
ROLLS-ROYCE INDIA LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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ROLLS-ROYCE INDIA LIMITED

COMPANY INFORMATION

DIRECTORS

D J Goma
M Harrison (appointed 3 June 2011)
H V Lavery (resigned 11 October 2010)
I Skelton (appointed 11 October 2010 & resigned 3 June 2011)
K Waldron

COMPANY SECRETARY

Rolls-Royce Secretariat Limited

COMPANY NUMBER

1423175

REGISTERED OFFICE

Moor Lane
Derby
DE24 8BJ

ROLLS-ROYCE INDIA LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 11

ROLLS-ROYCE INDIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITY

The principal activity of the company up to the 31st March 2009 was to provide a marketing support and a commercial information service, and to co-ordinate service support obligations, on behalf of Rolls-Royce International Limited in India, together with Bangladesh, Bhutan, Nepal and Sri Lanka. On the 1st of April 2009 RR India Ltd ceased trading.

DIRECTORS

The directors who served during the year were

D J Goma
M Harrison (appointed 3 June 2011)
H V Lavery (resigned 11 October 2010)
I Skelton (appointed 11 October 2010 & resigned 3 June 2011)
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 AUDITORS

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 auditors are 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 auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, KPMG Audit Plc, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



M Harrison
Director

Date 27.9.11

ROLLS-ROYCE INDIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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 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 ROLLS-ROYCE INDIA LIMITED

We have audited the financial statements of Rolls-Royce India Limited for the year ended 31 December 2010, set out on pages 4 to 11. 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 Auditors' 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

As explained more fully in the Directors' responsibilities statement, 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2010 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, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.



A J Sykes (Senior statutory auditor)
for and on behalf of

KPMG Audit Plc
Chartered Accountants
15 Canada Square

London
E14 5GL

Date

27/6/11

ROLLS-ROYCE INDIA LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £000	2009 £000
TURNOVER		<u>1</u>	<u>64</u>
OPERATING PROFIT	2	<u>1</u>	<u>64</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1</u>	<u>64</u>
Tax on profit on ordinary activities	5	<u>-</u>	<u>(35)</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u><u>1</u></u>	<u><u>29</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 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 INDIA LIMITED
REGISTERED NUMBER. 1423175

BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£000	2010 £000	£000	2009 £000
FIXED ASSETS					
Tangible assets	6		-		-
CURRENT ASSETS					
Debtors	7	115		120	
Cash at bank		138		740	
		<u>253</u>		<u>860</u>	
CREDITORS amounts falling due within one year	8	<u>(4)</u>		<u>(4)</u>	
NET CURRENT ASSETS			<u>249</u>		<u>856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>249</u>		<u>856</u>
CAPITAL AND RESERVES					
Called up share capital	9		10		10
Profit and loss account	10		239		846
SHAREHOLDERS' FUNDS	11		<u>249</u>		<u>856</u>

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



M Harrison

Director

Date 27.9.11

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

ROLLS-ROYCE INDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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

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

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	5 to 25 years, on a straight line basis
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1.3 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

1.4 Leases

i) As Lessee

The annual payments under all other lease arrangements, known as operating leases, are charged to the profit and loss account on a straight-line basis

ii) As Lessor

Rentals receivable under operating leases are included in turnover on an accruals basis

1.5 Pension

Contributions to Rolls-Royce plc Group pension schemes are charged to the profit and loss account so as to spread the cost of pensions at a substantially level percentage of payroll costs over employees' service lives

1.6 Turnover

Turnover excludes value added tax and comprises fees receivable from Rolls-Royce plc for carrying out marketing support and commercial information service, and co-ordinating service support obligations

ROLLS-ROYCE INDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

2. OPERATING PROFIT

The operating profit is stated after charging

	2010 £000	2009 £000
Depreciation of tangible fixed assets		
- owned by the company	-	3
Operating lease rentals		
- other operating leases	-	85
	<u>-</u>	<u>88</u>

During the year, no director received any emoluments (2009 - £NIL)

3 AUDITORS' REMUNERATION

The fees for the audit of the company financial statements were £3,000 (2009 - £3,000) and were paid by Rolls-Royce plc

The fees paid to the company's auditors and its associates for the audit of the company's overseas office were £2,000 (2009 - £2,000)

4 STAFF COSTS

Staff costs were as follows

	2010 £000	2009 £000
Wages and salaries	-	158
Social security costs	-	143
Other pension costs	-	58
	<u>-</u>	<u>359</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No	2009 No
Expatriates	0	1
Locally employed	0	8
	<u>0</u>	<u>9</u>

ROLLS-ROYCE INDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

5 TAXATION

	2010 £000	2009 £000
Overseas tax	-	35
Tax on profit on ordinary activities	-	35

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £000	2009 £000
Profit on ordinary activities before tax	1	64
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	-	18
Effects of:		
Expenses not deductible for tax purposes	-	2
Capital allowances for year in excess of depreciation	(20)	(122)
Higher rate taxes on overseas earnings	-	35
Group relief not paid for	20	102
Current tax charge for the year (see note above)	-	35

Factors that may affect future tax charges

There were no factors that may significantly affect future tax charges

ROLLS-ROYCE INDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

6. TANGIBLE FIXED ASSETS

	Plant & machinery £000
Cost	
At 1 January 2010	68
Transfers intra group	(12)
	<u>56</u>
At 31 December 2010	<u>56</u>
Depreciation	
At 1 January 2010	68
Transfers intra group	(12)
	<u>56</u>
At 31 December 2010	<u>56</u>
Net book value	
At 31 December 2010	-
	<u>-</u>
At 31 December 2009	<u>-</u>

7. DEBTORS

	2010 £000	2009 £000
Amounts owed by group undertakings	8	13
Other debtors	107	107
	<u>115</u>	<u>120</u>
	<u>115</u>	<u>120</u>

8 CREDITORS

Amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	1	1
Overseas taxation	3	3
	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

ROLLS-ROYCE INDIA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

9. SHARE CAPITAL

	2010 £000	2009 £000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10</u>	<u>10</u>

10. RESERVES

	Profit and loss account £000
At 1 January 2010	846
Profit for the year	1
Dividends Equity capital	(608)
At 31 December 2010	<u>239</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £000	2009 £000
Opening shareholders' funds	856	827
Profit for the year	1	29
Dividends (Note 12)	(608)	-
Closing shareholders' funds	<u>249</u>	<u>856</u>

12. DIVIDENDS

	2010 £000	2009 £000
Dividends paid on equity capital	<u>608</u>	<u>-</u>

ROLLS-ROYCE INDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

13 PENSIONS

The company is a participating employer of The Rolls-Royce Pension Fund and Rolls-Royce Group Pension Scheme, which are multi-employer defined benefit schemes. The assets of the schemes are held in separate funds administered by trustees and invested in them independently of the finances of the Group. The schemes are funded by annual contributions from the company and scheme members.

The employer is unable to identify the share of the underlying assets and liabilities of the schemes and in accordance with FRS17 Retirement Benefits, has accounted for contributions as if the schemes were defined contribution schemes.

On this basis, the amount of employer contributions for 2010 were £NIL (2009 - £44,673)

The FRS 17 disclosure relating to the schemes is given in the group financial statements of Rolls-Royce plc.

14. CONTROLLING PARTY

The immediate parent undertaking is Rolls-Royce International Limited.

The ultimate parent undertaking and controlling party is Rolls-Royce Group 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.