

Registered number: 00472705

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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COMPANIES HOUSE

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

COMPANY INFORMATION

DIRECTORS

Gerard Allan
Dell Goma
William Mansfield (appointed 22 October 2013)

COMPANY SECRETARY

D J Goma

REGISTERED NUMBER

00472705

REGISTERED OFFICE

Moor Lane
Derby
DE24 8BJ

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

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

PRINCIPAL ACTIVITIES

During the year end March 2008, the principal activities of the company comprised an operation and maintenance contract for a powerplant and equipment in India. This contract has now ended and no new contracts are expected to be taken by the Indian branch.

The results for the year are set out in the financial statements which, as set out in note 1 are prepared on a break-up basis. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year were

Gerard Allan
Dell Goma

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
Secretary
Date

16/12/13

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

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 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. As explained in Note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate for the preparation of the financial statements of the company and accordingly the financial statements of the company have not been prepared on a going concern basis.

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 INDUSTRIAL POWER (INDIA) LIMITED

We have audited the financial statements of Rolls-Royce Industrial Power (India) Limited for the year ended 31 March 2013, set out on pages 4 to 11. 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 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 March 2013 and of its loss 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.

EMPHASIS OF MATTER - NON-GOING CONCERN BASIS OF PREPARATION

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note.


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
Date 16/12/13

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

	Note	2013 £000	2012 £000
Administrative (expenses) / income		(60)	(375)
OPERATING LOSS	2	(60)	(375)
Interest receivable and similar income	5	64	802
Interest payable and similar charges	6	(55)	(42)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(51)	385
Tax on (loss)/profit on ordinary activities	7	(2)	(220)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	(53)	165

All amounts relate to discontinuing operations

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

The notes on pages 6 to 11 form part of these financial statements

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED
REGISTERED NUMBER: 00472705

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£000	2013 £000	£000	2012 £000
CURRENT ASSETS					
Debtors	8	355		1,566	
Cash at bank		4,744		3,585	
		<u>5,099</u>		<u>5,151</u>	
CREDITORS: amounts falling due within one year	9	<u>(12,713)</u>		<u>(12,712)</u>	
NET CURRENT LIABILITIES			<u>(7,614)</u>		<u>(7,561)</u>
NET LIABILITIES			<u>(7,614)</u>		<u>(7,561)</u>
CAPITAL AND RESERVES					
Called up share capital	11		811		811
Profit and loss account	12		<u>(8,425)</u>		<u>(8,372)</u>
SHAREHOLDERS' DEFICIT	13		<u>(7,614)</u>		<u>(7,561)</u>

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



Gerard Allan

Director

Date 16/12/13

The notes on pages 6 to 11 form part of these financial statements

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements and going concern

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

During the year end March 2008, the principal activities of the company comprised an operation and maintenance contract for a powerplant and equipment in India. This contract has now ended and no new contracts are expected to be taken by the Indian branch. The directors intend to close its remaining branches in India and have not prepared the financial statements on a going concern basis.

The effect of this change in preparation did not result in any presentation differences in the financial statements.

1.2 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 FRS 1.

1.3 Related party transactions

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

1.4 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.5 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.

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.6 Interest

Interest receivable/payable is credited/charged to the profit and loss account using the effective interest method

2. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2013 £000	2012 £000
Difference on foreign exchange	(9)	329

3. AUDITORS' REMUNERATION

	2013 £000	2012 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	11	11

The fees for the UK audit of the company financial statements were £2 thousand (2012 - £2 thousand) and were paid by Rolls-Royce plc. The company's branches in India were audited by B S R & Co, a group affiliate of KPMG Audit plc, and fees of £9 thousand (2012 - £9 thousand) were paid by the company.

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2012 - £NIL)

5. INTEREST RECEIVABLE

	2013 £000	2012 £000
Other interest receivable	64	802

6. INTEREST PAYABLE

	2013 £000	2012 £000
On bank loans and overdrafts	55	42

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

7. TAXATION

	2013 £000	2012 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(19)	73
Adjustments in respect of prior periods	-	100
	<u>(19)</u>	<u>173</u>
Double taxation relief	-	(73)
	<u>(19)</u>	<u>100</u>
Foreign tax on income for the year	21	118
Total current tax	<u>2</u>	<u>218</u>
Deferred tax		
Origination and reversal of timing differences - In respect of year	1	2
In respect of prior periods	(1)	-
Total deferred tax (see note 10)	<u>-</u>	<u>2</u>
Tax on (loss)/profit on ordinary activities	<u>2</u>	<u>220</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £000	2012 £000
(Loss)/profit on ordinary activities before tax	<u>(51)</u>	<u>385</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	(12)	100
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1)	(25)
Capital allowances for year in excess of depreciation	(1)	(2)
Adjustments to tax charge in respect of prior periods	-	100
Unrelieved foreign tax	16	45
Current tax charge for the year (see note above)	<u>2</u>	<u>218</u>

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

7. TAXATION (continued)

Factors that may affect future tax charges

The 2013 Budget announced that the UK corporation tax rate will reduce to 20 per cent by 2015. The reductions to 24 per cent effective from April 1, 2012 and 23 per cent effective from April 1, 2013 were substantively enacted on March 26, 2012 and July 3, 2012 respectively. As the rate change to 23 per cent was substantively enacted prior to the year end, the closing deferred tax asset has been restated accordingly and the charge has been recognised in the P&L. Had the further tax rate changes been substantively enacted on or before the balance sheet date it would have had the effect of reducing the closing deferred tax asset as at 31 March 2013 by £1 thousand.

8. DEBTORS

	2013 £000	2012 £000
Overseas tax recoverable	349	1,560
Deferred tax asset (see note 10)	6	6
	355	1,566

9. CREDITORS

Amounts falling due within one year

	2013 £000	2012 £000
Bank loans and overdrafts	3,785	3,784
Amounts owed to group undertakings	8,925	8,925
Accruals and deferred income	3	3
	12,713	12,712

10. DEFERRED TAX ASSET

	2013 £000	2012 £000
At beginning of year	6	8
Released during/(charged for) year	-	(2)
At end of year	6	6

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

10. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows

	2013 £000	2012 £000
Accelerated capital allowances	<u>6</u>	<u>6</u>

11. SHARE CAPITAL

	2013 £000	2012 £000
Authorised		
1,500,000 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
Allotted, called up and fully paid		
811,100 Ordinary shares of £1 each	<u>811</u>	<u>811</u>

12. RESERVES

	Profit and loss account £000
At 1 April 2012	(8,372)
Loss for the year	(53)
At 31 March 2013	<u>(8,425)</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2013 £000	2012 £000
Opening shareholders' deficit	(7,561)	(7,726)
(Loss)/profit for the year	(53)	165
Closing shareholders' deficit	<u>(7,614)</u>	<u>(7,561)</u>

ROLLS-ROYCE INDUSTRIAL POWER (INDIA) LIMITED

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

14. CONTINGENT LIABILITIES

A contingent liability exists in respect to four tax cases raised by the Indian tax authorities against the company's Indian branches. All cases are being contested through the appropriate Indian courts. The company's legal advice indicates that it is not probable that the Indian tax authority cases will succeed and therefore no provision has been recognised in these accounts. If all the Indian tax authority's cases are successful the potential maximum liability has been estimated at £24.76 million (2012: £25.42 million).

15. CONTROLLING PARTY

The immediate parent undertaking is Rolls-Royce Power Engineering 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.