarding activities were transferred to Rolls-Royce plc. On 20<sup>th</sup> December 2001 the Company entered into an agreement with Rolls-Royce plc under which it will provide aftermarket services (total care packages) to Rolls-Royce plc customers. The results for the year relate only to the transferred freight forwarding activities. The company changed its name to Rolls-Royce Total Care Services Limited on 26<sup>th</sup> November 2001.

**RESULTS**

The results of the Company for the year are set out on page 5. During the year the directors declared a gross interim dividend of £461,683. The directors do not recommend payment of a final dividend.

**DIRECTORATE**

The directors of the Company during the year were as follows:

J R Ashfield	(appointed 23 November 2001)
J F Gibbins	
D J Goma	(appointed 23 November 2001)
J D Harvey	(resigned 23 October 2001)
P Janes	(resigned 23 October 2001)
R W Overton	(resigned 23 October 2001)
J E Warren	(appointed 27 November 2001).

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)

**DIRECTORS' SHARE INTERESTS**

None of the directors, or their immediate family, has any beneficial interest in the shares of the Company during the year. The beneficial interests of directors holding office at 31 December 2001, including immediate family, in the ordinary share capital of Rolls-Royce plc are as follows:

	<b><u>*HOLDINGS</u></b>		<b><u>OPTIONS</u></b>			
	<u>01.01.2001</u>	<u>31.12.2001</u>	<u>01.01.2001</u>	<u>Granted</u>	<u>Exercised</u>	<u>31.12.2001</u>
J R Ashfield	421	461	3,386	-	-	3,386
J F Gibbins	126	126	-	-	-	-
D J Goma	-	-	1,496	3,064	-	4,560
J E Warren	803	2,341	24,599	24,737	6,900	42,436

\*The above interests under Holdings include shares held in trust for the following directors:

	<b><u>Annual Performance Related Award Scheme<sup>1</sup></u></b>		<b><u>Profit Sharing Share Scheme<sup>2</sup></u></b>	
	<u>01.01.2001</u>	<u>31.12.2001</u>	<u>01.01.2001</u>	<u>31.12.2001</u>
J E Warren	803	2,341	-	-

<sup>1</sup> Under the Annual Performance Related Award Scheme, shares vest after two years.

<sup>2</sup> Under the Profit Sharing Share Scheme, shares vest after three years.

**PAYMENT TO SUPPLIERS**

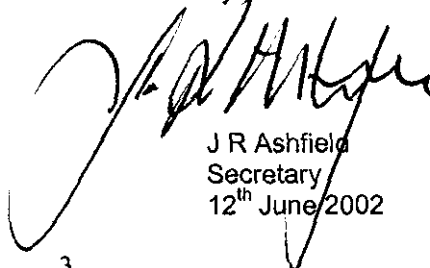
The Company seeks the best possible terms from suppliers and, in entering into binding purchasing contracts, gives consideration to quality, delivery, price and the terms of payment. Suppliers are, in this way, made aware of these terms. The Company abides therewith whenever it is satisfied that suppliers have provided the goods or services in accordance with agreed terms and conditions. In the event of disputes efforts are made to resolve them quickly.

The Company had nil days purchases outstanding at the end of the year (2000 57 days).

**AUDITORS AND ANNUAL GENERAL MEETING**

Elective Resolutions are in force to dispense with the obligation of laying the Annual Report before the Company in general meeting, appointing auditors annually and holding Annual General Meetings.

By Order of the Board

  
J R Ashfield  
Secretary  
12<sup>th</sup> June 2002

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**

We have audited the financial statements set out on pages 5 to 11.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants,  
Registered Auditor

*12 June 2002*  
Nottingham

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
**(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2001**

	NOTES	Discontinued activity 2001 £000	Discontinued activity 2000 £000
<b>TURNOVER</b>	1c	3,947	6,272
Cost of sales		(3,690)	(5,811)
<b>GROSS PROFIT</b>		<u>257</u>	<u>461</u>
Administrative expenses		(50)	(241)
<b>OPERATING PROFIT</b>		<u>207</u>	<u>220</u>
Other interest (payable)/receivable	2	(3)	27
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<u>204</u>	<u>247</u>
Taxation on profit on Ordinary activities	5	(59)	(74)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</b>		<u>145</u>	<u>173</u>
Dividends declared	6	(462)	(173)
<b>TRANSFER TO RESERVES</b>	13	<u>(317)</u>	<u>-</u>

All results have been derived from discontinued activities.

There are no recognised gains or losses other than those disclosed in the profit and loss account above.

The notes on pages 7 to 11 form part of these financial statements.

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)

**BALANCE SHEET AT 31 DECEMBER 2001**

	NOTES	2001 £000	2000 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	-	13
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	8	429	1,267
Cash at bank	9	-	354
		<hr/>	<hr/>
		429	1,621
<b>CREDITORS</b> – amounts falling due within one year	10	(429)	(1,317)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		-	304
		<hr/>	<hr/>
<b>NET ASSETS</b>		-	317
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	-
Profit and loss account	13	-	317
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS FUNDS</b>	14	-	317
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 12<sup>th</sup> June 2002, and signed on its behalf by:

  
J F Gibbins  
Finance Director

The notes on pages 7 to 11 form part of these financial statements.

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
**(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)**

**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2001**

**1. Principal Accounting Policies**

**a) Basis of Accounting**

The financial statements have been prepared under the historical cost basis and in accordance with applicable accounting standards.

**b) Cash Flow Statement Exemption**

Under Financial Reporting Standard 1, the Company is exempt from the requirements to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

**c) Turnover**

Turnover excludes value added tax and comprises invoiced charges to customers, including group companies, in respect of freight forwarding contracts.

**d) Taxation**

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

**e) Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the year end. Differences on exchange are charged or credited in determining profit on ordinary activities before taxation.

Foreign currency sales and purchases were converted throughout the year at group standard conversion rates. The differences between standard and actual are reflected within the overall exchange rate difference account as charged to the profit and loss account.

**f) Operating Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

**g) Related Party Transactions**

Under Financial Reporting Standard 8, the Company is exempt from the requirements to disclose related party transactions with the Rolls-Royce plc group and its associates on the grounds that it is a wholly owned subsidiary undertaking.

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)

2. **Other Interest Receivable and Similar Income**

	2001 £000	2000 £000
Interest (payable)/receivable for bank balances	(3)	27
	<hr/>	<hr/>

3. **Profit on Ordinary Activities before Taxation**

	2001 £000	2000 £000
Is stated after charging/(crediting):		
Depreciation	-	4
Exchange rate difference	(29)	(102)
Management charge from Rolls-Royce plc	-	200
Management charge from Sawley Packaging Company Limited	40	105

4. **Employee/Director Information**

The Company had no direct employees during the year ended 31 December 2001 (2000 Nil). All necessary services are provided by Rolls-Royce plc and Sawley Packaging Company Limited.

All directors are employed by either Rolls-Royce plc or Sawley Packaging Company and are remunerated by those companies.

5. **Taxation Charge**

	2001 £000	2000 £000
In respect of the year:		
Corporation Tax payable at 30%	59	74
	<hr/>	<hr/>

6. **Dividends - Ordinary Shares**

	2001 £000	2000 £000
Interim dividend	462	173
	<hr/>	<hr/>



**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
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7. **Tangible Fixed Assets**

	Plant and Machinery £000	Fixtures and Fittings £000	Total £000
Cost			
At 1 January 2001	32	1	33
Disposals	(32)	(1)	(33)
	-----	-----	-----
At 31 December 2001	-	-	-
	-----	-----	-----
Depreciation			
At 1 January 2001	19	1	20
provided during year	-	-	-
Disposals	(19)	(1)	(20)
	-----	-----	-----
At 31 December 2001	-	-	-
	-----	-----	-----
Net book value at 31 December 2001	-	-	-
	-----	-----	-----
Net book value at 31 December 2000	13	0	13
	-----	-----	-----

8. **Debtors**

	2001 £000	2000 £000
Trade debtors	17	244
Amounts owed by group undertakings	412	1,023
	-----	-----
	429	1,267
	-----	-----

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
**(FORMERLY SINFIN FREIGHT FORWARDING LIMITED)**

8. **Debtors** (continued)

	2001 £000	2000 £000
The amounts owed by group undertakings comprise:		
Parent undertaking - loan	412	-
- other	-	1,022
Fellow subsidiary undertakings		
- other	-	1
	<hr/> 412	<hr/> 1,023

9. **Group Treasurership Agreement**

The Company participates in the Rolls-Royce Group banking agreement under which cleared sterling funds are borrowed from or deposited with the Parent Company via a daily transfer. Under the agreement the Company bears or earns interest at the National Westminster plc base rate.

10. **Creditors Amounts Falling Due Within One Year**

	2001 £000	2000 £000
Bank loans and overdrafts	364	-
Trade creditors	-	738
Amounts owed to group undertakings	6	505
Corporation Tax	59	74
	<hr/> 429	<hr/> 1,317

The amounts owed to group undertakings comprise:

Parent Company undertaking		
- loan	-	80
- dividend	-	173
- other	-	-
Fellow Subsidiary undertakings		
- other	6	252
	<hr/> 6	<hr/> 505

**ROLLS-ROYCE TOTAL CARE SERVICES LIMITED**  
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11. **Deferred Taxation**

No potential deferred taxation liability existed as at 31 December 2001 or 31 December 2000.

12. **Share Capital**

	2001 £	2000 £
Authorised, allotted, called up and fully paid ordinary shares of £1 each	100	100
	—	—

13. **Reserves**

	<b><u>Profit and Loss</u></b>	
	2001 £000	2000 £000
At 1 January 2001	317	317
Retained Loss for the Year	(317)	-
	—	—
At 31 December 2001	-	317
	—	—

14. **Reconciliation of Movements in Shareholders Funds**

	2001 £000	2002 £000
Profit for the Financial Year	145	173
Dividend	(462)	(173)
	—	—
Net Reduction to Shareholders Funds	(317)	-
Opening Shareholders Funds	317	317
	—	—
Closing Shareholders Funds	-	317
	—	—

15. **Ultimate Parent Company**

The Company's immediate parent company is Rolls-Royce plc, which is incorporated in Great Britain and registered in England and Wales. Copies of Rolls-Royce plc Group accounts can be obtained from Rolls-Royce plc, 65 Buckingham Gate, London, SW1E 6AT.