

Registration number: 00542021

# **Vinters International Limited**

Unaudited Annual Report and Financial Statements

for the year ended 31 December 2021

**Vinters International Limited**  
**Contents**

	Page
Company Information	1
Strategic Report	2
Directors’ Report	4
Income Statement	6
Statement of Comprehensive Income	7
Balance Sheet	8
Notes to the Financial Statements	10

**Vinters International Limited**  
**Company Information**

**Directors** Nicola Carroll  
Tiziana Iacolino

**Registered number** 00542021

**Registered office** Moor Lane  
Derby  
Derbyshire  
DE24 8BJ

# Vinters International Limited

## Strategic Report

### for the year ended 31 December 2021

The Directors present their Strategic Report on Vinters International Limited (the Company), together with the unaudited Financial Statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the Company is that of a holding company. The Company had no other activities during the current or prior financial year.

#### Business review

The Company holds investments in subsidiaries within the Power Systems sector of the Rolls-Royce Holdings plc group.

Profit for the year was £144,571,000 (2020 audited: £71,728,000). This was as a result of higher dividend income received during 2021 (£148,046,000 received in 2021 compared to £92,094,000 received in 2020 audited). The carrying value of the investment in Rolls-Royce Power Systems AG was retained with no investment impairment charged during 2021 (2020 audited: no impairment charge).

The net assets of the Company at 31 December 2021 were £544,006,000 (2020 audited: £399,435,000). Net assets have increased due to the settlement of the intercompany loan with Kamewa Holdings AB of £154,562,000 in June 2021. This was offset by an increase in amounts outstanding on intercompany loan and interest with Rolls-Royce plc with total outstanding amounts payable at 31 December 2021 of £1,865,637,000 (2020 audited: £1,857,501,000). Further details of the loan movements can be seen in note 11.

#### Key performance indicators

The key performance indicator monitored by the business was profit after tax. Given the nature of the Company's activities, the Company's Directors believe that no further key performance indicators are necessary or appropriate for an understanding of the Company's specific development, performance, or the position of its business.

#### Principal risks and uncertainties

The Company acts in accordance with the policies set by Rolls-Royce Holdings plc. The Rolls-Royce Holdings plc group has an established and structured approach to risk management, detailed in the Rolls-Royce Holdings plc Annual Report which is publicly available from the address in note 14.

The Directors have determined that the carrying value of investments is a principal risk and uncertainty facing the Company. The Company directly holds a significant investment in one subsidiary within the Power Systems sector of the Rolls-Royce Holdings plc group. A decline in this subsidiary undertaking could materially impact upon the carrying value of investments in the Company's balance sheet. The Company undertakes a review of the carrying value of investments annually to identify trigger events and performs a discounted cash flow analysis if any trigger event is identified. As part of the carrying value of investments, the Directors have considered the opportunities and risks as a result of climate change. The main areas that have been considered are demand for green technologies, utilisation of products whilst in service and the impact of market and regulatory change. See note 8 for further detail.

#### Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, Section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the company.

# Vinters International Limited

## Strategic Report

### for the year ended 31 December 2021 (continued)

#### Section 172(1) statement (continued)

To discharge their Section 172 duties the Company's Directors had regard to the factors set out above in making the principal decisions taken by the Company.

The Company's key stakeholder is its immediate parent, Vinters Engineering Limited. The Company Directors believe that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2021.

From the perspective of the Company's Directors, as a result of the Rolls-Royce Holdings plc group governance structure, the Rolls-Royce Holdings plc Board of Directors have taken the lead in carrying out the duties of a board in respect of the Company's other stakeholders. The Company's Directors have also considered relevant matters where appropriate to the Company through ad hoc board meetings. As the Company is an immediate holding company and has no employees, consideration of the business relationships with the Company's wider stakeholders; the impact of the Company's operations on the environment and communities in which it operates; and the Company's compliance in relation to safeguarding of human rights and community relationships is not applicable. The Company has made no principal decisions during the year.

Culture is a combination of the values, attitudes and behaviours demonstrated by the Company in its activities and relations with stakeholders. The Company embodies and demonstrates the desired culture of the Rolls-Royce Holdings plc group to maintain a reputation for high standards of business conduct through the adoption of the Group Policy manual which ensures that the Company embodies the philosophy to act with integrity and is trusted to deliver excellence. Further details on the Group Policy manual and the policies the Company adopts can be found in the Rolls-Royce Holdings plc Annual Report which are publicly available from the address in note 14.

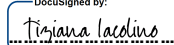
#### Climate-related corporate reporting

Given the principal activities of the Company, the Directors believe that there are no specific climate-related risks or requirements. The Company adopts the policies and frameworks set by the Rolls-Royce Holdings plc group which include the sustainability measures set out in the Rolls-Royce Holdings plc Annual Report on pages 34 to 45. The Company is aligned to the objectives of the Rolls-Royce Holdings plc group. The Directors fully recognise their responsibility to have regard to the impact of the Company's operations on the community and environment.

#### Streamlined Energy & Carbon Reporting (SECR)

The Company is a subsidiary of the Rolls-Royce Holdings plc group and therefore the SECR disclosures required in relation to both Rolls-Royce Holdings plc and the Company have been included in the Rolls-Royce Holdings plc Annual Report on page 212. The Rolls-Royce Holdings plc Annual Report has been prepared for the same financial year as the Company.

Approved by the Board on 28 April 2022 and signed on its behalf by:

DocuSigned by:  
  
 Tiziana Iacolino  
 Director

**Vinters International Limited**  
**Directors' Report**  
**for the year ended 31 December 2021**

The Directors present their Directors' Report on the Company, together with the unaudited Financial Statements for the year ended 31 December 2021.

**Directors**

The Directors who held office during the year and up to the date of signing the Financial Statements were as follows:

Nicola Carroll (appointed 15 January 2021)

Jacqueline Gentles (resigned 15 January 2021)

Tiziana Iacolino

**Qualifying third-party indemnity provisions**

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were in place during the year and remain in force at the date of the approval of this Directors' Report.

**Results and dividends**

The Company made £144,571,000 profit after taxation for the year (2020 audited: £71,728,000). The net assets of the Company are £544,006,000 (2020 audited: £399,435,000).

The Directors do not recommend the payment of a dividend (2020 audited: £Nil).

**Future developments**

The Directors do not expect any change to the level of activity for the foreseeable future. The Company will continue to hold investments in subsidiaries of the Rolls-Royce Holdings plc group.

**Financial risk management**

The following financial risks are considered key by the Directors:

*Liquidity*

The Company has a loan with Rolls-Royce Holdings plc group undertakings which is held at a floating rate and is therefore exposed to movements in interest rates. This is mitigated by the Rolls-Royce Holdings plc group managing the overall interest rate risk at a group level.

*Credit risk*

The Company's credit risk is primarily attributable to fellow group undertakings not being able to meet their obligation leading to financial costs. The amounts in the balance sheet are presented net of allowances for doubtful debts. Since all of the trade receivables are due from fellow Rolls-Royce Holdings plc group undertakings which are supported by Rolls-Royce plc if required, the overall credit risk to the Company is deemed to be low.

*Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from cash flow transactions with other group companies which are denominated in currencies other than Sterling. To mitigate this risk, the Company enters into derivative forward contracts in order to economically hedge exposures in a currency other than its functional currency

**Going concern**

The Financial Statements have been prepared on a going concern basis. The Company has net current assets of £2,406,000 (2020 audited: net current liabilities £150,880,000) as the result of amounts due to group undertakings. The Directors determine that future cash inflows are to arise through dividend income from its investments which would be used to settle intercompany loans, due to mature in 2031. Interest on the loans with group undertakings results in annual cash outflows. The dividend amounts received and timing are dependent on the financial performance of its investments. The Directors consider that the Company will have the financial resources to meet its financial liabilities as they fall due but due to the nature of the cash flows, is reliant on support from its parent undertaking.

**Vinters International Limited**  
**Directors' Report**  
**for the year ended 31 December 2021 (continued)**

**Going concern (continued)**

Rolls-Royce plc, a parent undertaking, has provided written confirmation of its intention to continue to provide financial support, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the Company has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future. After considering the above, the Directors are satisfied that it remains appropriate to prepare the Company Financial Statements on a going concern basis.

**Engagement with suppliers, customers, and others**

As the Company is an immediate holding company and has not traded during the year ended 31 December 2021, consideration of the Directors' engagement with the Company's wider stakeholders is not applicable.

**Statement of Directors' responsibilities in respect of the Financial Statements**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Approved by the Board on 28 April 2022 and signed on its behalf by:

DocuSigned by:  
  
 E38BFD8481894E6.....  
 Tiziana Iacolino  
 Director

**Vinters International Limited**  
**Income Statement**  
**for the year ended 31 December 2021**

	Note	2021 Unaudited £ 000	2020 Audited £ 000
Impairment of financial assets		(7)	–
<b>Loss before financing and taxation</b>		<b>(7)</b>	<b>–</b>
Income from shares in group undertakings	9	148,046	92,094
Finance income	6	7,211	481
Finance costs	7	(10,749)	(32,109)
<b>Profit before taxation</b>		<b>144,501</b>	<b>60,466</b>
Taxation	8	70	11,262
<b>Profit for the financial year</b>		<b>144,571</b>	<b>71,728</b>

The above results were derived from continuing operations.

The notes on pages 10 to 23 form an integral part of these Financial Statements.



**Vinters International Limited**  
**Statement of Comprehensive Income**  
**for the year ended 31 December 2021**

	2021 Unaudited £000	2020 Audited £000
Profit for the financial year	<u>144,571</u>	<u>71,728</u>
<b>Total comprehensive income for the year</b>	<b><u>144,571</u></b>	<b><u>71,728</u></b>

The notes on pages 10 to 23 form an integral part of these Financial Statements.

**Vinters International Limited**  
**Balance Sheet**  
**as at 31 December 2021**  
**(Registration number: 00542021)**

	Note	2021 Unaudited £ 000	2020 Audited £ 000
<b>Non-current assets</b>			
Investments	9	2,398,941	2,398,941
Deferred tax assets	8	8,296	8,875
		<b>2,407,237</b>	<b>2,407,816</b>
<b>Current assets</b>			
Trade and other receivables	10	1,732	3,469
Cash and cash equivalents	11	674	213
		<b>2,406</b>	<b>3,682</b>
<b>Current liabilities</b>			
Loans and borrowings	12	–	(154,562)
<b>Net current assets</b>		<b>2,406</b>	<b>(150,880)</b>
<b>Total assets less current liabilities</b>		<b>2,409,643</b>	<b>2,256,936</b>
<b>Non-current liabilities</b>			
Loans and borrowings	12	(1,865,637)	(1,857,501)
<b>Net assets</b>		<b>544,006</b>	<b>399,435</b>
<b>Equity</b>			
Called up share capital	13	230,125	230,125
Share premium		42,862	42,862
Retained earnings		271,019	126,448
<b>Total equity</b>		<b>544,006</b>	<b>399,435</b>

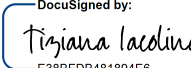
For the year ending 31 December 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the Act) relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Financial Statements on pages 6 to 23 were approved and authorised for issue by the Directors on 28 April 2022 and signed on its behalf by:

DocuSigned by:  
  
 E388FDB48480456.....  
 Tiziana Iacolino  
 Director

The notes on pages 10 to 23 form an integral part of these Financial Statements.

**Vinters International Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2021**

	<b>Called up share capital Unaudited £ 000</b>	<b>Share premium account Unaudited £ 000</b>	<b>Retained earnings Unaudited £ 000</b>	<b>Total Unaudited £ 000</b>
At 1 January 2021	230,125	42,862	126,448	399,435
Profit for the financial year	-	-	144,571	144,571
Total comprehensive income	-	-	144,571	144,571
At 31 December 2021	230,125	42,862	271,019	544,006
	<b>Called up share capital Audited £ 000</b>	<b>Share premium account Audited £ 000</b>	<b>Retained earnings Audited £ 000</b>	<b>Total Audited £ 000</b>
At 1 January 2020	230,125	42,862	54,720	327,707
Profit for the financial year	-	-	71,728	71,728
Total comprehensive income	-	-	71,728	71,728
At 31 December 2020	230,125	42,862	126,448	399,435

The notes on pages 10 to 23 form an integral part of these Financial Statements.

**Vinters International Limited**

**Notes to the Financial Statements**  
**for the year ended 31 December 2021**

**1 General information**

The Company is a private company limited by shares, incorporated and domiciled in the East Midlands, United Kingdom.

The address of its registered office is Moor Lane, Derby, Derbyshire, DE24 8BJ.

The principal activity of the Company is a holding company.

**2 Significant accounting policies**

The significant accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

**Basis of preparation**

The Financial Statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The Financial Statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006.

In these Financial Statements the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- The following paragraphs of IAS 1, *Presentation of financial statements*:
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, *Statement of cash flows*;
- Paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and error* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24 *Related party disclosures*, to disclose related party transactions entered into between two or more members of a group;
- IFRS 7 *Financial Instruments: Disclosures*; and
- Paragraph 17 of IAS 24, *Related party disclosures* (key management compensation).

**New standards, amendments and IFRIC interpretations**

There are no amendments to accounting standards, no new standards or IFRIC interpretations that are effective for the year ended 31 December 2021 that have a material impact on the Company's Financial Statements.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies. The Financial Statements are not considered to contain any area involving a higher degree of judgement or complexity and therefore no further considerations are required.

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**2 Significant accounting policies (continued)**

**Going concern**

The Financial Statements have been prepared on a going concern basis. The Company has net current assets of £2,406,000 (2020 audited: net current liabilities £150,880,000) as the result of amounts due to group undertakings. The Directors determine that future cash inflows are to arise through dividend income from its investments which would be used to settle intercompany loans, due to mature in 2031. Interest on the loans with group undertakings results in annual cash outflows. The dividend amounts received and timing are dependent on the financial performance of its investments. The Directors consider that the Company will have the financial resources to meet its financial liabilities as they fall due but due to the nature of the cash flows, is reliant on support from its parent undertaking.

Rolls-Royce plc, a parent undertaking, has provided written confirmation of its intention to continue to provide financial support, as necessary, for a period of at least 12 months from the date of signing these Financial Statements, to ensure the Company has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future. After considering the above, the Directors are satisfied that it remains appropriate to prepare the Company Financial Statements on a going concern basis.

**Exemption from preparing group accounts**

The Financial Statements contain information about Vinters International Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare Consolidated Financial Statements as it and its subsidiary undertakings are included by full consolidation in the Consolidated Financial Statements of a group parent, Rolls-Royce plc, a company incorporated in United Kingdom, which are publicly available. The address of the parent company's registered office is set out in note 14.

**Functional and presentational currency**

The functional and presentational currency of the Company is Pound Sterling.

All amounts in the Financial Statements have been rounded to the nearer thousand Pounds Sterling unless otherwise stated.

**Foreign currencies**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the Company at the rates prevailing on the reporting period date. Exchange gains and losses are recognised in the income statement within net financing.

**Interest receivable/payable**

Interest receivable/payable is credited/charged to the income statement using the effective interest method.

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**2 Significant accounting policies (continued)**

**Taxation**

The tax expense/credit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax changes or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

**Investments**

Investments held as non-current assets are shown at cost less accumulated impairment losses.

**Impairment of non-current assets**

Impairment of non-current assets is considered in accordance with IAS 36 *Impairment of Assets* and are assessed for any indications of impairment annually. If any indication of impairment is identified, an impairment test is performed to estimate the recoverable amount.

**Financial instruments**

*Derivatives*

Forward exchange derivative contracts are initially recognised at fair value at the date of inception of the contract and are subsequently remeasured to their fair value at each reporting date. Changes in fair value are recognised in the income statement as finance income/(costs).

The fair value of derivative financial instruments is determined using valuation techniques that utilise observable inputs (Level 2). The key assumptions used in valuing forward foreign exchange contracts are the forward exchange rates relating to the relevant currency pairs and maturity dates.

The Company does not apply hedge accounting for forward exchange derivative contracts in accordance with IFRS 9 *Financial Instruments*.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**2 Significant accounting policies (continued)**

**Trade and other receivables**

Trade and other receivables consist of amounts due from fellow group undertakings. The Company makes an estimate of the recoverable value of trade and other receivables. When assessing the impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

**Loans and borrowings**

All borrowings are initially recorded at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

In August 2020, Phase 2 of IBOR reform was published, effective from 1 January 2021. The amendments address issues that arise from the implementation of the reforms including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 9 *Financial Instruments* hedge accounting requirements to hedging relationships directly affected by IBOR reform.

During 2021, the Company has therefore made amendments to the contractual terms of GBP LIBOR-referenced agreements with Group undertakings.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**3 Staff and Director costs**

The Company has no employees (2020 - nil) and the Directors are not employed by the Company.

All Directors fees or emoluments were paid by Rolls-Royce plc and the amount attributable to the qualifying services provided by the Directors to the Company cannot be reliably estimated. No charge has been made in the current or prior years for the services of Directors.

**4 Auditors' remuneration**

During the year no (2020 audited: £33,000) fees were incurred for the audit of the Company Financial Statements following the accounts being exempt from audit under section 479A. In the year to 31 December 2020, the fees were paid by Rolls-Royce plc, its immediate parent company, on behalf of the Company and not recharged. No (2020 audited: no) amounts were paid to the auditors for non-audit services.

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**5 Finance income**

	<b>2021</b> <b>Unaudited</b> <b>£ 000</b>	<b>2020</b> <b>Audited</b> <b>£ 000</b>
Interest receivable	1	10
Foreign exchange gain	7,210	–
Gains on derivatives	–	471
	<u>7,211</u>	<u>481</u>

The Company enters into forward exchange derivative contracts to mitigate the exchange risk for certain foreign currency receivables. During the year, the Company did not enter into any contracts to sell foreign currency in exchange for a fixed sterling amount (2020 audited: entered into one contract to sell €100,000,000 with a resulting gain of £471,000). At 31 December 2021, the Company did not have any outstanding forward foreign exchange derivative contracts (2020 audited: nil).

**6 Finance costs**

	<b>2021</b> <b>Unaudited</b> <b>£ 000</b>	<b>2020</b> <b>Audited</b> <b>£ 000</b>
Interest payable	(10,749)	(19,075)
Foreign exchange loss	–	(13,034)
	<u>(10,749)</u>	<u>(32,109)</u>

During the year interest accrued on two intercompany loans. Interest of £10,524,000 (2020 audited: £18,235,000) was charged in relation to the outstanding intercompany loan with Rolls-Royce plc – see note 11 for further details. The remainder of the interest charge related to interest accruing on the Kamewa Holdings AB loan which was fully settled in June 2021.

**7 Taxation**

Tax credited in the income statement:

	<b>2021</b> <b>£ 000</b>	<b>2020</b> <b>£ 000</b>
<b>Current tax</b>		
Group relief receivable at 19% (2020: 19%)	<u>(649)</u>	<u>(2,387)</u>
Total current tax credit	<u>(649)</u>	<u>(2,387)</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	–	(3,622)
Adjustments in respect of prior periods	3,382	(5,253)
Adjustments in respect of an increase in the tax rate	<u>(2,803)</u>	<u>–</u>
Total deferred tax charge	<u>579</u>	<u>(8,875)</u>
<b>Total tax on profit on ordinary activities</b>	<u>(70)</u>	<u>(11,262)</u>



**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**7 Taxation (continued)**

The tax assessed for the year is lower than (202 audited: lower than) the standard rate of corporation tax in the UK of 19% (2020 audited: 19%). The differences are reconciled below:

	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
<b>Profit before taxation</b>	<u>144,501</u>	<u>60,466</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020 audited: 19%)	27,455	11,489
Effects of:		
Adjustments in respect of prior periods	3,382	(5,253)
Income non-taxable	(28,104)	(17,498)
Adjustments in respect of an increase in the tax rate	<u>(2,803)</u>	<u>–</u>
<b>Total tax credit</b>	<u><b>(70)</b></u>	<u><b>(11,262)</b></u>

The Spring 2021 Budget further announced that the UK corporation tax rate will increase from 19% to 25% from 1 April 2023. The new law was substantively enacted on 24 May 2021. The prior year deferred tax asset was calculated at 19%, as this was the rate enacted at the 2020 Balance Sheet date. As the 25% has been substantively enacted before 31 December 2021, the deferred tax asset has been re-measured at 25%.

The resulting credit has been recognised in the income statement. Accordingly, in 2021, £2,803,000 has been credited to the income statement.

**Deferred tax**

Deferred tax asset

	<b>Asset – corporate interest restriction disallowance Unaudited</b>	
	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
As at 1 January	8,875	–
Amount (charged)/credited to income statement	<u>(579)</u>	8,875
As at 31 December	<u><u>8,296</u></u>	<u>8,875</u>

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**8 Investments**

	<b>Total Unaudited £ 000</b>
<b>Subsidiaries</b>	
<b>Cost</b>	
At 1 January 2021	3,464,142
Liquidation of subsidiary	(9,172)
At 31 December 2021	<u>3,454,970</u>
<b>Provision for impairment</b>	
At 1 January 2021	1,065,201
Liquidation of subsidiary	(9,172)
At 31 December 2021	<u>1,056,029</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>2,398,941</u>
At 31 December 2020	<u>2,398,941</u>

The investment in Kamewa Holdings AB was fully written off in 2019. On liquidation of Kamewa Holdings AB on 1 July 2021, the historic cost and accumulated impairment charges were removed.

**Dividend income received**

	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
Rolls-Royce Power Systems AG	–	87,858
Rolls-Royce Japan Co. Ltd	786	4,236
Kamewa Holdings	<u>147,260</u>	<u>–</u>
	<u>148,046</u>	<u>92,094</u>

In accordance with the requirements of IAS 36 *Impairment of Assets*, the carrying value of the Company's investment in Rolls-Royce Power Systems AG is reviewed for indicators of impairment on an annual basis. Where such indicators are present, a quantified impairment test would be required and the value in use calculated based upon a discounted cash flow methodology using the most recent forecasts prepared by management of Rolls-Royce Power Systems AG. At 31 December 2021, the Directors assessed the impact of new potential indicators of impairment and concluded that there was no risk of impairment. In making this judgement, the Directors considered the following:

- Trading assumptions (e.g. volume of equipment deliveries, pricing achieved and cost escalation) that are based on current and known future programmes, estimates of market share and long-term economic forecasts;
- Plausible downside scenario included with a 20% weighting;
- The long-term growth rate of 2.0% (2020 audited: 2.0%); and
- Pre-tax discount rate of 10.7% (2020 audited: 11.7%).

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**8 Investments (continued)**

The Directors believe there are significant business growth opportunities to come with Rolls-Royce Power Systems AG playing a leading role in the transition to net zero. At the same time climate change poses potentially significant risks. The main areas that have been considered are demand for green technologies, utilisation of products whilst in service and the impact of market and regulatory change. The investment required to ensure new products will be compatible with net zero operation by 2030 is reflected in the forecasts considered.

The Directors do not consider that any reasonably possible changes in the key assumptions (including taking consideration of climate risks) would cause the value in use of the investment to fall below its carrying value.

The following were subsidiary undertakings / participating interest of the Company as at 31 December 2021:

\*\*indicates a direct shareholding by the Company.

<b>Company name</b>	<b>Share class</b>	<b>Address</b>	<b>% Holding 2021</b>
Karl Maybach-Hilfe GmbH	Capital Stock	Maybachplatz 1, 88045, Friedrichshafen, Germany	100%
Kinolt FZE <sup>1</sup>	Ordinary	Warehouse Number FZLIU10BD09, Liu 10, BD09 Jafza South Jebel Ali Free Zone, PO Box 263346, Dubai, United Arab Emirates	100%
Kinolt Immo SA	Ordinary	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	100%
Kinolt Immobilien SA	Ordinary	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	100%
Kinolt LLC <sup>1</sup>	Ordinary	Electrozavodskaya str, 33, bld.5, floor 4, room VII, office 12, Moscow, 107076, Russia	100%
Kinolt Sistemas de UPS Limitada	Ordinary	Alameda dos Maracatins 780-2502, Indianopolis 04089-001, Sao Paulo, Brazil	100%
Kinolt Sistemas de UPS SpA	Ordinary	Bucarest No 17 Oficina, No 33, Previdencia, Santiago, Chile	100%
Kinolt Trading and Contracting LLC	Ordinary	REGUS Service Office, Office No. 1034, Shoumoukh Tower, 10th Floor, Tower B, C-Ring Road, Al Sadd, PO Box 207207, Doha, Qatar	49%
Kinolt UK Limited	Ordinary	101/102 Cirencester Business Park, Love Lane, Cirencester, GL7 1XD, United Kingdom	100%
LLC Rolls-Royce Solutions Rus	Ordinary	Shabolovka Street 2, 119049, Moscow, Russian Federation	100%

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**8 Investments (continued)**

<b>Company name</b>	<b>Share class</b>	<b>Address</b>	<b>% Holding 2021</b>
MTU India Private Limited	Ordinary	6th Floor, RM2 Galleria S/Y No. 144 Bengaluru, Bangalore, Kamataka 560064, India	100%
MTU Polska Sp. Z.o.o.	Ordinary	Ul. Lekka 3., Lokal U4. Raum, PLZ: 01-910, Ort: Warszawa, Poland	100%
No Break Power Limited <sup>2</sup>	Ordinary	Unit 29 Birches Industrial Estate, East Grinstead, England, RH19 1XZ	100%
PT Rolls Royce Solutions Indonesia	Ordinary	Secure Building Blok B, Jl. Raya Protokol Halim, Perdanakusuma Jakarta, 13610, Indonesia	100%
Rolls-Royce Japan Co, Ltd**	Ordinary	31 Floor, Kasumigaseki building, Chiyoda-Ku, Tokyo 100-6031, Japan	100%
Rolls-Royce Power Systems AG	Ordinary	1 Maybachplatz, 88045, Friedrichshafen, Germany	100%
Rolls-Royce Solutions Africa (Pty) Ltd	Capital Stock	36 Marconi Street, Montague Gardens, Cape Town, 7441, South Africa	100%
Rolls-Royce Solutions America Inc.	Ordinary	Corporation Service Company, 251 Little Falls Drive, Wilmington Delaware 19808, United States	100%
Rolls-Royce Solutions Asia Pte. Ltd.	Ordinary	10 Tukang Innovation Drive, Singapore 618302	100%
Rolls-Royce Solutions Augsburg GmbH	Capital Stock	Dasinger Strasse 11, 86165, Augsburg, Germany	100%
Rolls-Royce Solutions Berlin GmbH <sup>3</sup>	Common Seed Preferred Series A Preferred	Villa Rathenau, Wilhelminenhofstrasse 75 12459, Berlin, Germany	85.81%
Rolls-Royce Solutions Benelux BV.	Ordinary	Merwedestraat 86, 3313 CS, Dordrecht, Netherlands	100%

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**8 Investments (continued)**

<b>Company name</b>	<b>Share class</b>	<b>Address</b>	<b>% Holding 2021</b>
Rolls-Royce Solutions Brasil Limitada	Quotas	Via Anhanguera, KM 29203, 05276-000 Sao Paulo SP Brazil	100%
Rolls-Royce Solutions Enerji Deniz Ve Savunma Anonim Şirketi	Ordinary	Hatira Solak, No. 5, Omerli Mahellesi, 34555 Arnavutköy, Istanbul, Turkey	100%
Rolls-Royce Solutions France S.A.S	Ordinary	Immeuble Colorado, 8/10 Rue Rosa Luxembourg-Parc des Bellevues, 95610 Eragny-sur-Oise, France	100%
Rolls-Royce Solutions GmbH	Capital Stock	1 Maybachplatz, 88045 Friedrichshafen, Germany	100%
Rolls-Royce Solutions Hong Kong Ltd	Ordinary	No.8 Hart Avenue, Unit D, 8th Floor, Tsim Sha Tsui, Kowloon, Hong Kong	100%
Rolls-Royce Solutions Ibérica S.L.U	Ordinary	Calle Copérnico 26-28, 28823 Coslada, Madrid, Spain	100%
Rolls-Royce Solutions Israel Ltd	Ordinary	4 Ha'Alon Street, South Building, Third Floor, 4059300 Kfar Neter, Israel	100%
Rolls-Royce Solutions Italia S.R.L.	Capital Stock	Via Aurelia Nord, 328, 19021 Arcola (SP), Italy	100%
Rolls-Royce Solutions Japan Co. Limited	Ordinary	Resorttrust Building 4-14-3, Nishitenma Kita-ku, Osaka, Japan	100%
Rolls-Royce Solutions Korea Limited	Ordinary	22nd Floor, Olive Tower, 41 Sejongdaero 9gil, Junggo, 100-737, Seoul, Republic of Korea	100%
Rolls-Royce Solutions Liège S.A.	Ordinary	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	100%
Rolls-Royce Solutions Liège Holding S.A.	Ordinary	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	100%
Rolls-Royce Solutions Magdeburg GmbH	Capital Stock	Friedrich-List-Strasse 8, 39122 Magdeburg, Germany	100%
Rolls-Royce Solutions Middle East FZE	Ordinary	S3B5SR06, Jebel Ali Free Zone, P.O. Box 61141 Dubai, United Arab Emirates	100%

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**8 Investments (continued)**

<b>Company name</b>	<b>Share class</b>	<b>Address</b>	<b>% Holding 2021</b>
Rolls-Royce Solutions Ruhstorf GmbH	Capital Stock	8 Rotthofer Straße, 94099 Ruhstorf a.d. Rott, Germany	75.1%
Rolls-Royce Solutions South Africa (Pty) Ltd	Ordinary	36 Marconi Street, Montague Gardens, Cape Town, 7441 South Africa	100%
Rolls-Royce Solutions (Suzhou) Co. Ltd.	Ordinary	9 Long Yun Rd, Suzhou Industrial Park, Suzhou 215024 Jiang Su, China	100%
Rolls-Royce Solutions Willich GmbH	Ordinary	Konrad-Zuse-Str. 3, 47877, Willich, Germany	100%
Rolls-Royce Solutions UK Limited	Ordinary	Moor Lane, Derby, Derbyshire, England, DE24 8BJ	100%
Servowatch Systems Limited	Ordinary	Endeavour House, Benbridge Industrial Estate, Holloway Road, Heybridge, Essex, CM9 4ER United Kingdom	100%

<sup>1</sup> *In liquidation*

<sup>2</sup> *Dormant*

<sup>3</sup> *The Company indirectly holds 47.7% of the Common share class, 100% of the Seed Preferred share class and 100% of the Series A Preferred share class of Rolls-Royce Solutions Berlin GmbH. The overall ownership percentage is 85.81%.*

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**8 Investments (continued)**

**Joint ventures**

Details as at 31 December 2021 are as follows:

<b>Company name</b>	<b>Share class</b>	<b>Address</b>	<b>Proportion of ownership interest and voting rights held 2021</b>
ForceMTU Power Systems Private Limited	Capital Stock	Mumbai Pune Road, Maharashtra 411035, India	49%
Mest Co. Limited	Normal	97 Bukjeonggongdan 2-gil, Yangsan-si, Gyeongsangnom-do, 50571, Republic of Korea	46.8%
MTU Cooltech Power Systems Co., Ltd	Equity	Building No. 2, No. 1633 Tianchen Road, Qingpu District, Shanghai, China	50%
MTU Power Systems SDN BHD <sup>4</sup>	A Ordinary	Level 10 Menara LGB, 1 Jalan wan Kadir Taman Tun Dr Ismail, 6000 Kuala Lumpur, Malaysia	49%
MTU Yuchai Power Company Limited	Capital Stock	No 7 Danan Road, Yuchou, Yulin, Guangxi, China, 537005	50%
Shanxi North MTU Diesel Co Ltd	Ordinary	No.97 Daqing West Rd, Datong City, Shanxi Province, China	49%
United Battery Management GmbH <sup>5</sup>	Ordinary	Wilhelmshofstr. 76/77, 12459, Berlin, Germany	25.7%

<sup>4</sup> The Company indirectly holds 100% of the A Ordinary share class.

<sup>5</sup> The Company indirectly holds 30% of the Ordinary share class.

**9 Trade and other receivables**

	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
Amounts owed by group undertakings	1,732	3,469

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Amounts due in respect of loans and receivables from group entities have been stated after expected credit losses of £nil (2020 audited: £nil).

**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**10 Cash and cash equivalents**

	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
Cash at bank	674	213

**11 Loans and borrowings**

	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
<b>Current loans and borrowings</b>		
Amounts owed by group undertakings	–	154,562

As a result of finalisation of the liquidation of Kamewa Holdings AB the current loan balance was settled in June 2021.

	<b>2021 Unaudited £ 000</b>	<b>2020 Audited £ 000</b>
<b>Non-current loans and borrowings</b>		
Amounts owed by group undertakings	1,865,637	1,857,501

The Company holds a £2,900,000 thousand intercompany loan facility due to Rolls-Royce plc at an interest rate of 0.35% above SONIA. This interest rate was amended as a result of the publication of Phase 2 of IBOR reform as discussed in Note 2 (2020 audited interest rate: 0.35% above GBP LIBOR).

The intercompany loan is repayable in 2031. During the year the Company repaid no capital on the loan (2020 audited: £96,599,000). The Company made interest repayments of £2,303,000 (2020 audited: £27,093,000).

A further £8,094,000 (2020 audited: £21,000,000) was drawn on the loan and interest of £10,524,000 (2020 audited: £18,235,000) was accrued during the year. Interest accrued at 31 December 2021 was £18,771,000 (2020 audited: £18,727,000).

**12 Called-up share capital**

	<b>2021 Unaudited</b>	<b>2020 Audited</b>
	<b>No. 000</b>	<b>No. 000</b>
	<b>£ 000</b>	<b>£ 000</b>
Ordinary shares of £1 each	230,125	230,125

**Rights, preferences and restrictions**

*Ordinary shares:*

Ordinary shares have the following rights, preferences and restrictions:

Any proxy appointed by a member will be entitled to vote on a show of hands or a poll, with each member entitled to one vote. The Company may declare dividends by ordinary resolution but no dividend should exceed the amount recommended by the Directors.



**Vinters International Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2021 (continued)**

**13 Contingent liabilities**

In January 2017, after full cooperation, the Rolls-Royce Holdings plc Group ('the Group') concluded deferred prosecution agreements (DPA) with the SFO and the US Department of Justice (DoJ) and a leniency agreement with the MPF, the Brazilian federal prosecutors. The terms of both DPAs have now expired; the DPA with the DoJ was dismissed by the US District Court on 19 May 2020 and the SFO filed notice of discontinuance of proceedings with the UK Court on 18 January 2022. Certain authorities are investigating members of the Group for matters relating to misconduct in relation to historical matters. The Group is responding appropriately. Action may be taken by further authorities against the Group or individuals. In addition, the Group could still be affected by actions from customers and customers' financiers. The Directors are not currently aware of any matters that are likely to lead to a material financial loss over and above the penalties imposed to date, but cannot anticipate all the possible actions that may be taken or their potential consequences.

**14 Parent and ultimate parent undertaking**

The Company's immediate parent is Vinters Engineering Limited.

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.

Both sets of Financial Statements are available upon request from Kings Place, 90 York Way, London, United Kingdom, N1 9FX.