

**EWEKORO POWER PLANT SALES LIMITED**  
(Registered Number: 4118818)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 December 2004**



# EWEKORO POWER PLANT SALES LIMITED

## DIRECTORS' REPORT

The Directors present their Annual Report and the audited Financial Statements for the period ended 31 December 2004.

### PRINCIPAL ACTIVITY

The principal activity of the business is to provide financing to an independent power project.

### FINANCIAL REVIEW

The profit of the company was \$93,292 (2003: \$65,933 loss) and the whole amount has been transferred to reserves. The Directors do not propose any dividend.

### DIRECTORS

The Directors who held office throughout the period were as follows: -

J B Cheatham (Chairman)  
M Mencil (resigned 23 December 2004)  
L Dann (appointed 15 December 2004)

### DIRECTORS' INTERESTS

None of directors, or their immediate family, had any beneficial interest in the shares of the Company during the year. The beneficial interests of directors holding office at 31 December 2004, including immediate family, in the ordinary share capital of Rolls-Royce Group plc are as follows:

|              | Rolls-Royce Group plc<br>Ordinary 20p Shares                                     |  | Options over Rolls-Royce Group plc Ordinary<br>Shares |                               |                              |  |
|--------------|--|--|---|-------------------------------|------------------------------|--|
|              | Ordinary shares of 20p each as at 1 January 2004 or date of appointment if later | Ordinary shares of 20p each as at 31 December 2004 | as at 1 January 2004 or date of appointment if later  | Share options granted in 2004 | Share options lapsed in 2004 | Total share options as at 31 December 2004 |
| J B Cheatham | 31,252   | 72,498   | 239,556   | -                             | -                            | 239,556                                    |
| L Dann       | 536  | 536  | -   | -                             | -                            | -  |

None of the directors exercised any share options during the year.

Approved by the Board

Signed on its behalf by:

  
J B Cheatham  
01 March 2005

## **EWEKORO POWER PLANT SALES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial period 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for maintaining 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
OF EWEKORO POWER PLANT SALES LIMITED**

We have audited the Financial Statements on pages 5 to 9.

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 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 Auditors**

The Directors are responsible for preparing the Directors' report and, as described on page 3, 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 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 accounts give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
01 March 2005

8 Salisbury Square  
London  
EC4Y 8BB

**EWEKORO POWER PLANT SALES LIMITED**

**PROFIT AND LOSS FOR THE PERIOD ENDED 31 DECEMBER 2004**

|   | Note | 2004<br>US\$ | 2003<br>US\$ |
|---|------|--------------|--------------|
| Administrative expenses                 |      | (1,307)      | -            |
|   |      | <hr/>        | <hr/>        |
| Operating Loss                          |      | (1,307)      | -            |
| Interest receivable and similar income  |      | 791,616      | 17,370       |
| Interest payable and similar charges    | 4    | (798,391)    | (114,604)    |
|   |      | <hr/>        | <hr/>        |
| Loss on ordinary activities before tax  |      | (8,082)      | (97,234)     |
| Tax on loss on ordinary activities      | 5    | 101,374      | 31,301       |
|   |      | <hr/>        | <hr/>        |
| Retained profit / (loss) for the period |      | 93,292       | (65,933)     |
| Retained (loss) / profit at 1 January   |      | (65,887)     | 46           |
|   |      | <hr/>        | <hr/>        |
| Retained profit / (loss) for the period |      | 27,405       | (65,887)     |
|   |      | <hr/>        | <hr/>        |

The Company had no recognised gains or losses during the year other than those passing through the profit and loss account.

**EWEKORO POWER PLANT SALES LIMITED**

**BALANCE SHEET AT 31 DECEMBER 2004**

|                                       | Note | 2004<br>US\$ | 2003<br>US\$ |
|---------------------------------------|------|--------------|--------------|
| Current Assets                        |      |              |              |
| Debtors                               | 6    | 17,634,354   | 16,103,655   |
| Cash at bank or in hand               |      | 1,332        | 6,380        |
| Creditors                             |      |              |              |
| Amounts falling due within one period | 7    | (17,608,280) | (16,175,921) |
|                                       |      | <hr/>        | <hr/>        |
| Net Current Assets / (liabilities)    |      | 27,406       | (65,886)     |
|                                       |      | <hr/>        | <hr/>        |
| Net Assets / (liabilities)            |      | 27,406       | (65,886)     |
|                                       |      | <hr/>        | <hr/>        |
| Capital and Reserves                  |      |              |              |
| Called up share capital               | 8    | 1            | 1            |
| Profit and loss account               |      | 27,405       | (65,887)     |
|                                       |      | <hr/>        | <hr/>        |
| Equity Shareholders' Funds            |      | 27,406       | (65,886)     |
|                                       |      | <hr/>        | <hr/>        |

The notes on pages 7 to 9 form part of these financial statements.

These Financial Statements were approved by the Board of Directors on 01 March 2005 and were signed on its behalf by

  
 .....  
 J B Cheatham

## **EWEKORO POWER PLANT SALES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

##### **(a) Basis of preparation**

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

The Company is exempt from the requirement of FRS1(revised) to prepare a cash flow statement as it is a wholly-owned subsidiary of Rolls-Royce Group plc and its cash flows are included within the consolidated cash flow statement of that company.

Under FRS8 the company is exempt from the requirement to disclose related party transactions with the Rolls-Royce Group and its joint ventures on the grounds that it is a wholly owned subsidiary undertaking of Rolls-Royce Group plc.

##### **(b) Foreign Currencies**

Transactions denominated in currencies other than United States Dollars are translated into dollars at the exchange rates ruling at the date of the transactions. Assets and liabilities are translated at exchange rates ruling at the year end.

The functional currency of Ewekoro Power Plant Sales Limited is the US Dollar, hence the financial statements are prepared in US Dollars.

##### **(c) 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.

#### **2. AUDIT FEE**

Audit fees have been borne by the parent company.

#### **3. EMOLUMENTS OF DIRECTORS**

The Company paid no emoluments to the directors in respect of their services during the period.

#### **4. INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable is to Rolls-Royce Power Ventures Limited, the holding company of Rolls-Royce Power Ventures (Ewekoro) Limited, which is the parent company of Ewekoro Power Plant Sales Limited.

**EWEKORO POWER PLANT SALES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. TAXATION CREDIT ON PROFIT ON ORDINARY ACTIVITIES**

|  | <b>2004</b> | <b>2003</b> |
|--|-------------|-------------|
|  | <b>US\$</b> | <b>US\$</b> |
| Based on result for the period                         |             |             |
| UK Corporation tax payable at 30%                      | 98,949      | 2,131       |
| Double tax relief                                      | (98,949)    | (2,131)     |
| Group relief receivable at 30%                         | (101,374)   | (31,301)    |
| Overseas tax payable                                   | -           | -           |
|  | <hr/>       | <hr/>       |
|  | (101,374)   | (31,301)    |
| Reconciliation of tax charge                           |             |             |
| Profit / (loss) on ordinary activities before taxation | (8,082)     | (97,234)    |
| Nominal charge at UK Corporation tax rate of 30%       | (2,425)     | (29,170)    |
| Double tax relief                                      | (98,949)    | (2,131)     |
|  | <hr/>       | <hr/>       |
|  | (101,374)   | (31,301)    |
|  | <hr/>       | <hr/>       |

**6. DEBTORS: amounts due within one period**

|                                    | <b>2004</b> | <b>2003</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>US\$</b> | <b>US\$</b> |
| Called up share capital not paid   | 1           | 1           |
| Prepayments                        | -           | 127,334     |
| Amounts owed by group undertakings | 17,532,979  | 15,926,912  |
| Other tax debtors                  | 101,374     | 31,301      |
| VAT Receivable                     | -           | 18,107      |
|                                    | <hr/>       | <hr/>       |
|                                    | 17,634,354  | 16,103,655  |
|                                    | <hr/>       | <hr/>       |

**7. CREDITORS: amounts due within one period**

|                               | <b>2004</b> | <b>2003</b> |
|-------------------------------|-------------|-------------|
|                               | <b>US\$</b> | <b>US\$</b> |
| Advances from group companies | 17,608,280  | 16,175,921  |
|                               | <hr/>       | <hr/>       |

**EWEKORO POWER PLANT SALES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. SHARE CAPITAL**

|                               | <b>Authorised</b> | <b>Allotted</b> |
|-------------------------------|-------------------|-----------------|
| Ordinary shares of US\$1 each | 100               | 1               |

**9. COMMITMENTS**

Capital commitments at the end of the financial period, for which no provision has been made, are nil (2003: nil)

**10. ULTIMATE HOLDING COMPANIES**

Rolls-Royce Group plc, a company registered in England & Wales, is the ultimate holding company and heads the group in which the results of the Company are consolidated. Rolls-Royce Power Ventures (Ewekoro) Limited, a company registered in England and Wales, is the immediate holding company. Copies of both companies' financial statements can be obtained from 65 Buckingham Gate, London SW1E 6AT.