

Registration number: 00003543

Vinters Engineering Limited

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



## **Vinters Engineering Limited**

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## **Vinters Engineering Limited**

### **Company Information**

<b>Directors</b>	Bryony French Tiziana Iacolino
<b>Registration number</b>	00003543
<b>Registered office</b>	Rolls-Royce plc Moor Lane Derby Derbyshire DE24 8BJ
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square, Manchester, M3 3EB

# Vinters Engineering Limited

## Strategic Report

### for the year ended 31 December 2024

The Directors present their Strategic Report on Vinters Engineering Limited (the Company) together with the Directors' Report and the audited Financial Statements for the year ended 31 December 2024.

#### Principal activities

The principal activity of the Company are the production of switchboards to Rolls Royce Solutions Limited and the repair and overhaul of power generation, transmission and conversion equipment for the Ministry of Defence. The Company also holds an employer's liability claim provision for up to 40 years.

#### Business review

*The financial position of the Company at 31 December 2024 is shown on page 14, with the results shown in the Income Statement on page 12.*

In 2024, revenue increased to £10,736,000 (2023 restated: £8,901,000) largely due to the increase in revenue income from the production of switchboards to another Group company Rolls-Royce Solutions UK Limited. During 2024, the Company performed a review of its contracts and identified a contract that was previously recognised as point in time however should have been recognised over time. As a result, the 2023 comparatives have been restated to reflect over time recognition. Further details of the restatement are shown in note 2.

Profit before taxation was £1,749,000 (2023 restated: £4,597,000). The cause for declining profit is mainly due to the industrial claims provision whereby the Company recognised an additional charge of £1,274,000 during 2024 in line with the independent actuarial review of claims made performed as at 30 September 2024 (2023: release of £3,072,000).

The net assets at 31 December 2024 were £18,117,000 (2023 restated: £16,763,000).

#### Key performance indicators

The key performance indicators monitored by the business were as follows:

	Restated <sup>1</sup>	
	2024	2023
	£ 000	£ 000
Revenue	10,736	8,901
Profit before taxation	1,749	4,597
Net assets	18,117	16,763

<sup>1</sup> See note 2 for the details regarding the prior year restatement

Given the nature of the Company's activities, the 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 Rolls-Royce 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 24. The Company acts in accordance with this policy to manage and mitigate the risks identified below.

**Vinters Engineering Limited**  
**Strategic Report**  
**for the year ended 31 December 2024 (continued)**

**Principal risks and uncertainties (continued)**

The Directors have determined that the principal risks and uncertainties facing the Company are as follows:

*Political*

The Company trades with various government bodies and carries out some work on a contract basis, sometimes with no specific guarantee of involvement in future contracts.

The Company is therefore potentially exposed to shifting political sentiment, although the Directors believe the Company's long and lasting relationships with these government bodies means there is limited risk of a wholesale impact on revenue streams.

*Industrial Diseases Provision*

The Company makes provision for an industrial diseases liability resulting from businesses previously owned by the Group. Each year the Company obtains an independent actuarial review of claims made. The Directors of the Company assess the provision for reasonableness in conjunction with the above report and all other information available.

*Climate change*

The Directors have considered the potential impact of climate change when preparing the Financial Statements and whether climate change should be considered to be a principal risk to the Company. The Company operates as part of the Group, which recognises the urgency of the climate challenge and has committed to net zero carbon by 2050. The principal risk to meeting these commitments is the need to transition products and services to a lower carbon economy.

**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 has a range of key stakeholders including employees, external suppliers, investors and customers. Communication with both key suppliers and customers occurs on a regular basis. Management engages with suppliers through review boards and regular performance and compliance meetings.

The 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.

There is regular engagement within the Group on employee-related matters, which is taken into account during the Company's decision making. Where the Directors do not engage directly with the Company's stakeholders, they are kept up to date to enable them to maintain an effective understanding of what matters to those stakeholders and can draw on these perspectives in Board decision-making. All employees are invited to participate in an annual employee engagement survey, provided by Gallup, which is taken into account in the Company's decision making.

**Vinters Engineering Limited**  
**Strategic Report**  
**for the year ended 31 December 2024 (continued)**

**Section 172(1) statement (continued)**

The Directors consider business relationships with the Company's wider stakeholders. The impact of Company operations on the environment and communities in which it operates is embedded in all Company decision-making and risk assessment throughout the year. As a Group Company, the Company complies and acts in accordance with the Group's policies in relation to the safeguarding of human rights and the community relationships as outlined in the Roll-Royce Holdings plc 2024 Annual Report which is publicly available from the address in note 24.

**Non-financial and sustainability information statement**

The Company is a subsidiary of the Rolls-Royce Holdings plc Group and therefore the non-financial and sustainability information disclosures required in relation to both Rolls-Royce Holdings plc and the Company have been included in the Rolls-Royce Holdings plc 2024 Annual Report on page 32.

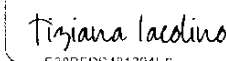
**Climate-related corporate reporting**

The Company adopts the policies and frameworks set by the Group which include the sustainability measures set out in the Rolls-Royce Holdings plc 2024 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.

**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 2024 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 and signed on its behalf on 21 July 2025 by:

Signed by  
  
.....E338EDB481894E8.....  
Tiziana Iacolino  
Director

**Vinters Engineering 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 audited 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:

Bryony French  
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 the Annual Report and Financial Statements.

**Results and dividends**

The profit after taxation for the year ended 31 December 2024 amounted to £1,296,000 (2023 restated: £3,575,000).

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

**Future developments**

It is the intention of the directors to sell its main trading business to Rolls-Royce Solutions UK Limited, another Group entity during the second half of 2025 leaving no active trade in this entity.

Vinters Engineering Limited will continue to exist as an entity after its main trading business being disposed of to hold the employer's liability claim provision for up to 40 years.

**Financial risk management**

The following financial risks are considered key by the Directors:

*Credit risk*

The Company's credit risk is primarily attributable to the amount due to its group undertakings. The amounts presented in the Statement of Financial Position are net of provisions for impairment. The main customer of the Company is another group undertaking and as a result the overall credit risk to the Company is deemed to be low. At the statement of financial position date, there were no significant concentrations of credit risk to any other than fellow group members.

*Liquidity risk*

The Company considers liquidity risk is low as it has very low external debt and has strong liquidity through its cash holdings and amounts due from group undertakings. This is designed to ensure the company has sufficient available funds for operations.

**Going concern**

The Financial Statements have been prepared on a going concern basis. The Directors consider that the Company will have sufficient financial resources to meet its obligations for the foreseeable future that is for at least 12 months from the date of approval of these Financial Statements.

During 2025, the Company intends to sell its main trading business to Rolls-Royce Solutions UK Limited, another group entity. After selling this business the Company will have no remaining trade or ongoing expenses other than those relating to the employer's liability claim provision. The consideration from the sale of the business is expected to exceed its carrying value, and as a result the directors still expect the Company to be in a positive net asset position after the sale and have sufficient financial resources to satisfy its obligations for at least 12 months from the date of approval of these financial statements.

As the Company has an outstanding employer's liability claim provision for up to 40 years, the company is expected to exist until this is satisfied.

**Vinters Engineering Limited**  
**Directors' Report**  
**for the year ended 31 December 2024 (continued)**

**Going concern (continued)**

Rolls-Royce plc, a parent undertaking, has provided written confirmation of its intention to continue to provide financial support to the Company such that the Company is able to operate as a going concern and to settle their liabilities as they fall due for a period of at least 12 months from the date of signing these Financial Statements.

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**

The Company aims to foster enduring relationships with its stakeholders as identified in the Section 172 Statement in the Strategic Report (see page 3).

The Company's activities affect a wide range of stakeholders and the Company engages with these stakeholders and listens to their differing inputs and priorities as an everyday part of its business and uses the input and feedback to form its decision-making process. The Company utilises various engagement methods with its customers which include regular customer engagement meetings at both Director and management level.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Post balance sheet events**

On 27 June 2025 the management agreement between the Company and Powerfield Limited was dissolved. As a result of the dissolution, Powerfield Limited no longer acts as an agent for the Company. Any assets and liabilities that are legally owned by Powerfield Limited but currently recognised by the Company due to the terms of the management agreement will be transferred to Powerfield Limited. The Company will no longer receive the revenue or costs in relation to the operations of Powerfield Limited as of 27 June 2025.

**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.



## **Vinters Engineering 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.

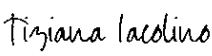
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each Director in office at the date 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 the 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 July 2025 by:

Signed by:  
  
.....  
Tiziana Iacolino  
Director

## **Vinters Engineering Limited**

### **Independent auditors' report to the members of Vinters Engineering Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Vinters Engineering Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2024; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Vinters Engineering Limited**

### **Independent auditors' report to the members of Vinters Engineering Limited**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Vinters Engineering Limited**

### **Independent auditors' report to the members of Vinters Engineering Limited**

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK Corporation tax and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management in respect of any known or suspected instances of non-compliance with laws and regulations and any fraud matters;
- Challenging assumptions and judgements made by management for evidence of bias in determining significant accounting estimates including those related to long-term contract accounting;
- Identifying and testing unusual journal entries, in particular those posted with unusual account combinations such as those increasing revenue or those reducing expenditure; and
- Reviewing minutes of meetings with those charged with governance

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Vinters Engineering Limited**

### **Independent auditors' report to the members of Vinters Engineering Limited**

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Josh Hearn (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
21 July 2025

**Vinters Engineering Limited**  
**Income Statement**  
**for the year ended 31 December 2024**

	Note	2024 £ 000	Restated <sup>1</sup> 2023 £ 000
Revenue	3	10,736	8,901
Cost of sales		<u>(7,342)</u>	<u>(6,246)</u>
<b>Gross profit</b>		<b>3,394</b>	<b>2,655</b>
Administrative expenses		<u>(958)</u>	<u>(1,558)</u>
<b>Operating profit</b>	4	<b>2,436</b>	<b>1,097</b>
Other operating (expense)/income	8	(1,274)	3,072
Finance income	9	<u>587</u>	<u>428</u>
<b>Profit before taxation</b>		<b>1,749</b>	<b>4,597</b>
Income tax expense	10	<u>(453)</u>	<u>(1,022)</u>
<b>Profit for the financial year</b>		<b><u>1,296</u></b>	<b><u>3,575</u></b>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

The above results were derived from continuing operations.

The notes on pages 16 to 35 form an integral part of these Financial Statements.

**Vinters Engineering Limited**  
**Statement of Comprehensive Income**  
**for the year ended 31 December 2024**

	<b>2024</b> <b>£ 000</b>	<b>Restated<sup>1</sup></b> <b>2023</b> <b>£ 000</b>
Profit for the financial year	<u>1,296</u>	<u>3,575</u>
<b>Total comprehensive income for the financial year</b>	<b><u>1,296</u></b>	<b><u>3,575</u></b>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

The notes on pages 16 to 35 form an integral part of these Financial Statements.

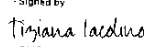
**Vinters Engineering Limited**  
**Statement of Financial Position**  
**as at 31 December 2024**  
**(Registration number: 00003543)**

	Note	2024 £ 000	Restated <sup>2</sup> 2023 £ 000
<b>Non-current assets</b>			
Property, plant and equipment	11	3,067	3,206
Investments	12	32,245	32,245
		<b>35,312</b>	<b>35,451</b>
<b>Current assets</b>			
Inventories	13	4,586	3,241
Trade and other receivables	14	37,309	26,794
Cash and cash equivalents		820	10,126
		<b>42,715</b>	<b>40,161</b>
<b>Current liabilities</b>			
Contract liabilities	15	(1,766)	(1,270)
Trade and other payables	16	(48,972)	(49,152)
Provisions for liabilities	19	(2,196)	(902)
		<b>(52,934)</b>	<b>(51,324)</b>
<b>Net current liabilities</b>		<b>(10,219)</b>	<b>(11,163)</b>
<b>Total assets less current liabilities</b>		<b>25,093</b>	<b>24,288</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10	(312)	(321)
Provisions for liabilities	19	(6,664)	(7,204)
		<b>(6,976)</b>	<b>(7,525)</b>
<b>Net assets</b>		<b>18,117</b>	<b>16,763</b>
<b>Equity</b>			
Called up share capital	20	171,649	171,649
Share premium		65,083	65,083
Other reserves <sup>1</sup>		8,598	8,540
Accumulated losses		(227,213)	(228,509)
<b>Total equity</b>		<b>18,117</b>	<b>16,763</b>

1. Other reserves include share-based payment and the deferred tax related to the share-based payment.

2. See note 2 for the details regarding the prior year restatement

The Financial Statements were approved and authorised for issue by the Board and signed on its behalf on 21 July 2025 by:

Signed by  
  
Tiziana Iacolino  
Director

The notes on pages. 16 to 35 form an integral part of these Financial Statements.



**Vinters Engineering Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2024**

	<b>Called up share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Other reserves £ 000</b>	<b>Restated <sup>1</sup> Accumulated losses £ 000</b>	<b>Restated <sup>1</sup> Total equity £ 000</b>
At 1 January 2024 (restated <sup>1</sup> )	171,649	65,083	8,540	(228,509)	16,763
Profit for the financial year	-	-	-	1,296	1,296
Total comprehensive income	-	-	-	1,296	1,296
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments - direct to equity	-	-	44	-	44
Related tax movements	-	-	14	-	14
At 31 December 2024	171,649	65,083	8,598	(227,213)	18,117

	<b>Called up share capital £ 000</b>	<b>Share premium £ 000</b>	<b>Other reserves £ 000</b>	<b>Restated <sup>1</sup> Accumulated losses £ 000</b>	<b>Restated <sup>1</sup> Total equity £ 000</b>
At 1 January 2023	171,649	65,083	8,463	(232,084)	13,111
Profit for the financial year (restated <sup>1</sup> )	-	-	-	3,575	3,575
Total comprehensive income (restated <sup>1</sup> )	-	-	-	3,575	3,575
<b>Transactions with owners in their capacity as owners</b>					
Share-based payments - direct to equity	-	-	32	-	32
Related tax movements	-	-	45	-	45
At 31 December 2023 (restated <sup>1</sup> )	171,649	65,083	8,540	(228,509)	16,763

<sup>1</sup> See note 2 for the details regarding the prior year restatement

The notes on pages 16 to 35 form an integral part of these Financial Statements.

**Vinters Engineering 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 England, United Kingdom.

The principal activities of the Company are the production of switchboards to Rolls Royce Solutions Limited and the repair and overhaul of power generation, transmission and conversion equipment for the Ministry of Defence. The Company also holds an employer's liability claim provision for up to 40 years.

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

The principal place of business is Barlow Drive, Winsford, Cheshire, CW7 2JZ.

**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.

**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);
- IFRS 7, *Financial Instruments: Disclosures*;
- Paragraph 38 of IAS 1, *Presentation of Financial Statements* – comparative information requirements;
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a), 120 to 127 and 129 of IFRS 15, *Revenue from Contracts with Customers*;
- 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);
- The requirements in IAS 24, *Related party disclosures*, to disclose related party transactions entered into between two or more members of a group;
- IFRS 16 *Leases*:
  - For Lessors – Exemption from the requirements of the second sentence of paragraph 89, and paragraphs 90, 91 and 93, is available when IFRS 16 applies; and
- Paragraph 17 of IAS 24, *Related party disclosures* (key management compensation).

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**2 Material accounting policies (continued)**

**Prior year restatement**

During 2024, the Company performed a review of its contracts and identified a contract that was previously recognised as point in time however should have been recognised over time. As a result, the 2023 comparatives have been restated to reflect over time recognition. Further details of the restatement are shown below:

	Signed 2023 Financial Statements £ 000	Restated amount £ 000	Restated 2023 figures £ 000
<b>Income statement</b>			
Revenue	7,897	1,004	8,901
Cost of sales	(5,373)	(873)	(6,246)
<b>Gross profit</b>	<b>2,524</b>	<b>131</b>	<b>2,655</b>
<b>Operating profit</b>	<b>966</b>	<b>131</b>	<b>1,097</b>
<b>Profit before taxation</b>	<b>4,466</b>	<b>131</b>	<b>4,597</b>
<b>Profit for the financial year</b>	<b>3,444</b>	<b>131</b>	<b>3,575</b>
<b>Statement of Comprehensive Income</b>			
Profit for the financial year	3,444	131	3,575
<b>Total comprehensive income for the financial year</b>	<b>3,444</b>	<b>131</b>	<b>3,575</b>
<b>Statement of Financial Position</b>			
Inventories	4,114	(873)	3,241
<b>Current asstes</b>	<b>41,034</b>	<b>(873)</b>	<b>40,161</b>
Contract liabilities	(2,274)	1,004	(1,270)
<b>Current liabilities</b>	<b>(52,328)</b>	<b>1,004</b>	<b>(51,324)</b>
<b>Net current liabilities</b>	<b>(11,294)</b>	<b>131</b>	<b>(11,163)</b>
<b>Total assets less current liabilities</b>	<b>24,157</b>	<b>131</b>	<b>24,288</b>
<b>Net assets</b>	<b>16,632</b>	<b>131</b>	<b>16,763</b>
Accumulated losses	(228,640)	131	(228,509)
<b>Total Equity</b>	<b>16,632</b>	<b>131</b>	<b>16,763</b>

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**2 Material accounting policies (continued)**

**Prior year restatement(continued)**

	Signed 2023 Financial Statements £ 000	Restated amount £ 000	Restated 2023 figures £ 000
<b>Statement of Changes in Equity</b>			
Profit for the financial year	3,444	131	3,575
Total comprehensive income	3,444	131	3,575
Accumulated losses at 31 December 2023	(228,640)	131	(228,509)
<b>Total Equity</b>	<b>16,632</b>	<b>131</b>	<b>16,763</b>
<b>Revenue (note 3)</b>			
Over time	4,076	1,004	5,080
<b>Operating profit (note 4)</b>			
Inventory recognised as an expense	1,698	687	2,385
<b>Tax (note 10)</b>			
Profit before taxation	4,466	131	4,597
Corporation tax at standard rate of 23.5%	1,050	30	1,080
Group relief not paid for	–	(31)	(31)
Tax rate differential on temporary differences	(1)	1	–
<b>Inventory (note 13)</b>			
Work in progress	1,369	(873)	496
<b>Contract assets and liabilities (note 15)</b>			
Contract liabilities current	2,274	(1,004)	1,270

# Vinters Engineering Limited

## Notes to the Financial Statements

### for the year ended 31 December 2024 (continued)

#### **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.

#### **Change in accounting estimate**

For the year ended 31 December 2024, the Company adopted a voluntary change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors with respect to the presentation of provisions between current and non-current. The impact of this change is to recognise a current liability equal to claims received during the year which are expected to be settled within the next 12 months, with the remainder being classified as non-current. This has no impact on any other financial statement line items for the year ended 31 December 2024. Please see the disclosure in note 19.

#### **Going concern**

The Financial Statements have been prepared on a going concern basis. The Directors consider that the Company will have sufficient financial resources to meet its obligations for the foreseeable future that is for at least 12 months from the date of approval of these Financial Statements.

It is the intention of the directors to sell its main trading business to Rolls-Royce Solutions UK Limited, another group entity during the second half of 2025 leaving no active trade in this entity. The consideration is expected to exceed book value of its main trading entity at the date of the sale. Therefore, the Company is expected to be in a positive net assets position for at least 12 months from the date of approval of these Financial Statements.

Vinters Engineering Limited will continue to exist as an entity after its main trading business being disposed of to hold the employer's liability claim provision for up to 40 years.

Rolls-Royce plc, a parent undertaking, has provided written confirmation of its intention to continue to provide financial support to the Company such that the Company is able to operate as a going concern and to settle their liabilities as they fall due for a period of at least 12 months from the date of signing these Financial Statements.

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 the 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are as follows:

##### *Key sources of estimation uncertainty - Industrial Diseases liability provision*

This provision relies on assumptions and estimates used by the external actuaries in calculating the likely provision required for industrial diseases liabilities. These assumptions include discount rates, assessment of inflation and the number of future claims.

##### *Key sources of estimation uncertainty - Industrial Diseases liability provision (continued)*

The outstanding provision at 31 December 2024 is £8,798,000 (2023: £8,017,000), an additional charge of £1,274,000 was recognised during the year (2023: release of £3,072,000). The historical annual Mesothelioma inflation rate is 5.6% and the historical annual inflation rate for all other disease types is 6.2%. The best estimate of the future inflation rate is 4% per annum. If the future inflation rate decreases to 2% per annum, then total outstanding provision at 31 December 2024 would become £6,515,104. If the inflation rate increases to 7% per annum, then total outstanding provision at 31 December 2024 would become £13,745,905.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**2 Material accounting policies (continued)**

**Critical accounting judgements and key sources of estimation uncertainty(continued)**

*Key sources of estimation uncertainty - Long term contracts*

The Company has long-term contracts that fall into different accounting periods, and which can extend over several years. The estimated revenue and costs are inherently challenging to forecast and significant estimates are required to assess the pattern of activity and the costs to be incurred over the term of the contracts and the escalation of revenue and costs. Revenue and cost estimates are updated regularly by management. The estimates used take account of the inherent uncertainties, constraining the expected level of revenue as appropriate.

Key estimate in the business relates to the forecast of costs to complete the project for the production of switchboards for Rolls Royce Solutions Limited. Profit traded on long term contracts is based on the contract margin forecast at completion. Forecast costs to completion are based upon estimates of costs to complete over the remaining contract life, which are subject to contract reviews.

*Critical accounting judgement - Multi-employer defined benefit pension scheme*

Certain employees participate in a multi-employer defined benefit pension scheme with other Companies in the Group. In the judgement of the Directors, the Company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligations and plan assets and therefore the scheme is accounted for as a defined contribution scheme (see note 17 for further details).

**Exemption from preparing group accounts**

The Financial Statements contain information about the Company 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 24.

**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 'Pound Sterling' (£), which is also the Company's functional currency.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the goods or services supplied stated net of value added taxes.

Revenue is recognised when performance obligations have been satisfied. 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; (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.

The Company's revenue income mainly relates to Future Power Contractor Logistics Support (CLS) contract and the production of the switchboards for the UK Dreadnought submarine program. The Company splits its Future Power Contractor Logistics Support (CLS) contract into two performance obligations (one "over time", the other "point in time"). During 2024, the Company performed a review of its contracts and identified the switchboards contract that was previously recognised as point in time however should have been recognised over time.

## **Vinters Engineering Limited**

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

#### **2 Material accounting policies (continued)**

##### **Revenue recognition (continued)**

Sale of goods in the Income Statement are recognised on a point in time basis 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.

Under IFRS 15, if the Company creates assets with no alternative use and they have a right to payment for performance to date, then the revenue should be recognised over time as the assets are produced. The purpose of measuring progress toward satisfaction of a performance obligation is to recognize revenue in a pattern that reflects the transfer of control of the promised good or service to the customer. There are the input method and the output method that can be used by the entity to measure revenue over time. Input method looks at the resources used to date to create the asset being transferred and then recognizes revenue based on the Company's efforts to satisfy the performance obligation. This is the method that has been used by the Company. Revenue for such contracts is recognised over time and is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. A contract asset/liability is recognised where payment is received in arrears/advance of the revenue recognised in meeting performance obligations. Provision is made for any losses as soon as they are foreseen.

##### **Finance income and costs**

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

##### **Income tax expense**

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge/credit is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

##### **Property, plant and equipment**

Property, plant and equipment assets are stated at cost less accumulated depreciation and any provision for impairment in value.

##### **Depreciation**

Land is not depreciated. Depreciation on other assets is provided on a straight-line basis to write off the cost, less the estimated residual value, of property, plant and equipment and right-of-use assets over their estimated useful lives.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**2 Material accounting policies (continued)**

**Property, plant and equipment (continued)**

**Depreciation**

Land is not depreciated. Depreciation on other assets is provided on a straight-line basis to write off the cost, less the estimated residual value, of property, plant and equipment and right-of-use assets over their estimated useful lives.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold buildings	40 years
Plant and machinery	15 years

Assets under construction are not depreciated.

Depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

**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.

**Inventories**

Inventory and work in progress are valued at the lower of cost and net realisable value on a first-in, first-out basis. Cost comprises direct materials and, where applicable, direct labour costs and those overheads, including depreciation of property, plant and equipment, that have been incurred in bringing the inventory to their present location and condition. Net realisable value represents the estimated selling prices less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**Financial assets and liabilities**

**Classification**

Financial assets

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

- Trade 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 trade payables and are classified and measured at amortised cost.



**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**2 Material accounting policies (continued)**

**Financial assets and liabilities (continued)**

***Impairment***

IFRS 9 Financial Instruments sets out the basis for the accounting of expected credit losses (ECLs) on financial assets and contract assets resulting from transactions within the scope of IFRS 15. The Company has adopted the simplified approach to provide for ECLs, measuring the lifetime loss allowance at a probability weighted amount that considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions of customers. These are incorporated in the simplified model adopted by using credit ratings which are publicly available or through internal risk assessments derived using customer's latest available financial information. 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 ECLs are updated at each reporting date to reflect changes in credit risk since initial recognition. ECLs are calculated for all financial assets in scope, regardless of whether or not they are overdue.

**Trade and other receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less, or in the normal operating cycle of the business if longer, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less any expected credit losses.

**Contract assets and liabilities**

Contract assets, mainly comprising of accrued income, primarily relate to the Company's right to consideration for work completed but not yet invoiced at the reporting date in accordance with IFRS 15. Contract liabilities, mainly comprising of deferred income, primarily relate to the consideration received from customers in advance of transferring goods or services.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less, or in the normal operating cycle of the business if longer. If not, they are presented as non-current liabilities. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Defined benefit pension obligation**

The Company participates in a Group-wide pension scheme providing benefits based on final pensionable pay.

The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by IAS 19 *Employee Benefits*, accounts for the scheme as if it were a defined contribution scheme.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**2 Material accounting policies (continued)**

**Defined benefit pension obligation (continued)**

As a result the amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period. The scheme closed to future accrual on 31 December 2020 and as such, no further contributions are expected.

Further disclosure relating to the scheme is given in the consolidated Financial Statements of Rolls-Royce Holdings plc, which can be obtained from the address in note 24 of these Financial Statements.

**Provisions for liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date and are discounted to present value where the effect is material.

**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.

**Share-based payments**

The parent Company on behalf of the Company provides share-based payment arrangements to certain employees. These are equity-settled arrangements and are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant.

The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest, except where additional shares vest as a result of the market-based performance condition in the Performance Share Plan.

The costs of these share-based payments are treated as a capital contribution from the parent Company. Any payments made by the Company to its parent Company, in respect of these arrangements, are treated as a return of this capital contribution.

The fair values of the share-based payment arrangements are measured as follows:

- i) ShareSave plans - using the Monte Carlo model; and
- ii) Long-term incentive plan - using a pricing model adjusted to reflect non-entitlement to dividends (or equivalent) and the market-based performance conditions if applicable.

**Dividends**

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's shareholders.

Interim dividend distributions to the Company's shareholders are recognised as a liability in the Company's Financial Statements in the period in which the dividends are paid by the Company's shareholders.

**Rounding of amounts**

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

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

### 3 Revenue

The analysis of the Company's revenue for the year is as follows:

	<b>2024</b> <b>£ 000</b>	<b>Restated<sup>1</sup></b> <b>2023</b> <b>£ 000</b>
Over time	10,023	5,080
Point in time	713	3,821
	<u>10,736</u>	<u>8,901</u>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

All revenue is derived from sales in the United Kingdom.

### 4 Operating profit

Arrived at after charging:

	<b>2024</b> <b>£ 000</b>	<b>Restated<sup>1</sup></b> <b>2023</b> <b>£ 000</b>
Inventory recognised as an expense	4,420	2,385
Charge for inventory provisions	43	5
Charge of impairment of receivables	28	125
Depreciation expense (see note 11)	<u>139</u>	<u>112</u>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

### 5 Staff costs

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

	<b>2024</b> <b>£ 000</b>	<b>2023</b> <b>£ 000</b>
Wages and salaries	2,207	2,168
Social security costs	235	230
Share-based payment expenses	44	32
Other pension costs	<u>220</u>	<u>205</u>
	<u><b>2,706</b></u>	<u><b>2,635</b></u>

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

	<b>2024</b> <b>No.</b>	<b>2023</b> <b>No.</b>
Permanent staff	40	41
Temporary staff	<u>4</u>	<u>4</u>
	<u><b>44</b></u>	<u><b>45</b></u>

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**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**

The fee for the audit of the Company Financial Statements for the year ended 31 December 2024 is £104,000 (2023: £99,000) and was paid by Rolls-Royce plc and not recharged.

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

**8 Other operating (expense)/income**

	<b>2024</b> <b>£ 000</b>	<b>2023</b> <b>£ 000</b>
(Charge)/release to income statement on provision	(1,274)	3,072

The charge of the provision relates to the industrial diseases liability provision resulting from businesses previously owned by the Group. In 2024, £1,274,000 was charged (2023: £3,072,000 credited) to the income statement following an annual independent actuarial review of claims made in respect of the above. This can be seen in note 19.

**9 Finance income**

	<b>2024</b> <b>£ 000</b>	<b>2023</b> <b>£ 000</b>
Intercompany interest receivable	1	1
External interest receivable	586	427
	<b>587</b>	<b>428</b>

**10 Income tax expense**

Tax charged in the Income Statement:

	<b>2024</b> <b>£ 000</b>	<b>2023</b> <b>£ 000</b>
<b>Current tax</b>		
Group relief payable at 25% (2023: 23.5%)	448	1,025
	<b>448</b>	<b>1,025</b>
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	(6)	3
Adjustments in respect of prior periods	11	(6)
Total deferred taxation	5	(3)
<b>Tax expense in the income statement</b>	<b>453</b>	<b>1,022</b>

# Vinters Engineering Limited

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

### 10 Income tax expense(continued)

The tax on profit before tax for the year is higher than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 23.50%).

The differences are reconciled below:

	2024 £ 000	Restated <sup>1</sup> 2023 £ 000
<b>Profit before taxation<sup>1</sup></b>	1,749	4,597
Corporation tax at standard rate of 25% (2023: 23.5%)	437	1,080
Adjustments in respect of prior periods	11	(6)
Expenses not deductible/(Income not taxable)	5	(21)
Group relief not paid for	-	(31)
<b>Total tax charge</b>	<b>453</b>	<b>1,022</b>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

On 24 May 2021 it was substantively enacted that the UK corporation tax rate would increase from 19% to 25%. The rate was increased from April 2023 resulting in a blended tax rate for current taxes of 23.5% for the year ending 31 December 2023.

### Deferred tax

Deferred tax movement during the year:

	At 1 January 2024 £ 000	Recognised in income statement £ 000	Recognised in equity £ 000	At 31 December 2024 £ 000	Recognised as DTA £ 000	Recognised as DTL £ 000
Accelerated capital allowances	(370)	(12)	-	(382)	-	(382)
Other temporary differences	49	7	14	70	-	70
Net tax liabilities	(321)	(5)	14	(312)	-	(312)

Deferred tax movement during the prior year:

	At 1 January 2023 £ 000	Recognised in income statement £ 000	Recognised in equity £ 000	At 31 December 2023 £ 000	Recognised as DTA £ 000	Recognised as DTL £ 000
Accelerated capital allowances	(366)	(4)	-	(370)	-	(370)
Other temporary differences	(3)	7	45	49	-	49
Net tax liabilities	(369)	3	45	(321)	-	(321)

Other temporary differences above relate to adjustments in respect of prior years.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**11 Property, plant and equipment**

	Freehold land and buildings £ 000	Plant and machinery £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>				
At 1 January 2024	4,062	2,268	626	6,956
Reclassification	–	626	(626)	–
At 31 December 2024	<u>4,062</u>	<u>2,894</u>	<u>–</u>	<u>6,956</u>
<b>Accumulated depreciation</b>				
At 1 January 2024	1,546	2,204	–	3,750
Charge for the year	78	61	–	139
At 31 December 2024	<u>1,624</u>	<u>2,265</u>	<u>–</u>	<u>3,889</u>
<b>Carrying amount</b>				
At 31 December 2024	<u>2,438</u>	<u>629</u>	<u>–</u>	<u>3,067</u>
At 31 December 2023	<u>2,516</u>	<u>64</u>	<u>626</u>	<u>3,206</u>

Depreciation of £139,000 (2023: £112,000) is included in cost of sales in the income statement.

Included within freehold land and buildings is non-depreciable land with a cost of £1,068,000 (2023: £1,068,000).

At 31 December 2024 the Company was committed to capital expenditure of £nil (2023: £nil).

**12 Investments**

	Total £ 000
<b>Subsidiaries</b>	
<b>Cost</b>	
At 1 January 2024 and 31 December 2024	<u>369,600</u>
<b>Provision for impairment</b>	
At 1 January 2024 and 31 December 2024	<u>337,355</u>
<b>Carrying amount</b>	
At 31 December 2024	<u>32,245</u>
At 31 December 2023	<u>32,245</u>

In accordance with the requirements of IAS 36, the carrying value of the Company's investment in subsidiaries is reviewed for indicators of impairment on an annual basis. At 31 December 2024, the Directors assessed the impact of new potential indicators of impairment and concluded that there was no (2023: no) risk of impairment.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**12 Investments (continued)**

As at 31 December 2024, the companies listed below and on the following pages were subsidiary undertakings / participating interests of the Company as at 31 December 2024. The financial year end of each company is 31 December unless otherwise indicated.

<b>Company name</b>	<b>Address</b>	<b>Class of shares</b>	<b>% of class held</b>
Brown Brothers & Company, Limited *	Taxiway, Hillend Industrial Estate, Dalgety Bay, Dunfermline, Fife, KY11 9JT, Scotland	Ordinary	100
Karl Maybach-Hilfe GmbH i.L. <sup>1</sup>	Maybachplatz 1, 88045, Friedrichshafen, Germany	Capital Stock	100
Kinolt Immo SA	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	Ordinary	100
Kinolt Immobilien SA	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	Ordinary	100
Kinolt Sistemas de UPS SpA	Bucarest No 17 Oficina, No 33, Previdencia, Santiago, Chile	Ordinary	100
Kinolt UK Ltd <sup>2</sup>	London <sup>3</sup>	Ordinary	100
LLC Rolls-Royce Solutions Rus <sup>2</sup>	Shabolovka Street 2, 119049, Moscow, Russian Federation	Ordinary	100
MTU Cooltech Power Systems Co., Ltd <sup>4</sup>	Building No. 2, No. 1633 Tianchen Road, Qingpu District, Shanghai, China	Equity	50
MTU India Private Limited <sup>5</sup>	6th Floor, RMZ Galleria, S/Y No. 144 Bengaluru, Bangalore, Kamataka 560 064, India	Ordinary	100
MTU Polska Sp. Z.o.o.	ul. Hoża 86, lokal 410, 00-682 Warszawa, Polska	Ordinary	100
No Break Power Limited <sup>2</sup>	London <sup>3</sup>	Ordinary	100
Powerfield Limited * <sup>2</sup>	Derby <sup>6</sup>	Ordinary	100
PT Rolls Royce Solutions Indonesia	Secure Building Blok B, Jl. Raya Protokol Halim, Perdanakusuma, Jakarta, 13610, Indonesia	Ordinary	100
Rolls-Royce Japan Co., Ltd	31 <sup>st</sup> Floor, Kasumigaseki building, 3-2-5 Kasumigaseki, Chiyoda-Ku, Tokyo 100-6031, Japan	Ordinary	100
Rolls-Royce Power Systems AG	Maybachplatz 1, 88045, Friedrichshafen, Germany	Ordinary	100
Rolls-Royce Solutions (Suzhou) Co. Ltd	9 Long Yun Rd, Suzhou Industrial Park, Suzhou 215024, Jiang Su, China	Ordinary	100
Rolls-Royce Solutions Africa (Pty) Ltd	36 Marconi Street, Montague Gardens, Cape Town, 7441, South Africa	Capital Stock	100
Rolls-Royce Solutions America Inc.	100 West Tenth Street, Wilmington - Delaware DE 19808, United States	Ordinary	100
Rolls-Royce Solutions Asia Pte. Limited	10 Tukang Innovation Drive, Singapore 618302	Ordinary	100
Rolls-Royce Solutions Augsburg GmbH	Dasinger Strasse 11, 86165, Augsburg, Germany	Capital Stock	100
Rolls-Royce Solutions Benelux B.V.	Merwedestraat 86, 3313 CS, Dordrecht, Netherlands	Ordinary	100
Rolls-Royce Solutions Brasil Limitada	Via Anhanguera, KM 29203, 05276-000 Sao Paulo - SP Brazil	Quotas	100
Rolls-Royce Solutions Enerji Deniz Ve Savunma Anonim Şirketi	Hatıra Sokak, No. 5, Omerli Mahellesi, 34555 Arnavutköy, Istanbul, Turkey	Ordinary	100
Rolls-Royce Solutions France S.A.S	Immeuble Colorado, 8/10 rue de Rosa Luxembourg-Parc des Bellevues 95610, Eragny-sur-Oise, France	Ordinary	100
Rolls-Royce Solutions GmbH	Maybachplatz 1, 88045 Friedrichshafen, Germany	Capital Stock	100
Rolls-Royce Solutions Hong Kong Limited	14/F, Chinabest International Centre, 8 Kwai On Road, Kwai Chung, N.T., Hong Kong	Ordinary	100
Rolls-Royce Solutions Ibérica s.l.u	Paseo de las Flores 46, 28823 Coslada, Madrid, Spain	Ordinary	100
Rolls-Royce Solutions Israel Limited	6 Meir Ariel St., Natanya, Israel	Ordinary	100
Rolls-Royce Solutions Italia s.r.l.	Via Aurelia Nord, 328, 19021 Arcola (SP), Italy	Capital Stock	100
Rolls-Royce Solutions Japan Co. Limited	14-3, Nishitenma 4-chome, Kita-ku, Osaka 530-0047, Japan	Ordinary	100
Rolls-Royce Solutions Korea Limited	Unit 301, The Square, 9 Mulgeum-ro, Mulgeum-eup, Yangsan-si, Gyeongsangnam-do 50657, Republic of Korea	Ordinary	100
Rolls-Royce Solutions Liège Holding S.A.	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	Ordinary	100
Rolls-Royce Solutions Liège S.A.	Rue de l'Avenir 61, 4460, Grace-Hollogne, Belgium	Ordinary	100
Rolls-Royce Solutions Magdeburg GmbH	Friedrich-List-Strasse 8, 39122 Magdeburg, Germany	Capital Stock	100
Rolls-Royce Solutions Malaysia Sdn. Bhd.	Office no. B329, Spaces Platinum Sentral, Lot G02-G07, Level 3 Platinum Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur, Malaysia	Ordinary	100

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**12 Investments (continued)**

Company name	Address	Class of shares	% of class held
Rolls-Royce Solutions Mexico City S.A. de C.V.	Xochicalco 620, Colonia Letran Valle, Delegacion Benito Juarez, Mexico City 03650, Mexico	Common Shares	100
Rolls-Royce Solutions Middle East FZE	S3B5SR06, Jebel Ali Free Zone, South P.O. Box 61141, Dubai, United Arab Emirates	Ordinary	100
Rolls-Royce Solutions Ruhstorf GmbH	Rotthofer Straße 8, 94099 Ruhstorf a.d. Rott, Germany	Capital Stock	100
Rolls-Royce Solutions South Africa (Pty) Ltd	36 Marconi Street, Montague Gardens, Cape Town, 7441 South Africa	Ordinary	100
Rolls-Royce Solutions Trading and Contracting LLC <sup>8</sup>	REGUS Service Office, Office No. 1034, Shoumoukh Tower, 10th Floor, Tower B, C-Ring Road, Al Sadd, PO Box 207207, Doha, Qatar	Ordinary	49
Rolls-Royce Solutions UK Limited	Derby <sup>5</sup>	Ordinary	100
Rolls-Royce Solutions Willich GmbH	Konrad-Zuse-Str. 3, 47877, Willich, Germany	Capital Stock	100
Ross Ceramics Limited *	Derby <sup>5</sup>	Ordinary	100
Servowatch Systems Limited	London <sup>3</sup>	Ordinary	100
Team Italia Marine S.R.L.	Kampanien, Via Luigi Einaudi 114/B, 61032 Fano, Pesaro and Urbino, Italy	Ordinary	100
Timec 1487 Limited * <sup>2</sup>	London <sup>3</sup>	Ordinary	100
Vinters Defence Systems Limited * <sup>2</sup>	London <sup>3</sup>	Ordinary	100
Vinters International Limited *	Derby <sup>5</sup>	Ordinary	100
Vinters-Armstrongs (Engineers) Limited * <sup>2</sup>	London <sup>3</sup>	Ordinary	100

\*indicates a direct shareholding by the company

<sup>1</sup> Entity in liquidation

<sup>2</sup> Dormant entity

<sup>3</sup> Kings Place, 90 York Way, London, United Kingdom, N1 9FX

<sup>4</sup> Although the interest held is 50%, the Company controls the entity and, as a result, consolidates the entity and records a non-controlling interest

<sup>5</sup> Reporting year end is 31 March

<sup>6</sup> Moor Lane, Derby, Derbyshire, DE24 8BJ, United Kingdom

<sup>7</sup> Entity is accounted for as a joint venture as approval is required from the other shareholder for operationally running the affairs of the entity

<sup>8</sup> Although the interest held is 49%, the Company controls the entity and, as a result, consolidates the entity and records a non-controlling interest

**Joint Ventures and Associates**

Company name	Address	Class of shares	% of class held	Total interest held
Force MTU Power Systems Private Limited	Mumbai Pune Road, Akurdi, Pune, Maharashtra 411035, India	Capital Stock	49	49
Hoeller Electrolyzer GmbH <sup>7</sup>	Alter Holzhafen, 23966 Wismar, Germany	Ordinary	54.2	54.2
MEST Co., Limited	97 Bukjeonggongdan 2-gil, Yangsan-si, Gyeongsangnam-do, 50571, Republic of Korea	Normal	46.8	46.8
MTU Power Systems Sdn. Bhd.	32 Floor, UBN Tower 10 Jalan P Ramlee, 50250 Kuala Lumpur, Malaysia	Ordinary A Ordinary B	100 Nil	49
MTU Yuchai Power Company Limited	No 7 Danan Road, Yuzhou, Yulin, Guangxi, China, 537005, China	Capital Stock	50	50

<sup>1</sup> Entity in liquidation

<sup>2</sup> Dormant entity

<sup>3</sup> Kings Place, 90 York Way, London, United Kingdom, N1 9FX

<sup>4</sup> Although the interest held is 50%, the Company controls the entity and, as a result, consolidates the entity and records a non-controlling interest

<sup>5</sup> Reporting year end is 31 March

<sup>6</sup> Moor Lane, Derby, Derbyshire, DE24 8BJ, United Kingdom

<sup>7</sup> Entity is accounted for as a joint venture as approval is required from the other shareholder for operationally running the affairs of the entity



**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**13 Inventories**

	2024 £ 000	Restated <sup>1</sup> 2023 £ 000
Raw materials and consumables	3,790	2,745
Work in progress	796	496
	<u>4,586</u>	<u>3,241</u>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

There is no significant difference between replacement cost of raw materials, consumables or work in progress and their carrying amounts.

Inventories are stated after a provision for impairment of £335,000 (2023: £292,000).

**14 Trade and other receivables**

	2024 £ 000	2023 £ 000
Amounts due from group undertakings	36,492	26,421
Other receivables	43	–
Trade receivables	729	334
Prepayments and accrued income	45	39
	<u>37,309</u>	<u>26,794</u>

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

Trade receivables are stated after provisions for impairment of £nil (2023: £nil). Amounts due from group undertakings are stated after provision for impairment of £36,000 (2023: £64,000) for expected credit losses in respect of loans and receivables from group entities in accordance with IFRS 9.

**15 Contract liabilities**

	Current 2024 £ 000	Restated <sup>1</sup> 2023 £ 000	Non-current 2024 £ 000	2023 £ 000	Total 2024 £ 000	Restated <sup>1</sup> 2023 £ 000
Contract liabilities	<u>1,766</u>	<u>1,270</u>	<u>–</u>	<u>–</u>	<u>1,766</u>	<u>1,270</u>

<sup>1</sup> See note 2 for the details regarding the prior year restatement

-£113,000 (2023: £828,000) of the opening contract liability has been recognised in income during the year to 31 December 2024.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**16 Trade and other payables**

**Current:**

	<b>2024</b> <b>£ 000</b>	<b>2023</b> <b>£ 000</b>
Trade payables	285	106
Accruals and deferred income	552	635
Amounts due to group undertakings	48,052	48,312
Social security and other taxes	83	99
	<b>48,972</b>	<b>49,152</b>

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

**17 Post-retirement benefits**

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

As at 31 December 2024 the Rolls-Royce UK Pension Fund is £779,000,000 in a net surplus before deferred taxation (2023: £767,000,000 in surplus).

In accordance with IAS 19 Employee Benefits, the net defined benefit cost is recognised in the financial statements of Rolls-Royce plc, the Group entity that is legally the sponsoring employer for the plan. On 31 December 2020, the scheme was closed to future accrual. The Company has recognised £nil (2023: £nil) contributions paid for defined benefit schemes to the Group for the year.

The Company also operates a defined contribution scheme for employees. The pension cost for the year was £220,000 (2023: £205,000) and there were no outstanding or prepaid contributions at 31 December 2024 (2023: £nil).

The IAS 19 disclosure relating to the schemes is given in the Group financial statements of Rolls-Royce Holdings plc which are publicly available from the address disclosed in note 24.

**18 Share-based payments**

Share-based payment charges incurred by the Company in the year to 31 December 2024 were £44,000 (2023: £32,000).

During the year, the Company participated in the following share-based payment plans operated by Rolls-Royce Holdings plc:

**Long Term Incentive Plan (LTIP)**

These plans involve 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 over a three-year period.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**18 Share-based payments (continued)**

**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.

As share options are exercised throughout the year, the weighted average share price during the year of 420p (2023: 159p) is representative of the weighted average share price at the date of exercise. The closing price as at 31 December 2024 was 569p (2023: 300p). There were no exercisable options as at 31 December 2024 (2023: nil).

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

**Share options outstanding:**

Grant - vest	Expiry date (31 January)	Exercise price in pence per share option	ShareSave share options	
			2024	2023
2019 - 2025	2025	232	3,211	3,370
2021 - 2025	2025	97	69,114	71,308
			<b>72,325</b>	<b>74,678</b>

The weighted average remaining contractual life for the cash-settled options at 31 December 2024 was one month (2023: 1.1 years) as the majority of shares are due to vest in early 2025.

**19 Provisions for liabilities**

	Industrial diseases liability £ 000	Warranties £ 000	Total £ 000
At 1 January 2024	8,017	89	8,106
Provisions utilised	(493)	-	(493)
Additional charge	1,274	-	1,274
Provisions released	-	(27)	(27)
At 31 December 2024	<u>8,798</u>	<u>62</u>	<u>8,860</u>
Current liabilities	2,134	62	2,196
Non-current liabilities	6,664	-	6,664

The industrial diseases provision relates to businesses previously owned by the Group. The provision is expected to be utilised over the next 30-40 years.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**19 Provisions for liabilities (continued)**

The discount rate used in the actuarial valuation is the Bank of England risk-free variable rate as at 30 September 2024 (2023: Bank of England risk-free variable rate). Of the total Industrial Diseases provision at 31 December 2024, £2,134,000 is presented as a current liability (2023: £813,000).

The provision of £62,000 relates to customer warranties (2023: £89,000) which are expected to be utilised within 12 months.

**20 Called up share capital****Allotted and fully paid**

	<b>2024</b>		<b>2023</b>	
	<b>No. 000</b>	<b>£ 000</b>	<b>No. 000</b>	<b>£ 000</b>
Ordinary shares of £0.50 each	343,298	171,649	343,298	171,649

**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.

**21 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.

**22 Related party transactions**

Sales to Rolls-Royce Holdings plc group joint ventures in the year were £249,000 (2023: £1,806,000) and purchases in the year were £nil (2023: £ nil). Amounts due from related parties at the 31 December 2024 were £nil (2023: £nil). Amounts due to related parties at the 31 December 2024 were £nil (2023: £nil).

**23 Post balance sheet events**

On 27 June 2025 the management agreement between the Company and Powerfield Limited was dissolved. As a result of the dissolution, Powerfield Limited no longer acts as an agent for the Company. Any assets and liabilities that are legally owned by Powerfield Limited but currently recognised by the Company due to the terms of the management agreement will be transferred to Powerfield Limited. The Company will no longer receive the revenue or costs in relation to the operations of Powerfield Limited as of 27 June 2025.

**Vinters Engineering Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2024 (continued)**

**24 Parent and ultimate parent undertaking**

The Company's immediate parent is Vinters 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.