
VINTERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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VINTERS LIMITED

COMPANY INFORMATION

DIRECTORS

G Allan (resigned 31 December 2013)
D J Goma
R C Orgill
W S Mansfield (appointed 22 October 2013)

COMPANY SECRETARY

D J Goma

REGISTERED NUMBER

03517200

REGISTERED OFFICE

Moor Lane
Derby
DE24 8BJ

VINTERS LIMITED

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VINTERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

DIRECTORS

The directors who served during the year were:

G Allan (resigned 31 December 2013)

D J Goma

R C Orgill

W S Mansfield (appointed 22 October 2013)

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.

DISCLOSURE 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 relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Our auditor, KPMG Audit Plc have instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and resolution concerning their appointment will be proposed at the next board of directors meeting.

This report was approved by the board and signed on its behalf.



W S Mansfield

Director

Date: 22 September 2014

VINTERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

INTRODUCTION

Vinters Ltd is a holding company and is currently dormant. The directors do not expect any change in the present level of activity in the foreseeable future.

BUSINESS REVIEW

The company is dormant. No dividends were received in the year (2012 - £80,000 thousand).

No dividends are proposed (2012 - £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The following risks have the most material potential impact on the company. Mitigating activities are described for each risk. These risks are specific to the nature of our business notwithstanding that there are other risks that may occur and may impact the achievement of the company's objectives. Where relevant these are managed within the Rolls-Royce group's (Group) risk management procedures.

Compliance - Non-compliance by the company with legislation or other regulatory requirements in the regulated environment in which it operates (for example: export controls; offset; use of controlled chemicals and substances; and anti-bribery and corruption legislation) compromising our ability to conduct business in certain jurisdictions and exposing the company to potential: reputational damage; financial penalties; debarment from government contracts for a period of time; and/or suspension of export privileges or export credit financing), any of which could have a material adverse effect.

- An uncompromising approach to compliance is now, and should always be, the only way to do business
- The Group has an extensive compliance programme. This programme and the Global Code of Conduct are promulgated throughout the Group and are updated and reinforced from time to time, to ensure their continued relevance, and to ensure that they are complied with both in spirit and to the letter. The Global Code of Conduct and the Company's compliance programme are supported by appropriate training
- A legal and compliance team has been put in place to manage the current specific issue through to a conclusion and beyond
- Lord Gold has reviewed the Group's current compliance procedures and an improvement plan is being implemented

Market shock - The company is exposed to a number of market risks, some of which are of a macro-economic nature, for example, foreign currency exchange rates, and some which are more specific to the company, for example liquidity and credit risks, or disruption to other customer operations. Significant extraneous market events could also materially damage the Group's competitiveness and/or credit worthiness. This would affect operational results or the outcomes of financial transactions.

- Maintaining a strong Group balance sheet, through healthy cash balances and a continuing low level of debt
- Providing financial flexibility by the Group maintaining high levels of liquidity and an investment grade 'A' credit rating
- The portfolio effect from our business interests, both in terms of original equipment to aftermarket split and our different segments provide a natural shock absorber since the portfolios are not correlated
- Deciding where and what currencies to source in, where and how much credit risk is extended or taken and hedging residual risk through the financial derivatives markets (foreign exchange, interest rates and commodity price risk)

FUTURE PROSPECTS

Each of our investments offers significant opportunities for organic growth.

The supply of integrated power and propulsion systems and the provision of associated aftermarket services remains the key focus of our marine and power systems investments. The forward visibility of the order book together with the actions we are taking to improve productivity and grow aftermarket services have given us a

VINTERS LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2013**

strong platform for future growth.

In 2014, we anticipate the aftermarket and original equipment will continue to grow within our investments and will be supported by a continued focus on improvement.

This report was approved by the board on 22 September 2014 and signed on its behalf.



W S Mansfield
Director

VINTERS LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors are responsible for preparing the Strategic report, 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 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 accounting 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINTERS LIMITED

We have audited the financial statements of Vinters Limited for the year ended 31 December 2013, set out on pages 6 to 13. 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 4, 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 2013 and of its results 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 Strategic report and 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.

Jimmy Daboo (Senior statutory auditor)
for and on behalf of

KPMG Audit Plc - Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date: 22/9/14



VINTERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £000	2012 £000
Income from fixed asset investments		-	80,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	80,000
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR	8	-	80,000

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account.

The company has not traded during the year. During this period, the company received no income and incurred no expenditure and therefore made neither profit or loss.

VINTERS LIMITED
REGISTERED NUMBER: 03517200

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Investments	5	330,812	330,812
CREDITORS: amounts falling due within one year	6	(10)	(10)
NET ASSETS		<u>330,802</u>	<u>330,802</u>
CAPITAL AND RESERVES			
Called up share capital	7	57,958	57,958
Share premium account	8	4,078	4,078
Profit and loss account	8	<u>268,766</u>	<u>268,766</u>
SHAREHOLDERS' FUNDS	9	<u>330,802</u>	<u>330,802</u>

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



W S Mansfield

Director

Date: 22 September 2014

The notes on pages 8 to 13 form part of these financial statements.

VINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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

1.2 Investments

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

1.3 Cash flow statement

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.

1.4 Related party transactions

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

2. AUDITOR'S REMUNERATION

The fees for the audit of the company financial statements were £3,000 (2012 - £3,000) and were paid by Rolls-Royce plc.

3. STAFF COSTS

The company has no employees. The directors did not receive any remuneration (2012 £NIL).

VINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	-	80,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	-	19,600
Effects of:		
Non-taxable income	-	(19,600)
Current tax charge for the year	-	-

Factors that may affect future tax charges

The 2013 Budget announced that the UK corporation tax rate will reduce to 20% by 2015. The reduction is not expected to have a material effect on the company's future current tax charge.

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2013 and 31 December 2013	330,812
Net book value	
At 31 December 2013	330,812
At 31 December 2012	330,812

The following were subsidiary undertakings of the company:

VINTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Name	Country of Incorporation	% Holding
Alesund Storhall AS	Norway	1.0
Alesund Kunnskapspark AS	Norway	1.2
Aquamaster (Propulsion) Limited	United Kingdom	100.0
Bergen Engines AS	Norway	50.0
Bergen Engines Bangladesh Private Limited	Bangladesh	50.0
Bergen Engines BV	Netherlands	50.0
Bergen Engines Denmark A/S	Denmark	50.0
Bergen Engines India Private Limited	India	50.0
Bergen Engines Limited	United Kingdom	50.0
Bergen Engines Propertyco AS	Norway	50.0
Bergen Engines S.L.	Spain	50.0
Bergen Engines SRL	Italy	50.0
Brown Brothers & Company, Limited	United Kingdom	100.0
Camaga SRL	Italy	7.5
Damen Shipyards	Poland	0.4
DPA Power Generation Int. Ltd	India	15.0
Eiksundsambandet AS	Norway	2.7
Environvent AG	Switzerland	50.0
Flughafen Friedrichshafen Gmbh	Germany	1.1
Hodd Nordvest AS	Norway	25.0
Hovden Klubbhus AS	Norway	67.0
Industrial Diesels Australia Pty Limited	Australia	25.0
John Hastie Of Greenock (Holdings) Limited	United Kingdom	100.0
Kamewa AB	Sweden	100.0
Kamewa Do Brazil Equipmentos Maritmos Limitada	Brazil	99.5
Kamewa Holding AB	Sweden	100.0
Kamewa Uk Limited	United Kingdom	100.0
Karl Maybach Hilfe Gmbh	Germany	50.0
L'Orange Fuel Injection (Ningbo) Co. Ltd	China	50.0
L'Orange Fuel Injection Trading (Suzhou) Co. Ltd	China	50.0
L'Orange Gmbh	Germany	50.0
L'Orange Unterstutzungskasse Gmbh	Germany	50.0
Michell Bearings (India) Private Limited	India	51.0
Michell Bearings Limited	United Kingdom	100.0
MTU America Inc	United States	50.0
MTU Anlagenvermietung Gmbh	Germany	50.0
MTU Asia Pte. Ltd	Singapore	50.0
MTU Australia Proprietary Limited	Australia	50.0
MTU Benelux B.V.	Netherlands	50.0
MTU China Company Limited	China	50.0
MTU Detroit Diesel Australia Pty Ltd	Australia	25.0
MTU Do Brasil Limitada	Brazil	50.0
MTU Engineering (Suzhou) Company Limited	China	50.0
MTU France SAS	France	50.0
MTU Friedrichshafen Gmbh	Germany	50.0
MTU Hong Kong Ltd	Hong Kong	50.0
MTU Iberica Propulsion Y Energia S.L.	Spain	50.0
MTU India Private Limited	India	50.0
MTU Israel Ltd	Israel	50.0
MTU Italia Srl	Italy	50.0
MTU Japan Co Limited	Japan	50.0
MTU Korea Limited	Korea, Republic of	50.0

VINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

MTU Middle East FZE	UAE	50.0
MTU Motor Turbin Sanayi Ve Tic. A.S	Turkey	50.0
MTU Onsite Energy Corporation	United States	50.0
MTU Onsite Energy GmbH	Germany	50.0
MTU Onsite Energy Systems GmbH	Germany	37.6
MTU Polska Sp. Zoo	Poland	50.0
MTU Reman Technologies GmbH	Germany	50.0
MTU Rus Limited Liability Company	Russian Federation	50.0
MTU South Africa (Pty) Ltd	South Africa	50.0
MTU Transmashholding Diesel Technologies LLC	Russian Federation	25.0
MTU Uk Limited	United Kingdom	50.0
Navis Consult D.O.O	Croatia	75.0
Nordvest Forum AS	Norway	4.3
ODIM DO Brazil	Brazil	50.0
Offshore Simulator Centre AS	Norway	25.0
Oxygeneaire Limited	United Kingdom	100.0
Powerfield Limited	United Kingdom	100.0
Powerfield Specialist Engines Limited	United Kingdom	100.0
Prokura Diesel Services (Pty) Ltd	South Africa	50.0
PT MTU Indonesia	Indonesia	50.0
Rallyswift Limited	United Kingdom	100.0
Rolls-Royce AB	Sweden	100.0
Rolls-Royce Commercial (Beijing) Co Limited	China	100.0
Rolls-Royce Italia Srl	Italy	100.0
Rolls-Royce Japan Co Limited	Japan	100.0
Rolls-Royce Marine A/S (Denmark)	Denmark	100.0
Rolls-Royce Marine AS	Norway	100.0
Rolls-Royce Marine Asia Limited	Hong Kong	100.0
Rolls-Royce Marine Australia Pty Limited	Australia	100.0
Rolls-Royce Marine Benelux BV	Netherlands	100.0
Rolls-Royce Marine Deutschland GmbH	Germany	100.0
Rolls-Royce Marine Espana S.A.	Spain	100.0
Rolls-Royce Marine France Sarl	France	100.0
Rolls-Royce Marine Hellas S.A.	Greece	100.0
Rolls-Royce Marine Hong Kong Limited	Hong Kong	100.0
Rolls-Royce Marine India Private Limited	India	16.7
Rolls-Royce Marine Korea Limited	Korea, Republic of	100.0
Rolls-Royce Marine Manufacturing (Shanghai) Ltd	China	100.0
Rolls-Royce Oy AB	Finland	100.0
Rolls-Royce Poland Sp Zoo	Poland	100.0
Rolls-Royce Power Systems AG	Germany	50.0
Rolls-Royce Power Systems Holding GmbH	Germany	50.0
Rolls-Royce Vietnam Limited	Vietnam	100.0
Ross Ceramics Limited	United Kingdom	100.0
Runde Miljøbygg AS	Norway	15.2
Scandinavian Electric Systems DO Brazil Limitada	Brazil	66.0
Scandinavian Electric Gdansk Sp. Z.O.O.	Poland	67.0
Shanxi North MTU Diesel Co. Ltd	China	24.5
Smartgenerator AS	Norway	100.0
Smartmotor AS	Norway	100.0
Stadt Towing Tank AS	Norway	16.7
Stone Vickers Limited	United Kingdom	100.0
Sakorinvest Midt-Norge AS	Norway	6.0
Solnor Guard Golfbane	Norway	1.8
Sunnmøre Golf AS	Norway	11.9
Tognum Transmashholding B.V.	Netherlands	25.0
Trigno Energy S.R.L.	Italy	100.0

VINTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Ulstein (U.K.) Limited	United Kingdom	100.0
Ulstein Holding AS	Norway	100.0
Ulstein Maritime Limited	Canada	100.0
Ulstein Trading Limited AS	Norway	100.0
VA Limited	United Kingdom	100.0
Vickers Pension Trustees Limited	United Kingdom	100.0
Vickers Pressings Limited	United Kingdom	100.0
Viking Reisebyra AS	Norway	50.0
Vinters Defence Systems Limited	United Kingdom	100.0
Vinters Engineering Limited	United Kingdom	100.0
Vinters International Limited	United Kingdom	100.0
Vinters Risk & Insurance Services Limited	United Kingdom	100.0
Vinters-Armstrongs (Engineers) Limited	United Kingdom	100.0
W.H. Howson Limited	United Kingdom	100.0
Wirtschaftsförderung Bodenseekreis GmbH	Germany	0.8

These subsidiary undertakings represent both direct and indirectly held investments.

On 1 January 2013, conditions were fulfilled which gave the Group certain rights that result in Rolls-Royce Power Systems AG (RRPS) being classified as a subsidiary and consolidated. Accordingly, the Group's joint venture interest in Rolls-Royce Power Systems Holding GmbH (RRPSH) has been classified as a subsidiary.

Rolls-Royce Holdings plc and Daimler announced on 16 April 2014 that they have agreed the valuation of Daimler's 50% equity interest in the joint venture Rolls-Royce Power System Holding GmbH. Both parties have determined the fair market value of Daimler's shares at EUR 2.43 billion. The transaction completed during August 2014.

6. CREDITORS: Amounts falling due within one year

	2013 £000	2012 £000
Amounts owed to group undertakings	<u>10</u>	<u>10</u>

7. SHARE CAPITAL

	2013 £000	2012 £000
Allotted, called up and fully paid		
231,829,527 ordinary shares of £0.25 each	<u>57,958</u>	<u>57,958</u>

8. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2013 and 31 December 2013	<u>4,078</u>	<u>268,766</u>

VINTERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013	2012
	£000	£000
Opening shareholders' funds	330,802	330,802
Profit for the financial year	-	80,000
Dividends (Note 10)	-	(80,000)
	<hr/>	<hr/>
Closing shareholders' funds	330,802	330,802
	<hr/>	<hr/>

10. DIVIDENDS

	2013	2012
	£000	£000
Dividends paid on equity capital	-	80,000
	<hr/>	<hr/>

11. CONTINGENT LIABILITIES

On 6 December 2012, Rolls-Royce Holdings plc (RRH) announced that it had passed information to the SFO relating to concerns in overseas markets. Since that date RRH has continued its investigations and is engaging with the SFO and other authorities in the UK, the USA and elsewhere.

In December 2013, RRH announced that it had been informed by the SFO that it had commenced a formal investigation. The consequence of these disclosures will be decided by the regulatory authorities. It remains too early to predict the outcomes, but these could include the prosecution of individuals and of the Group. Accordingly, the potential for fines, penalties or other consequences (including debarment from government contracts, suspension of export privileges and reputational damage) cannot currently be assessed. As the investigation is ongoing, it is not yet possible to identify the timescale in which these issues might be resolved.

12. 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.