

Registration number: 00542021

Vinters International Limited

Unaudited Annual Report and Financial Statements

for the year ended 31 December 2022

Vinters International Limited
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Vinters International Limited

Company Information

Directors	Nicola Carroll Tiziana Iacolino
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Registered number	00542021
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Registered office	Rolls-Royce plc Moor Lane Derby Derbyshire DE24 8BJ
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Vinters International Limited

Strategic Report for the year ended 31 December 2022

The Directors present their Strategic Report on Vinters International Limited (the Company), together with the Directors' Report and the unaudited Financial Statements for the year ended 31 December 2022.

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 (the Group).

Profit for the year after tax was £99,032,000 (2021: £144,571,000). This was as a result of lower dividend income received during 2022 (£125,987,000 received in 2022 compared to £148,046,000 received in 2021) and higher finance costs due to the IBOR reform. The carrying value of the investment in Rolls-Royce Power Systems AG was retained with no investment impairment charged during 2022 (2021: no impairment charge).

The net assets of the Company at 31 December 2022 were £643,038,000 (2021: £544,006,000). Net assets have increased due to a repayment of £125,254,000 on the intercompany loan with Rolls-Royce plc in March 2022. This was offset by an increase in interest with total outstanding amounts payable at 31 December 2021 of £1,773,682,000 (2021: £1,865,637,000). Further details of the loan movements can be seen in note 9.

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 Group has an established and structured approach to risk management which is detailed in the Rolls-Royce Holdings plc Annual Report, which is publicly available from the address in note 12. The Company acts in accordance with this policy to manage and mitigate the risks identified below.

Carrying value of investments

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 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 fair value analysis if any trigger event is identified. The Directors have not identified any triggers. See note 7 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 2022 (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 2022.

From the perspective of the Company's Directors, as a result of the Group's 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 a Company in its activities and relations with its stakeholders. The Company embodies and demonstrate the desired culture of the Group, to maintain a reputation for high standards of business conduct, through the adoption of the Group Policy Manual that 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 12.

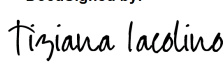
Climate-related corporate reporting

The Company adopts the policies and frameworks set by the Group which include the sustainability measures set out in the Rolls-Royce Holdings plc Annual Report on page 31 to 35. The Company is aligned to the objectives of the 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 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 pages 31 to 35. The Rolls-Royce Holdings plc Annual Report has been prepared for the same financial year as the Company.

Approved by the Board on 22 May 2023 and signed on its behalf by:

DocuSigned by:

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Tiziana Iacolino
Director

Vinters International Limited

Directors' Report for the year ended 31 December 2022

The Directors present their Directors' Report on the Company, together with the Strategic Report and the unaudited Financial Statements for the year ended 31 December 2022.

Directors

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

Nicola Carroll

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 £99,032,000 profit after taxation for the year (2021: £144,571,000). The net assets of the Company are £643,038,000 (2021: £544,006,000).

The Directors do not recommend the payment of a dividend (2021: £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 Group.

Financial risk management

The following financial risks are considered key by the Directors:

Liquidity

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

Foreign exchange risk

The Company is exposed to foreign exchange risk arising from cash flow transactions with fellow group undertakings 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 £9,483,000 (2021: £2,406,000) 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 2022 (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 2022, 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 22 May 2023

and signed on its behalf by:

DocuSigned by:

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Tiziana Iacolino
Director

Vinters International Limited

Income Statement for the year ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Commercial and administrative costs		(1)	(7)
Loss before financing and taxation		(1)	(7)
Income from shares in group undertakings	7	125,987	148,046
Finance income	4	20	7,211
Finance costs	5	(33,297)	(10,749)
Profit before taxation		92,709	144,501
Tax on profit	6	6,323	70
Profit for the financial year		99,032	144,571

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 2022**

	2022 £000	2021 £000
Profit for the financial year	<u>99,032</u>	<u>144,571</u>
Total comprehensive income for the year	<u>99,032</u>	<u>144,571</u>

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

Vinters International Limited

Balance Sheet as at 31 December 2022 (Registration number: 00542021)

	Note	2022 £ 000	2021 £ 000
Non-current assets			
Investments	7	2,398,941	2,398,941
Deferred tax assets	6	8,296	8,296
		2,407,237	2,407,237
Current assets			
Trade and other receivables	8	6,323	1,732
Cash and cash		3,160	674
		9,483	2,406
Net current assets		9,483	2,406
Total assets less current liabilities		2,416,720	2,409,643
Non-current liabilities			
Loans and borrowings	9	(1,773,682)	(1,865,637)
Net assets		643,038	544,006
Equity			
Called up share capital	10	230,125	230,125
Share premium		42,862	42,862
Retained earnings		370,051	271,019
Total equity		643,038	544,006

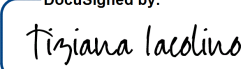
For the year ending 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the Act) relating to subsidiary companies.

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 were approved and authorised for issue by the Board and signed on its behalf on 22 May 2023 by:

DocuSigned by:

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 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 2022

	Called up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2022	230,125	42,862	271,019	544,006
Profit for the financial year	–	–	99,032	99,032
Total comprehensive income	–	–	99,032	99,032
At 31 December 2022	230,125	42,862	370,051	643,038

	Called up share capital £ 000	Share premium £ 000	Retained earnings £ 000	Total £ 000
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

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 2022

1 General information

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

The principal activity of the Company is a holding company.

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

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 2022 that have a material impact on the Company's Financial Statements.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (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 £9,483,000 (2021: net current assets £2,406,000) 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.

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.

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 12.

Functional currency transactions and balances

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

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.

Finance income and costs

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 2022 (continued)

2 Significant accounting policies (continued)

Tax on profit/loss

The tax expense/credit for the year can comprise 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-financial assets

Impairment of non-current assets is considered in accordance with IAS 36 *Impairment of Assets*. Intangible assets that are not yet available for use are tested for impairment annually. Other intangible assets and property, plant and equipment 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. Where the asset does not generate cash flows that are independent of other assets, impairment is considered for the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be below the carrying value, the carrying value is reduced to the recoverable amount and the impairment loss recognised as an expense. The recoverable amount is the higher of value in use or fair value less costs to sell if this is readily available. The value in use is the present value of future cash flows using a pre-tax discount rate that reflects the time value of money and the risk specific to the asset.

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*.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2 Significant accounting policies (continued)

Financial assets and liabilities

Classification

Financial assets

Financial assets primarily include trade and other receivables and cash and cash equivalents (comprising cash at bank). These financial assets are calculated as follows:

- Trade and other receivables are classified as held to collect and measured at amortised cost; and
- Cash and cash equivalents are subject to low market risk. Cash balances are measured at fair value through profit and loss (FVPL).

Financial liabilities

Financial liabilities primarily consist of intercompany loan payables and are classified and measured at amortised cost.

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.

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.

Called up 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.

Rounding of amounts

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

3 Staff and Director costs

The Company has no employees (2021: nil). The Directors did not receive any remuneration (2021: £nil) for qualifying services to the Company.

All Directors fees or emoluments were paid by Rolls-Royce plc, as 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 year for the services of the Directors.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

4 Finance income

	2022 £ 000	2021 £ 000
Interest receivable	16	1
Foreign exchange gain	4	7,210
	<u>20</u>	<u>7,211</u>

5 Finance costs

	2022 £ 000	2021 £ 000
Interest payable	(33,297)	(10,749)
	<u>(33,297)</u>	<u>(10,749)</u>

During the year interest accrued on two intercompany loans. Interest of £33,295,000 (2021: £10,524,000) was charged in relation to the outstanding intercompany loan with Rolls-Royce plc – see note 9 for further details.

6 Tax on profit

Tax credited in the income statement:

	2022 £ 000	2021 £ 000
Current tax		
Group relief receivable at 19% (2021: 19%)	<u>(6,323)</u>	<u>(649)</u>
Total current tax credit	<u>(6,323)</u>	<u>(649)</u>
Deferred taxation		
Adjustments in respect of prior periods	–	3,382
Adjustments in respect of an increase in the tax rate	<u>–</u>	<u>(2,803)</u>
Total deferred tax charge	<u>–</u>	<u>579</u>
Total tax on profit	<u>(6,323)</u>	<u>(70)</u>

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

6 Tax on profit (continued)

The tax on profit before tax for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before taxation	<u>92,709</u>	<u>144,501</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	17,615	27,455
Adjustments in respect of prior periods	–	3,382
Income non-taxable	(23,937)	(28,104)
Adjustments in respect of an increase in the tax rate	–	(2,803)
Tax rate differential on temporary differences	<u>(1)</u>	<u>–</u>
Total tax credit	<u>(6,323)</u>	<u>(70)</u>
Deferred tax		
Deferred tax asset		
	Asset – corporate interest restriction disallowance	
	2022 £ 000	2021 £ 000
As at 1 January	8,296	8,875
Amount charged to income statement	–	(579)
As at 31 December	<u>8,296</u>	<u>8,296</u>

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

7 Investments

	Total £ 000	
Subsidiaries		
Cost		
At 1 January 2022	3,454,970	
At 31 December 2022	3,454,970	
Provision for impairment		
At 1 January 2022	1,056,029	
At 31 December 2022	1,056,029	
Carrying amount		
At 31 December 2022	2,398,941	
At 31 December 2021	2,398,941	
Dividend income received		
	2022	2021
	£ 000	£ 000
Rolls-Royce Japan Co. Ltd	734	786
Rolls-Royce Power Systems AG	125,253	–
Kamewa Holdings	–	147,260
	125,987	148,046

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 fair value less costs of disposal 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 2022, 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:

- The net assets of the Company compared to the investment balance;
- The future strategy of the business;
- The impact of climate-related risks and opportunities;
- 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; and
- Macro-economic factors.

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

7 Investments (continued)

As at 31 December 2022, the companies listed below and on the following pages are indirectly held by the Company except for Rolls-Royce Japan Co Limited and Rolls-Royce Power Systems AG which are 100% directly owned by the Company. The financial year end of each company listed below is 31 December unless otherwise indicated.

Company name	Share class	Address	% Holding 2022
Karl Maybach-Hilfe GmbH	Capital Stock	Maybachplatz 1, 88045, Friedrichshafen, Germany	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 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	London ¹	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 2022 (continued)

7 Investments (continued)

Company name	Share class	Address	% Holding 2022
MTU India Private Limited ²	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 ³	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 (Suzhou) Co. Ltd.	Ordinary	9 Long Yun Rd, Suzhou Industrial Park, Suzhou 215024 Jiang Su, China	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	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	Common Seed Preferred Series A Preferred	Villa Rathenau, Wilhelminenhofstrasse 75 12459, Berlin, Germany	100%
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 2022 (continued)

7 Investments (continued)

Company name	Share class	Address	% Holding 2022
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	Maybachplatz 1, 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 530-0047, Japan	100%
Rolls-Royce Solutions Korea Limited	Ordinary	22nd Floor, Olive Tower, 41 Sejongdaero 9 gil, 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 Mexico City S.A. de C.V.	Common Shares	Xochicalco 620, Colonia Letran Valle, Delegacion Benito Juarez, Mexico City 03650, Mexico	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 2022 (continued)

7 Investments (continued)

Company name	Share class	Address	% Holding 2022
Rolls-Royce Solutions Ruhstorf GmbH	Capital Stock	Rotthofer Straße 8, 94099 Ruhstorf a.d. Rott, Germany	100%
Rolls-Royce Solutions South Africa (Pty) Ltd	Ordinary	36 Marconi Street, Montague Gardens, Cape Town, 7441 South Africa	100%
Rolls-Royce Solutions Willich GmbH	Ordinary	Konrad-Zuse-Str. 3, 47877, Willich, Germany	100%
Rolls-Royce Solutions UK Limited	Ordinary	Derby ⁴	100%
Servowatch Systems Limited	Ordinary	Endeavour House, Benbridge Industrial Estate, Holloway Road, Heybridge, Essex, CM9 4ER United Kingdom	100%

¹ Kings Place, 90 York Way, London, United Kingdom, N1 9FX

² Reporting year end is 31 March

³ Dormant entity

⁴ Moor Lane, Derby, Derbyshire, DE24 8BJ, United Kingdom

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

7 Investments (continued)

Joint ventures

Details as at 31 December 2022 are as follows:

Company name	Share class	Address	Proportion of ownership interest and voting rights held 2022
ForceMTU Power Systems Private Limited	Capital Stock	Mumbai Pune Road, Maharashtra 411035, India	49%
Hoeller Electrolyzer GmbH	Ordinary	Alter Holzhafen, 23966 Wismar, Germany	54.2%
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 ⁵	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	Ordinary	Wilhelminenhofstr. 76/77, 12459, Berlin, Germany	30%

⁵ The Company indirectly holds 100% of the A Ordinary share class

8 Trade and other receivables

	2022 £ 000	2021 £ 000
Amounts due from group undertakings	6,323	1,732

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

Amounts due from group undertakings have been stated after expected credit losses of £nil (2021: £nil).

Vinters International Limited

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

9 Loans and borrowings

	2022 £ 000	2021 £ 000
Non-current loans and borrowings		
Amounts due to group undertakings	<u>1,773,682</u>	<u>1,865,637</u>

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 (2021: 0.35% above GBP LIBOR).

The intercompany loan is repayable in 2031. During the year the Company repaid £125,254,000 capital on the loan (2021: £nil). The Company made interest repayments of £nil (2021: £2,303,000).

During the year, interest of £33,295,000 (2021: £10,524,000) was accrued during the year. In addition, interest payable of £20,097,000 (2021: £8,094,000) was capitalised, resulting in a reduction of interest accrued and corresponding further draw down of the loan. Interest accrued at 31 December 2022 was £31,969,000 (2021: £18,771,000).

10 Called up share capital

Allotted and fully paid

	2022		2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>230,125</u>	<u>230,125</u>	<u>230,125</u>	<u>230,125</u>

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 2022 (continued)

11 Contingent liabilities

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, customers' financiers and the Group's current and former investors, including certain potential claims in respect of the Group's historical ethics and compliance disclosures which have been notified to the Group. 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 consequence.

12 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.