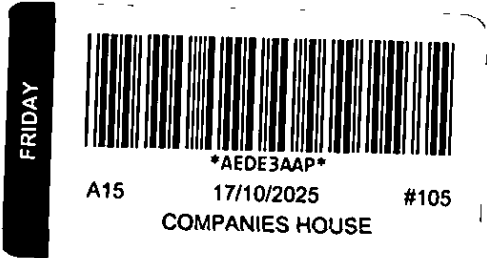


Registration number 02220030

Ross Ceramics Limited

Unaudited Annual Report and Financial Statements
for the Year Ended 31 December 2024



Ross Ceramics Limited
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Ross Ceramics Limited

Company Information

Directors Jonathan Handford
Ben Kirby

Registered office Moor Lane
Derby
Derbyshire
DE24 8BJ

Registration number 02220030

Ross Ceramics Limited

Strategic Report for the year ended 31 December 2024

The Directors present their Strategic Report on Ross Ceramics Limited (the Company) together with the Directors' Report and the unaudited Financial Statements for the year ended 31 December 2024

Principal activities

The Company has no principal activities having sold its trade and assets to another Group company, Rolls-Royce plc on 29th September 2024 and there has been no active trade within the Company afterwards. The directors intend to liquidate the company in future.

Business review

The financial position of the Company at 31 December 2024 is shown in the Income Statement on page 6, with the results shown in the Statement of Financial Position on page 8.

The Company sold its trade and assets to another Group company, Rolls-Royce plc on 29th September 2024 and there has been no active trade within the Company afterwards. Therefore, revenue for the continuing operations was £nil (2023 audited £nil). The only continuing operation during the year was the finance income and the Company saw its profit before taxation from continuing operations increase to a profit of £81,000 (2023 audited £76,000). In addition, a profit of £488,000 (2023 audited loss of £196,000) has been made from its discontinued operations.

Owing to the profit made on the disposal of trade and assets, the net assets in 2024 has increased to £7,743,000 (2023 audited £7,047,000).

Following the sale of trade and assets, the Directors intend to liquidate the company in future and therefore the accounts have been presented on a basis other than going concern.

Principal risks and uncertainties

Rolls-Royce Holdings plc group (the Group) has an established and structured approach to risk management which is detailed in the Rolls-Royce Holdings plc 2024 Annual Report, which is publicly available from the address in note 22. The Company acts in accordance with this policy to manage and mitigate the risks. The Directors have not identified any key risks for the Company.

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.

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, Rolls-Royce plc. The Company's 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 2024.

Ross Ceramics Limited

Strategic Report for the year ended 31 December 2024 (continued)

Section 172(1) statement (continued)

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. As the Company is an immediate holding company and has not traded during the year ended 31 December 2024, 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.

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 demonstrates the desired culture of the 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 put safety first, do the right thing, keep it simple and make a difference.

Further details on the Group Policy Manual and the policies the Company adopts can be found in the Rolls-Royce Holdings plc 2024 Annual Report which is publicly available from the address in note 22.

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 pages 32 to 45. 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.

Approved by the board and signed on its behalf on 21 August 2025 by

Signed by

Jonathan Handford
Director

Ross Ceramics Limited

Directors' Report for the year ended 31 December 2024

The Directors present their Directors' Report on the company together with the Strategic Report and unaudited Financial Statements for the year ended 31 December 2024

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

Jonathan Handford
Ben Kirby

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 the Annual Report and Financial Statements

Results and dividends

The profit after taxation for the year ended 31 December 2024 amounted to £569,000 (2023 audited loss after taxation of £120,000)

The Directors do not recommend the payment of a dividend (2023: £nil)

Future developments

Ross Ceramics Limited sold the trade and assets to another Group company, Rolls-Royce plc in September 2024 and there has been no active trade within the Company afterwards. The Directors intend to liquidate the Company in future.

Going concern

The Financial Statements have been prepared on a basis other than going concern as the Company has ceased to trade and the Directors intend to liquidate the company in future. In September 2024, Ross Ceramics Limited sold its trade and assets to Rolls-Royce plc, another Group entity, leaving no active trade within the entity. After which, the Directors intend to liquidate the Company.

After considering the above, the Directors consider it appropriate to prepare the Company's Financial Statements on a basis other than going concern.

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.

Ross Ceramics Limited

Directors' Report for the year ended 31 December 2024 (continued)

Statement of Directors' Responsibilities in respect of the Financial Statements (continued)

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

Directors' confirmations

In the case of each Director in office at the date of the Directors' Report is approved

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Approved by the board and signed on its behalf on 21 August 2025 by

Signed by

.....D6999791B4054FF.....
Jonathan Handford
Director

Ross Ceramics Limited

Income Statement for the year ended 31 December 2024

	Note	Continuing operations 2024 Unaudited £ 000	Discontinued operations 2024 Unaudited £ 000	Total 2024 Unaudited £ 000	Continuing operations 2023 Audited £ 000	Discontinued operations 2023 Audited £ 000	Total 2023 Audited £ 000
Revenue	3	—	14 940	14,940	—	16 512	16 512
Cost of sales		—	(10,780)	(10 780)	—	(15 351)	(15 351)
Gross profit		—	4,160	4,160	—	1,161	1,161
Administrative expenses		—	(4 283)	(4 283)	—	(1 056)	(1,056)
Operating (loss)/profit	4	—	(123)	(123)	—	105	105
Profit on disposal of business	18	—	692	692	—	—	—
Profit before interest and taxation		—	569	569	—	—	—
Finance income	8	81	—	81	76	—	—
Finance costs	9	—	(81)	(81)	—	(51)	(51)
Profit before taxation		81	488	569	76	54	130
Taxation	10	—	—	—	—	(250)	(250)
Profit/(loss) for the year		81	488	569	76	(196)	(120)

The notes on pages 10 to 19 form an integral part of these Financial Statements

Ross Ceramics Limited

Statement of Comprehensive Income
for the year ended 31 December 2024

	2024 Unaudited £000	2023 Audited £000
Profit/(loss) for the year	<u>569</u>	<u>(120)</u>
Total comprehensive income/(expense) for the year	<u>569</u>	<u>(120)</u>

The notes on pages 10 to 19 form an integral part of these Financial Statements

Ross Ceramics Limited

Statement of Financial Position as at 31 December 2024 (Registration number: 02220030)

	Note	2024 Unaudited £ 000	2023 Audited £ 000
Current assets			
Inventories	11	–	2,476
Trade and other receivables	12	5,190	3,666
Cash and cash equivalents		2,561	834
Other current assets	13	–	8,337
		<u>7,751</u>	<u>15,313</u>
Current liabilities			
Lease liabilities	14	–	(1,611)
Trade and other payables	15	(8)	(6,655)
		<u>(8)</u>	<u>(8,266)</u>
Net current assets		<u>7,743</u>	<u>7,047</u>
Total assets less current liabilities		<u>7,743</u>	<u>7,047</u>
Net assets		<u>7,743</u>	<u>7,047</u>
Equity			
Called up share capital	19	150	150
Other reserves		1,917	1,790
Retained earnings		5,676	5,107
Total equity		<u>7,743</u>	<u>7,047</u>

For the year ending 31 December 2024 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

The Financial Statements were approved and authorised for issue by the Directors and signed on its behalf on 21 August 2025 by

Signed by

 D8999791B4054FF
 Jonathan Handford
 Director

The notes on pages 10 to 19 form an integral part of these Financial Statements

Ross Ceramics Limited

Statement of Changes in Equity for the year ended 31 December 2024

	Called up share capital Unaudited £ 000	Other reserves Unaudited £ 000	Retained earnings Unaudited £ 000	Total Equity Unaudited £ 000
At 1 January 2024	150	1,790	5,107	7,047
Profit for the financial year	–	–	569	569
Total comprehensive income	–	–	569	569
Transactions with owners in their capacity as owners				
Share-based payments - direct to equity	–	127	–	127
At 31 December 2024	150	1,917	5,676	7,743

	Called up share capital Audited £ 000	Other reserves Audited £ 000	Retained earnings Audited £ 000	Total Equity Audited £ 000
At 1 January 2023	150	1,710	5,227	7,087
Loss for the financial year	–	–	(120)	(120)
Total comprehensive expense	–	–	(120)	(120)
Transactions with owners in their capacity as owners				
Share-based payments - direct to equity	–	80	–	80
At 31 December 2023	150	1,790	5,107	7,047

The notes on pages 11 to 19 form an integral part of these Financial Statements

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024

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 activities of the Company were to support the technical development of the materials, processes and geometry envelope of turbine blade core technology to support the parent company, Rolls-Royce plc, in satisfying demand for its products for the aerospace and power generation industries. In September 2024, Ross Ceramics Limited sold its trade and assets to Rolls-Royce plc, another Group entity, leaving no active trade within the entity. The Directors intend to liquidate the Company. The relevant changes were made in the 2023 financial statements as a result of the change in basis of preparation by reclassifying non-current assets as other current assets.

The address of its registered office is Moor Lane, Derby, Derbyshire, DE24 8BJ. The address of the principal place of business is Derby Road, Denby, Ripley, DE5 8NX.

2 Material accounting policies

The material accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements. These accounting policies have been applied consistently throughout the year under audit and have been updated for any additional policies needed to reflect the non-going concern basis if relevant.

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),
 - 134 to 136 (disclosures in respect of capital management), and
 - 111 (statement of cash flows information)
- IAS 7, *Statement of cash flows*,
- Paragraphs 45(b) and 46 to 52 of IFRS 2, *Share-based payment* (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined),
- Paragraph 38 of IAS 1, *Presentation of Financial Statements* – comparative information requirements in respect of paragraph 73 of IAS 16 *Property, plant and equipment*, and
- IFRS 7, *Financial Instruments: Disclosures*

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 2024 that have a material impact on the Company's Financial Statements.

Going concern

The Financial Statements have been prepared on a basis other than going concern as there is no trading for the company and the Directors intend to liquidate the company within 12 months of the date of approval of these Financial Statements. In September 2024, Ross Ceramics Limited sold its trade and assets to Rolls-Royce plc, another Group entity, leaving no active trade within the entity.

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

2 Material accounting policies (continued)

Going concern (continued)

After considering the above, the Directors consider it appropriate to prepare the Company's Financial Statements on a basis other than going concern

Foreign 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

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 Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date the fair value was determined Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated Foreign exchange differences arising on translation are recorded in net financing in the Income Statement

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the goods supplied recognised at a point in time, stated net of value added taxes

Revenue is recognised when performance obligations have been satisfied and for the Company this is when the control of manufactured ceramic cores, materials or tooling is transferred to a customer A five-step recognition model is used to apply the standard as follows (1) identify the contract(s) with the customer, (2) identify the separate performance obligations in the contract (e.g. ceramic cores, materials or tooling), (3) determine the transaction price, (4) allocate the transaction price to separate performance obligations, and (5) recognise revenue when (or as) each performance obligation is satisfied

Sales of goods in the Income Statement are recognised by the Company when control of the goods has been transferred, being when the customer takes possession of the goods and that all performance obligations have been fulfilled

Finance income and costs

Interest receivable/payable is credited/charged to the Income Statement using the effective interest method

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand The company does not hold any short-term deposits or other cash equivalents at the reporting date

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

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

3 Revenue

A geographical analysis of revenue is presented as follows

	2024 Unaudited £ 000	2023 Audited £ 000
United Kingdom	10,334	11,673
Rest of Europe	3,608	3,436
North America	200	21
Rest of World	798	1,255
	<u>14,940</u>	<u>16,385</u>

All revenue is generated from the sale of goods

4 Operating loss

Arrived at after crediting/(charging)

	2024 Unaudited £ 000	2023 Audited £ 000
Income from government grants	-	-
Depreciation charge on property, plant and equipment ¹	(119)	(687)
Impairment charge on property, plant and equipment ¹	-	(90)
Reversal of impairment of inventory to net realisable value ¹	645	70
Inventory recognised as an expense ¹	(8,915)	(7,319)
Impairment losses on trade receivables ²	80	(55)
Depreciation charge on right-of-use assets ²	(119)	(158)
	<u></u>	<u></u>

¹ Recognised in cost of sales

² Recognised in administrative expenses

5 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows

	2024 Unaudited £ 000	2023 Audited £ 000
Wages and salaries	5,364	6,144
Social security costs	549	554
Share-based payment expenses	127	80
Other pension costs	470	488
	<u>6,510</u>	<u>7,266</u>

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

5 Staff costs (continued)

The monthly average number of persons, including Directors, employed by the Company during the year was as follows

	2024 Unaudited No.	2023 Audited No.
Administrative staff	32	31
Operational staff	<u>186</u>	<u>153</u>
	<u>218</u>	<u>184</u>

In September 2024, Ross Ceramics Ltd sold its trade and assets to another Group company, Rolls Royce plc. The contracts of employment of the Employees transferred automatically to Rolls-Royce Plc and took effect as if originally made between Rolls-Royce plc and the employees. Therefore, all the staff costs and monthly average number of staff in the table above are related to discontinued operations.

6 Directors' remuneration

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

7 Auditors' Remuneration

During the year no (2023 audited £117,000) fees were incurred for the audit of the Company Financial Statements following the accounts being exempt from audit. In the year to 31 December 2023, the fees were paid by Rolls-Royce plc, on the behalf of the Company and not recharged.

No (2023 audited no) amounts were paid to the Company's auditors for non-audit services.

8 Finance income

	2024 Unaudited £ 000	2023 Audited £ 000
Foreign exchange gain	—	10
Other interest receivable	<u>81</u>	<u>66</u>
	<u>81</u>	<u>76</u>

9 Finance costs

	2024 Unaudited £ 000	2023 Audited £ 000
Foreign exchange loss	45	—
Interest charge on lease liabilities	<u>36</u>	<u>51</u>
	<u>81</u>	<u>51</u>

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

10 Income tax expense

Tax credited in the Income Statement

	2024 Unaudited £ 000	2023 Audited £ 000
Current tax		
Adjustments in respect of prior years	—	(7)
Total current tax credit	—	(7)
Deferred taxation		
Adjustments in respect of current year	—	275
Adjustments in respect of prior years	—	(18)
Total deferred taxation	—	257
Tax charge in the income statement	—	250

The tax assessed for the year is lower than (2023 audited lower than) the standard rate of corporation tax in the UK of 25% (2023 audited 23.5%)

The differences are reconciled below

	Continuing operation 2024 Unaudited £ 000	Discontinued operation 2024 Unaudited £ 000	Total 2024 Unaudited £ 000	Total 2023 Audited £ 000
Profit before taxation	81	488	569	130
Corporation tax at standard rate of 25% (2023 audited 23.5%)	20	122	142	31
Expenses not deductible for tax	—	15	15	27
Adjustments in respect of prior years	—	—	—	(25)
Group relief surrendered but not paid for	(20)	(137)	(157)	201
Tax rate differential on temporary differences	—	—	—	16
Total tax charge	—	—	—	250

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

10 Income tax expense (continued)

The Company is within the scope of the OECD Pillar Two (Global Minimum Tax) model rules, which came into effect from 1 January 2024. For the period to 31 December 2024, the Company has no related current tax exposure and has continued to apply the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Deferred tax asset

Deferred tax movement during the year

	At 1 January 2024 £ 000	Recognised in income statement £ 000	Recognised in equity £ 000	Reclassified to other current assets £ 000	At 31 December 2024 £ 000	Recognised as DTA £ 000
Accelerated capital allowances	–	–	–	–	–	–
Pensions	–	–	–	–	–	–
Net tax assets	–	–	–	–	–	–

Deferred tax movement during the prior year

	At 1 January 2023 £ 000	Recognised in income statement £ 000	Recognised in equity £ 000	Reclassified to other current assets £ 000	At 31 December 2023 £ 000	Recognised as DTA £ 000
Accelerated capital allowances	921	(257)	–	(664)	–	–
Pensions	–	–	–	–	–	–
Net tax assets	921	(257)	–	(664)	–	–

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

11 Inventories

	2024 Unaudited £ 000	2023 Audited £ 000
Raw materials and consumables	–	780
Work in progress	–	889
Finished goods for resale	–	807
	<u>–</u>	<u>2,476</u>

In September 2024, the Company sold its trade and assets to Rolls-Royce Plc, including all its inventory, see note 18 for further details

Prior to the sale, there were no significant difference between replacement cost of work in progress and finished goods for resale and their carrying amounts

Changes in finished goods, consumables and work in progress recognised as cost of sales in the year amounted to £8,915,000 (2023 audited £7,319,000)

Inventories are stated after provisions for impairment of £nil (2023 audited £645,000)

12 Trade and other receivables

	2024 Unaudited £ 000	2023 Audited £ 000
Trade receivables	4	523
Amounts due from group undertakings	5,186	2,629
Amounts due from related parties	–	182
Prepayments and accrued income	–	62
Social security and other taxes	–	270
	<u>5,190</u>	<u>3,666</u>

In September 2024, the Company sold its trade and assets to Rolls-Royce Plc, including some of its trade receivables, see note 18 for further details. The consideration to be received from Rolls-Royce Plc is included within the amounts due from group undertakings at the reporting date

Trade receivables of £nil (2023 audited £nil) fall due after more than one year

13 Other current assets

	2024 Unaudited £ 000	2023 Audited £ 000
Property, plant and equipment	–	5,940
Right-of-use assets	–	1,733
Deferred tax assets	–	664
	<u>–</u>	<u>8,337</u>

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

14 Leases

In September 2024 Ross Ceramics Ltd sold its trade and assets to Rolls-Royce Plc, including all leases, see note 18 for further details. The relevant lease finance costs have been included within discontinued operations, see note 18 for further details.

15 Trade and other payables

Current:

	2024 Unaudited £ 000	2023 Audited £ 000
Trade payables	2	482
Other payables	6	–
Accruals and deferred income	–	778
Amounts due to group undertakings	–	5,239
Social security and other taxes	–	156
	<u>8</u>	<u>6,655</u>

16 Post-retirement benefits

In September 2024, Ross Ceramics Ltd sold its trade and assets to Rolls-Royce Plc, including all its employees and employee pension obligations, see note 18 for further details. Prior to the sale the company was a participating employer in the Rolls-Royce UK Pension Fund which is a multi-employer defined benefit scheme.

17 Share-based payments

The Company participated in the following share-based payment plans operated by Rolls-Royce Holdings plc before selling its trade and assets to another Group company, Rolls Royce plc on 29 September 2024. See note 18 for further details.

Long Term Incentive Plan (LTIP)

This plan involves the award of shares to participants subject to performance conditions. Vesting of the performance shares is based on the achievement of both non-market based conditions (EPS and cash flow per share) and a market based performance condition (Total Shareholder Return – TSR) over a three-year period.

ShareSave share option plan

Based on a three or five year monthly savings contract, eligible employees are granted share options with an exercise price of up to 20% below the share price when the contract is entered into. Vesting of the options is not subject to the achievement of a performance target. The plan is HM Revenue & Customs approved.

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

17 Share-based payments(continued)

In September 2024, Ross Ceramics Ltd sold its trade and assets to another Group company, Rolls Royce plc and there is no employee in Ross Ceramics Ltd after the transactions made. All of the outstanding shares were transferred as a part of the discontinued operation.

Share options outstanding at the end of the year have the following expiry dates and exercise prices

Grant - vest	Expiry date (31 January)	Exercise price in pence per share option	ShareSave share options	
			2024	2023
2019 - 2025	2025	232	-	22,413
2021 - 2025	2025	97	-	488,970
			-	511,383

18 Discontinued operations

On 29 September 2024, Ross Ceramics Ltd sold its trade and assets of £7,108,000 to Rolls-Royce Plc for consideration of £7,800,000. The post-tax gain on disposal of the discontinued operation was determined as follows:

	2024 Unaudited £'000	2023 Audited £'000
Cash consideration received	7,800	-
Total consideration received	7,800	-
Assets and liabilities not transferred ¹	(2,567)	-
Net consideration inflow on disposal of discontinued operation	5,233	-
Net assets disposed of		
Property, Plant and Equipment	(5,668)	-
Right-of-use assets	(1,512)	-
Inventories	(2,107)	-
Trade and other receivables	(1,190)	-
Trade and other payables	6,600	-
Deferred tax assets	(664)	-
Pre-tax gain on disposal of discontinued operation	692	-
Related tax expense	-	-
Gain on disposal of discontinued operation	692	-

1, Assets and liabilities not transferred includes trade receivables of £1,486,000, cash in the bank of £1,397,000 and the VAT payables of £191,000.

Ross Ceramics Limited

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

19 Called up share capital

Allotted and fully paid

	2024 Unaudited		2023 Audited	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	150	150	150	150

Rights, preferences and restrictions

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.

20 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.

21 Related party transactions

On 29 September 2024, Ross Ceramics Ltd sold its trade and assets of £7,108,000 to Rolls-Royce Plc for consideration of £7,800,000 resulting in a profit on disposal of £692,000. The disposal has been classified as a Discontinued operation in line with IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations.

Prior to the sale of trade and assets, the Company made sales to another Rolls-Royce Holdings plc group joint venture, Xian XR Aero Components Co. Limited, in the year were £230,000 (2023 audited £834,000) and purchases made in the year were £nil (2023 audited £nil). Amounts due from related parties at the 31 December 2024 were £134,000 (2023 audited £182,000). Amounts due to related parties at the 31 December 2024 were £nil (2023 audited £nil). The sales and purchase to the joint venture and the amounts due from and to the related parties mentioned above are related to discontinued operation.

22 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.