

Registered number: 2116731

Spare IPG 18 Limited

Annual report and financial statements
for the year ended 31 December 2007

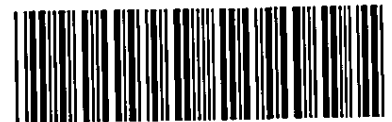
**Directors on
6 August 2008:**

**G Allan
D J Goma**

Secretary :

D J Goma

MONDAY



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COMPANIES HOUSE

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 December 2007

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

Principal activities

The company was dormant during the year

Dividends

A dividend of £Nil (2006 £Nil) was paid during the year

Directors

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

G Allan

D R Bale (resigned 27 June 2008)

D J Goma

J E Warren (resigned 30 June 2008)

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

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

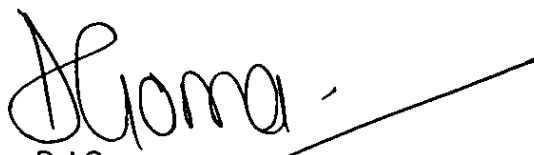
(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

Auditors

Pursuant to 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
Director & Secretary
6 August 2008

Statement of directors' responsibilities in respect of the directors' report and 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)

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

Independent auditors' report to the members of Spare IPG 18 Limited

We have audited the financial statements (the "financial statements") of Spare IPG 18 Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page number 2.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

6 August 2008

Profit and loss account
For the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Other operating income		-	25
Operating profit		-	25
Profit on ordinary activities before taxation		-	25
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation and profit for the financial year	11	-	25

All results have been derived from continuing activities

There were no recognised gains or losses in either the current year or the previous year, other than the profit for the year as shown above

Balance sheet
31 December 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Investments	5	<u>2,143</u>	<u>2,143</u>
Current assets			
Debtors – due within one year	6	3,200	3,200
Creditors: Amounts falling due within one year	7	<u>(3)</u>	<u>(3)</u>
Net current assets		<u>3,197</u>	<u>3,197</u>
Total assets less current liabilities		5,340	5,340
Creditors Amounts falling due after more than one year	8	<u>(3,160)</u>	<u>(3,160)</u>
Net assets		<u>2,180</u>	<u>2,180</u>
Capital and reserves			
Called-up share capital	9	6,822	6,822
Profit and loss account	10	<u>(4,642)</u>	<u>(4,642)</u>
Shareholders' funds	11	<u>2,180</u>	<u>2,180</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 6 August 2008 and signed on its behalf by



G Allan
Director

Notes to the financial statements

31 December 2007

1 Significant accounting policies

The principal accounting policies are summarised below

Basis of preparation

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

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group financial statements

As permitted by Financial Reporting Standard 1 "Cash flow statements" (Revised 1996), no cash flow statement has been prepared, as a consolidated cash flow statement has been prepared by the ultimate parent company

Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

2 Auditors' remuneration

The fees for the audit of the company financial statements were £2,000 (2006: £2,000) and were paid by Rolls-Royce plc.

3 Staff costs and directors remuneration

The company had no employees during the year ended 31 December 2007 (2006: Nil).

No remuneration has been received by the directors in respect of their services to the Company (2006: £Nil).

Notes to the financial statements

31 December 2007

4 Tax on profit on ordinary activities

The tax charge comprises	2007 £'000	2006 £'000
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Current tax

UK corporation tax	-	-
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Total current tax & tax on profit on ordinary activities

-	-
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The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	-	25
 Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 - 30%)	-	8
 Effects of Income not taxable	-	(8)
Current tax charge for period	-	-

Notes to the financial statements

31 December 2007

5 Fixed asset investments

	2007 £'000	2006 £'000
Subsidiary undertakings	<u>2,143</u>	<u>2,143</u>

Subsidiary undertakings

Cost

At 1 January 2007 & 31 December 2007

£'000

2,279

Provisions for impairment

At 1 January 2007 & 31 December 2007

(136)

Net book value

At 1 January 2007 & 31 December 2007

2,143

Principal investments

The company has investments in the following subsidiary undertakings

	Country of incorporation or principal business address	Principal activity	% Holding
Spare IPG 15 Limited	UK	Dormant	99.9%
Spare IPG 17 Limited	UK	Dormant	99%
Robert Hudson Ralettrux (Midlands) Limited	UK	Dormant	99.8%
Wultex Machine Company Limited	UK	Dormant	99.9%
AFC Wultex Limited	UK	Dormant	99.8%

Notes to the financial statements

31 December 2007

6 Debtors

	2007 £'000	2006 £'000
Amounts falling due within one year		
Amounts owed by parent company	<u>3,200</u>	<u>3,200</u>

7 Creditors: Amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to group undertakings	<u>3</u>	<u>3</u>

8 Creditors Amounts falling due after more than one year

	2007 £'000	2006 £'000
Amounts owed to group undertakings	<u>3,160</u>	<u>3,160</u>

9 Share capital

	2007 £'000	2006 £'000
<i>Authorised</i>		
7,000,000 ordinary shares of £1 each	<u>7,000</u>	<u>7,000</u>
<i>Allotted, called-up and fully-paid</i>		
6,822,230 ordinary shares of £1 each	<u>6,822</u>	<u>6,822</u>

Notes to the financial statements

31 December 2007

10 Reserves

Profit
and loss
account
£'000

1 January 2007 and 1 December 2007

(4,642)

11 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Opening shareholders' funds	2,180	2,155
Profit for the financial year	-	25
Closing shareholders' funds	<u>2,180</u>	<u>2,180</u>

12 Related party transactions

The Company has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose related party transactions with other group companies

13 Ultimate Parent Company

The Company is a subsidiary undertaking of Rolls-Royce Group plc, incorporated in Great Britain. The largest group in which the results of the Company are consolidated is that headed by Rolls-Royce Group plc. The smallest group in which the results of the Company are consolidated is that headed by Rolls-Royce plc, incorporated in Great Britain.

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