
ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

COMPANY INFORMATION

DIRECTORS

M Brady
M N Morris (resigned 9 July 2012)
M S Thompson (appointed 9 July 2012)

COMPANY SECRETARIES

R Johnson
D J Goma

COMPANY NUMBER

02830526

REGISTERED OFFICE

65 Buckingham Gate
London
England
SW1E 6AT

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

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ROLLS-ROYCE AIRCRAFT MANAGEMENT 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

The principal activity of the company is to hold investments within the aviation industry

FINANCIAL REVIEW

The Company's loss for the year before taxation amounted to US\$122,000 (2011 - profit of US\$665,000)

The proposed transfer from reserves is US\$122,000 (2011 - transfer to reserves of US\$665,000) The Directors do not recommend payment of a dividend (2011 - Nil)

DIRECTORS

The Directors who served during the year were

M Brady

M N Morris (resigned 9 July 2012)

M S Thompson (appointed 9 July 2012)

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

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

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



R Johnson
Secretary
Date 27 June 2013

ROLLS-ROYCE AIRCRAFT MANAGEMENT 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- 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 AIRCRAFT MANAGEMENT LIMITED

We have audited the financial statements of Rolls-Royce Aircraft Management Limited for the year ended 31 December 2012, set out on pages 4 to 10. 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 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 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 loss 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.



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

5 - July 2013

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

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

	Note	2012 \$000	2011 \$000
Administrative expenses		(122)	(3)
OPERATING LOSS BEFORE EXCEPTIONAL ITEMS		(122)	(3)
EXCEPTIONAL ITEMS			
Reversal of past impairment on disposal of subsidiary	4	-	704
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(122)	701
Interest payable and similar charges	3	-	(36)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(122)	665
Tax on (loss)/profit on ordinary activities	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	(122)	665

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 10 form part of these financial statements

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED
REGISTERED NUMBER: 02830526

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	\$000	2012 \$000	\$000	2011 \$000
FIXED ASSETS					
Investments	8		450		450
CURRENT ASSETS					
Debtors	9	719		534	
CREDITORS: amounts falling due within one year	10	(3,875)		(3,568)	
NET CURRENT LIABILITIES			(3,156)		(3,034)
NET LIABILITIES			(2,706)		(2,584)
CAPITAL AND RESERVES					
Called up share capital	11		61,636		61,636
Profit and loss account	12		(64,342)		(64,220)
SHAREHOLDERS' DEFICIT	13		(2,706)		(2,584)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 June 2013


M Brady
 Director

The notes on pages 6 to 10 form part of these financial statements

ROLLS-ROYCE AIRCRAFT MANAGEMENT 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 under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow statement

The company is a wholly owned subsidiary of Rolls-Royce Holdings plc and is included in the consolidated financial statements of Rolls-Royce Holdings plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1

1.3 Group financial statements

The company is exempt from the requirements under FRS 2 to prepare consolidated financial statements for its group on the grounds that it is a wholly owned subsidiary undertaking of Rolls-Royce Holdings plc

1.4 Related party transactions

The company has taken advantage of the exemption in FRS 8 not to disclose related party transactions with other group companies

1.5 Going concern

The financial statements have been prepared on the going concern basis notwithstanding net current liabilities of US\$3,156,000 (2011 - US\$3,034,000), which the directors believe to be appropriate for the following reasons. Rolls-Royce plc, a parent undertaking of the company 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 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 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

1.6 Functional and presentational currency

The accounts are presented in US Dollars as the company conducts its principal activities in US Dollars and therefore recognise US Dollars as its functional currency

1.7 Investments

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

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Transactions in foreign currencies are translated into dollars at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date. The trading results of overseas undertakings are translated at the average exchange rates for the year. Exchange differences, including those arising from currency conversions in the usual course of trading, are taken into account in determining the profit on ordinary activities before taxation.

1.9 Interest

Interest payable is charged to the profit and loss account as incurred.

1.10 Taxation

The charge/credit for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Balance Sheet date, except as otherwise required by FRS 19.

2. AUDITOR'S REMUNERATION

The fees for the audit of the company financial statements were US\$2,400 (2011 - US\$2,400) and were paid by Rolls-Royce plc.

3. INTEREST PAYABLE

	2012 \$000	2011 \$000
On bank loans and overdrafts	-	36

4. EXCEPTIONAL ITEMS

	2012 \$000	2011 \$000
Reversal of past impairment on disposal of subsidiary	-	704

On 26th July 2011, Rolls-Royce Aircraft Management Limited liquidated its investment in RRPf Netherlands, giving rise to a reversal of a past impairment of US\$704,000.

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

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

5. TAXATION

	2012 \$000	2011 \$000
UK corporation tax charge on (loss)/profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher 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
(Loss)/profit on ordinary activities before tax	(122)	665
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	(30)	176
Effects of:		
Expenses not deductible for tax purposes	2	-
Non-taxable income	-	(186)
Group relief	28	10
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

There are no factors significantly affecting future tax charges.

6. DIRECTORS' REMUNERATION

The Directors did not receive any emoluments during the year (2011 - Nil).

7. STAFF COSTS

The Company did not have any employees during the year (2011 - Nil).

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

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

8. INVESTMENTS

	2012 \$000	2011 \$000
Equity investment	450	450

Participating interests

The company holds a 1/6 interest in GMR Aviation Partners Limited, a company incorporated in the Cayman Islands. The principal activity is investment in an A321 aircraft.

The book value of the investment in GMR is US\$450,000 (initial cost US\$808,000), representing the cost of acquiring the 1/6 share of GMR Aviation Partners Limited in July 2006.

9. DEBTORS

	2012 \$000	2011 \$000
Amounts owed by parent company	-	1
Amounts owed by undertakings in which the company has a participating interest	719	533
	<u>719</u>	<u>534</u>

**10. CREDITORS:
Amounts falling due within one year**

	2012 \$000	2011 \$000
Amounts owed to parent company	3,875	3,565
Accruals and deferred income	-	3
	<u>3,875</u>	<u>3,568</u>

ROLLS-ROYCE AIRCRAFT MANAGEMENT LIMITED

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

11. SHARE CAPITAL

	2012 \$000	2011 \$000
Authorised		
100 ordinary shares of £1 each	-	-
65,000,000 ordinary shares of US\$1 each	65,000	65,000
	<u>65,000</u>	<u>65,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1	-	-
61,636,342 ordinary shares of US\$1 each	61,636	61,636
	<u>61,636</u>	<u>61,636</u>

12. RESERVES

	Profit and loss account \$000
At 1 January 2012	(64,220)
Loss for the year	(122)
At 31 December 2012	<u>(64,342)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2012 \$000	2011 \$000
Opening shareholders' deficit	(2,584)	(3,249)
(Loss)/profit for the year	(122)	665
Closing shareholders' deficit	<u>(2,706)</u>	<u>(2,584)</u>

14. CONTROLLING PARTY

The company is a subsidiary undertaking of Rolls-Royce plc, incorporated in Great Britain

The largest group in which the results of the company are consolidated is that headed by Rolls-Royce Holdings 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