

Registered number 2658963

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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



ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	D J Goma J H Luke K Waldron
COMPANY SECRETARY	K Waldron
REGISTERED NUMBER	2658963
REGISTERED OFFICE	Moor Lane Derby DE24 8BJ

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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ROLLS-ROYCE 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

Rolls-Royce Overseas Holdings Limited is a holding company

DIRECTORS

The directors who served during the year were

D J Goma
J H Luke
K Waldron

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 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



D J Goma

Director

Date

2/7/13

ROLLS-ROYCE 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 ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

We have audited the financial statements of Rolls-Royce Overseas Holdings Limited for the year ended 31 December 2012, set out on pages 4 to 14. 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.

ASy

Anthony Sykes (Senior statutory auditor)

for and on behalf of

KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date *2 June 2013*

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

	Note	2012 £000	2011 £000
Administrative expenses		<u>(5)</u>	<u>(1,256)</u>
OPERATING LOSS		(5)	(1,256)
Income from shares in group undertakings		82,556	75,199
Income from other participating interests		46,198	30,884
Loss on disposal of investments		(131)	-
Interest receivable and similar income	4	568	589
Amounts written off investments		(1,509)	-
Interest payable and similar charges	5	<u>(914)</u>	<u>(579)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		126,763	104,837
Tax on profit on ordinary activities	6	<u>(1,473)</u>	<u>14</u>
PROFIT FOR THE FINANCIAL YEAR	11	<u>125,290</u>	<u>104,851</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

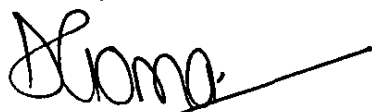
The notes on pages 6 to 14 form part of these financial statements

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED
REGISTERED NUMBER: 2658963

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Investments	7		1,055,347		1,047,054
CURRENT ASSETS					
Debtors	8	6,842		6,640	
Cash at bank		135,592		124,315	
		<u>142,434</u>		<u>130,955</u>	
CREDITORS amounts falling due within one year	9	(502,212)		(500,730)	
NET CURRENT LIABILITIES			<u>(359,778)</u>		<u>(369,775)</u>
NET ASSETS			<u>695,569</u>		<u>677,279</u>
CAPITAL AND RESERVES					
Called up share capital	10		399,499		399,499
Share premium account	11		133,961		133,961
Profit and loss account	11		162,109		143,819
SHAREHOLDERS' FUNDS	12		<u>695,569</u>		<u>677,279</u>

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



D J Goma

Director

Date

2/7/13

The notes on pages 6 to 14 form part of these financial statements

ROLLS-ROYCE 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 and in accordance with applicable accounting standards

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

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

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

1.2 Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £359,778,000 (2011 - £369,775,000), which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Rolls-Royce plc, the parent of the company. Rolls-Royce plc has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.4 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

1.5 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

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

2 STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2011 - £NIL)

3 AUDITORS' REMUNERATION

The fees for the audit of the company financial statements were £7,000 (2011 £7,000) and were paid by Rolls-Royce plc

The company paid the audit fee for one of its subsidiaries, Rolls-Royce (Ireland) - £5,000 (2011 - £5,000)

4. INTEREST RECEIVABLE

	2012	2011
	£000	£000
Bank and loan interest receivable	568	589

5 INTEREST PAYABLE

	2012	2011
	£000	£000
On other loans	-	7
Exchange loss	914	572
	914	579

6 TAXATION

	2012	2011
	£000	£000
Analysis of tax charge/(credit) in the year		
UK corporation tax on income for the period at 24.5% (2011 26.5%)	1,482	-
	1,482	-
Foreign tax	(9)	(14)
Tax on profit on ordinary activities	1,473	(14)

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

6 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) 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 on ordinary activities before tax	126,763	104,837
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	31,057	27,782
Effects of		
Non-taxable income	(29,575)	(27,781)
Group relief not paid for	-	(1)
Overseas tax	(9)	(14)
Current tax charge/(credit) for the year (see note above)	1,473	(14)

Factors that may affect future tax charges

There were no factors that may significantly affect future tax charges

7 FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in joint ventures £000	Unlisted investments £000	Loans to joint ventures £000	Total £000
Cost or valuation					
At 1 January 2012	1,014,342	29,559	219	11,613	1,055,733
Additions	1,774	8,159	-	-	9,933
Disposals	(131)	-	-	-	(131)
At 31 December 2012	1,015,985	37,718	219	11,613	1,065,535
Impairment					
At 1 January 2012	4,280	4,399	-	-	8,679
Charge for the year	-	1,509	-	-	1,509
At 31 December 2012	4,280	5,908	-	-	10,188
Net book value					
At 31 December 2012	1,011,705	31,810	219	11,613	1,055,347
At 31 December 2011	1,010,062	25,160	219	11,613	1,047,054

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

7 FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Rolls-Royce Technical Support SARL	Ordinary	100 %
Rolls-Royce Engine Services Limitada Inc	Ordinary	100 %
Rolls-Royce Australia Services PTY Limited	Ordinary	100 %
Rolls-Royce Energy Angola Limited	Ordinary	100 %
Roll-Royce India Private Limited	Ordinary	100 %
Rolls-Royce Singapore Pte Limited	Ordinary	100 %
Rolls-Royce Malaysia SDN BHD	Ordinary	100 %
Data Systems & Solutions (France) SAS	Ordinary	100 %
Rolls-Royce Overseas Investments Limited	Ordinary	100 %
Nightingale Insurance Limited	Ordinary	100 %
Rolls-Royce Namibia (PTY) Limited	Ordinary	100 %
Rolls-Royce Operations (India) Private Limited	Ordinary	100 %
Hartshill Ventures Limited	Ordinary	100 %
Rolls-Royce Oman LLC	Ordinary	99 %
Rolls-Royce Mexico S de RL de CV	Ordinary	100 %
Rolls-Royce (Ireland)	Ordinary	100 %
Rolls-Royce New Zealand Limited	Ordinary	100 %
Rolls-Royce Marne Chile SA	Ordinary	100 %
Rolls-Royce Nigeria Limited	Ordinary	100 %
Rolls-Royce de Venezuela SA	Ordinary	100 %
Vinters Armstrong Limited	Ordinary	100 %
Rolls-Royce Australia	Ordinary	100 %
Avalloy (Proprietary) Limited	Ordinary	13 %

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

7 FIXED ASSET INVESTMENTS (continued)

Name	Business	Registered office
Rolls-Royce Technical Support SARL	Civil aerospace - Project support	France
Rolls-Royce Engine Services Limitada Inc	Civil aerospace - Design development and manufacture of gas turbine engines	United States of America
Rolls-Royce Australia Services PTY Limited	Civil aerospace - Repair and overhaul	United States of America
Rolls-Royce Energy Angola Limited	Marine systems - Aftermarket support services	United States of America
Roll-Royce India Private Limited	Marine systems - Design and manufacture of ships propellers and ship lift systems	United States of America
Rolls-Royce Singapore Pte Limited	Energy - Project management and customer support	India
Rolls-Royce Malaysia SDN BHD	Energy - Engine and turbine compression systems and spares	Singapore
Data Systems & Solutions (France) SAS	Energy - Turbine generator packages	United States of America
Rolls-Royce Overseas Investments Limited	Energy - Control systems	France
Nightingale Insurance Limited	Corporate - Holding company	United Kingdom
Rolls-Royce Namibia (PTY) Limited	Corporate - Insurance services	Guernsey
Rolls-Royce Operations (India) Private Limited	Corporate - Holding company	United States of America
Hartshill Ventures Limited	Corporate - Holding company	United States of America
Rolls-Royce Oman LLC	Supply chain - Holding company	United Kingdom
Rolls-Royce Mexico S de RL de CV	Defence - Customer support services	Oman
Rolls-Royce (Ireland)	Marine - Sales and service office	Mexico
Rolls-Royce New Zealand Limited	Corporate - Dormant company	Ireland
Rolls-Royce Marine Chile SA	Corporate - Sales and marketing	New Zealand
Rolls-Royce Nigeria Limited	Marine - Sales and service	Chile
Rolls-Royce de Venezuela SA	Energy - Logistical support services	Nigeria
Vinters Armstrong Limited	Energy - Dormant company	United Kingdom
Rolls-Royce Australia	Corporate - Industrial claims handling	Australia
Avalloy (Proprietary) Limited	Corporate - Manufacture of superalloys	South Africa

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

7 FIXED ASSET INVESTMENTS (continued)

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
Advance Gas Turbine Solution SDN BHD	Malaysia	Ordinary	49%	Energy - Industrial gas-turbine aftermarket services
Alpha Partners Leasing Limited	UK	'A' Ordinary 'B' Ordinary	50%	Aero Engine Leasing
Egypt Aero Management Services	Egypt	Ordinary	50%	Civil - workshop development
Hong Kong Aero Engine Services Limited	Hong Kong	Ordinary	45%	Civil aerospace - Repair and overhaul
International Aerospace Manufacturing Private Limited	India	Ordinary	50%	Manufactures supply chain components
Techjet Aerofoils Limited	Israel	'A' Ordinary 'B' Ordinary	50%	Manufacture of compressor aerofoils

8 DEBTORS

	2012	2011
	£000	£000
Amounts owed by group undertakings	6,824	6,613
Other debtors	18	27
	6,842	6,640

9 CREDITORS

Amounts falling due within one year

	2012	2011
	£000	£000
Amounts owed to group undertakings	500,730	500,730
Corporation tax	1,482	-
	502,212	500,730

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

10. SHARE CAPITAL

	2012 £000	2011 £000
Allotted, called up and fully paid		
314,502,341 Ordinary shares of £1 each	314,502	314,502
120,755,983 'A' shares of \$1 each	84,997	84,997
	399,499	399,499

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

10 SHARE CAPITAL (continued)

The 'A' shares do not carry the right to a dividend (fixed or otherwise), other than as a class dividend at the discretion of the directors

The 'A' shares carry the same right to assets on the winding up or other repayment of Capital as the Ordinary Shares. The 'A' shares shall not confer the right to any further or other participation in the profits of the assets of the company

The 'A' shares shall not entitle the holders to receive notice of or attend or vote at any general meeting unless the business of the meeting includes the consideration of a resolution for

- a) winding up of the company or reducing its authorised share capital for,
- b) sale of the undertaking of the company,
- c) varying or abrogating any of the rights attached to the 'A' shares

11. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2012	133,961	143,819
Profit for the year	-	125,290
Dividends Equity capital	-	(107,000)
	<u>133,961</u>	<u>162,109</u>
At 31 December 2012		

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	677,279	556,794
Profit for the year	125,290	104,851
Dividends (Note 13)	(107,000)	-
Shares issued during the year	-	15,634
	<u>695,569</u>	<u>677,279</u>
Closing shareholders' funds		

13 DIVIDENDS

	2012 £000	2011 £000
Dividends paid on equity capital	<u>107,000</u>	<u>-</u>

ROLLS-ROYCE OVERSEAS HOLDINGS LIMITED

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

14 CONTROLLING PARTY

The immediate parent undertaking is Rolls-Royce 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.