

Registration number: 00769666

Rolls-Royce International Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2025

Rolls-Royce International Limited

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Rolls-Royce International Limited

Company Information

Directors	Steven McNabola Karen Lavender
Registration number	00769666
Registered office	Moor Lane Derby Derbyshire DE24 8BJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Rolls-Royce International Limited

Strategic Report for the year ended 31 December 2025

The Directors present their Strategic Report on Rolls-Royce International Limited (the Company) together with the Directors' Report and the audited Financial Statements for the year ended 31 December 2025.

Principal activities

One of the Company's principal activities is the provision of administration services for employees working in its branch network (see page 7) and for certain employees employed by entities within the Rolls-Royce Holdings plc group (the Group) who are required to work on overseas assignments. As part of the administration services provision, the Company recharges (with a mark-up) multiple entities within the Group for costs related to these assignees. Additionally, the Company provides local representation, in-country expertise, market research, commercial information and strategies to support the development of business opportunities.

The Company's other principal activity is the management and execution of an external contract from the Qatar branch. This contract involves providing engine servicing to a customer, with work having commenced in 2022. The contract is set to run until 2028.

Business review

During the year, the Company continued to operate across a number of different international branches and representative offices (see page 7).

The Company generated £14,244,000 revenue during the year (2024: £13,797,000) through recharges made to entities within the Group for the provision of administration services provided by the Company. This revenue is charged based on costs incurred plus an agreed and fixed mark-up. The increase of £447,000 compared to the prior year is primarily attributable to a change in methodology used in the recharge of foreign exchange movements on costs to companies within the Group. This change contributed an additional £969,000 of revenue, which was partially offset by a reduction in administration expenses, reducing the amount recharged.

A further £9,798,000 revenue was generated by the Company during the year (2024: £10,349,000) from contracted engineering services provided to an external customer in Qatar. This revenue is recognised based on a proportion of contract costs incurred to total expected costs for the life of the contract. The reduction of £551,000 compared to the prior year resulted from an increase in future expected costs following a review of the long-term contract forecast, partially offset by higher costs incurred in the current year. This resulted in a negative catch-up of revenue recognised to date, reflecting the subsequent impact on the stage of completion of the contract. The Qatar branch also generated an additional £187,000 revenue during the year from engineering services provided outside the scope of the original external contract (2024: £nil).

Profit for the financial year has increased by £828,000 to £3,909,000 (2024: £3,081,000) primarily due to higher margins achieved from recharging foreign exchange movements on overseas assignee costs, offset by a reduction in external contract margin as detailed above. The current year also benefited from a £1,030,000 gain on disposal on the sale of a subsidiary to a fellow Group entity and bank interest receivable which increased by £1,375,000 to £3,523,000 (2024: £2,148,000) reflecting higher levels of cash and cash equivalents held throughout the year. These benefits were offset by a higher effective tax rate during the year, attributable to £730,000 unrelieved foreign taxes (2024: £(91,000)), £501,000 of tax adjustments relating to prior periods (2024: £233,000) and £110,000 of Pillar Two taxes (2024: £nil).

Net assets at the balance sheet date increased by £4,479,000 to £16,691,000 (2024: £12,212,000). The primary driver was an increase in cash and cash equivalents, which grew by £3,368,000 to £17,713,000 (2024: £14,345,000), largely as a result of £3,523,000 bank interest received in the year. The increase in net assets was further supported by the external contract being in a contract asset position of £680,000 (2024: contract liability position of £109,000), reflecting the reduction in external contract margin as detailed above.

Rolls-Royce International Limited

Strategic Report for the year ended 31 December 2025 (continued)

Business review (continued)

Additionally, the deferred tax asset increased by £663,000 to £1,074,000 (2024: £411,000), due to a £244,000 deferred tax impact on unrelieved foreign tax and a £378,000 deferred tax impact from share-based payments.

Key performance indicators

The key financial performance indicators monitored by the Company were as follows:

	2025	2024
	£ 000	£ 000
Revenue	24,229	24,146
Profit for the financial year	3,909	3,081
Net assets	16,691	12,212

Given the nature of the Company's activities, the Directors believe that no further key performance indicators are necessary or appropriate in understanding the Company's specific development, performance or the financial position of its business.

Principal risks and uncertainties

The Group has an established and structured approach to risk management which is detailed in the 2025 Rolls-Royce Holdings plc Annual Report, which is publicly available from the address in note 23. The Company acts in accordance with this policy to manage and mitigate the risks identified below.

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

As the Company operates in multiple territories, there is an increased risk of non-compliance with varying legislation and regulatory requirements. This exposes the Company to potential: reputational damage; financial penalties; and debarment from government contracts – any of which could have a material adverse effect. To manage these risks, the Company relies on in-country experts and contacts who provide local support and has controls in place. The Company also applies the Group's extensive compliance programme to further mitigate risk. This programme, along with the Global Code of Conduct are promulgated throughout the Group and are updated and reinforced to ensure their continued relevance and compliance. The Global Code of Conduct and the Group's compliance programme are supported by appropriate training. Additionally, a Group legal and compliance team has been put in place to manage ethics and compliance issues.

The Company manages and executes several contracts in foreign currencies and, as a result, is subject to the risk of exchange rate fluctuations. This risk is mitigated by matching the currency of revenue and costs, which restricts exposure to the net margin fluctuations for each currency.

A significant proportion of external contract costs are fixed under the terms of the Company's contract with its supplier, however a number of direct costs to the contract remain variable. These variable costs largely relate to the local branch costs including the cost of local support staff and costs associated with the field service representatives. The risk associated with this variability is reflected in the long-term contract forecast, which is reviewed annually and is not expected to be significant.

Rolls-Royce International Limited

Strategic Report for the year ended 31 December 2025 (continued)

Section 172(1) statement

The Directors of the Company have acted, in good faith, in a way they consider most likely to promote the success of the Company for the benefit of its member, having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006.

In doing so, the Directors are guided by the Rolls-Royce behaviours: put safety first, do the right thing, keep it simple and make a difference. These behaviours underpin the Company's decision making and stakeholder engagement.

The Company is a wholly owned subsidiary of the Group and operates within the Group's strategy, governance framework and policies. The Directors consider the Company's role within the Group and the interests of its immediate parent undertaking when making decisions, supporting a consistent and straightforward approach to keep it simple. For example, the establishment of new branches such as the Kingdom of Saudi Arabia branch established during the financial year is determined according to the Group's requirements for international assignees in-country.

In discharging their duties, the Directors have regard to the long-term consequences of decisions, the Company's financial and operational position, and alignment with the wider Group strategy and objectives. Decisions are made using information provided through established governance and reporting processes, enabling the Directors to do the right thing while supporting the resilience and long-term success of the Company and the wider Group. Additionally, directors use skills learnt during their director training to consider the impact decisions have on stakeholders and the wider community.

The Directors recognise the importance of effective engagement with the Company's key stakeholders, including its immediate parent undertaking, employees, suppliers and its external customer, in supporting the long-term success of the business.

The Company maintains constructive relationships with suppliers by operating in accordance with established procurement policies and standards, promoting fair and responsible business practices.

The Company's customer relationship is managed through ongoing communication and operational delivery, with a focus on meeting expectations, maintaining service quality and supporting long-term partnership.

The Company aims to foster a culture that prioritises wellbeing and encourages individuals to put safety first and act with integrity. There is regular engagement within the Group on employee-related matters and all employees are invited to participate in regular employee engagement surveys. Their views are taken into account during the Company's decision making, enabling each employee to make a difference. Additionally, a director of the Company is the Group's SME in respect of international working which ensures that the Board considers the impact of their decisions on global assignees.

No political donations were made by the Company during the year.

Climate-related corporate reporting

The Company adopts the policies and frameworks set by the Group which include the sustainability measures set out in the 2025 Rolls-Royce Holdings plc Annual Report on pages 38 to 47 and the Climate Review. 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.

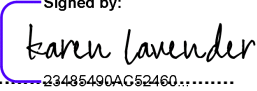
Rolls-Royce International Limited

Strategic Report for the year ended 31 December 2025 (continued)

Streamlined Energy & Carbon Reporting (SECR)

The Company is a wholly owned 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 2025 Rolls-Royce Holdings plc Annual Report on page 204. The Rolls-Royce Holdings plc Annual Report has been prepared for the same financial year as the Company.

Approved by the Board on 23 September 2026 and signed on its behalf by:

Signed by:

.....23485490AG52460.....
Karen Lavender
Director

Rolls-Royce International Limited

Directors' Report for the year ended 31 December 2025

The Directors present their Directors' Report on the Company, together with the Strategic Report and the audited Financial Statements for the year ended 31 December 2025.

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:

Richard Guy (resigned 4 September 2025)

Karen Lavender (appointed 4 September 2025)

Steven McNabola

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 2025 amounted to £3,909,000 (2024: £3,081,000). The net assets of the Company are £16,691,000 (2024: £12,212,000).

During the year, the Company paid no dividends (2024: no dividends) to its parent undertaking. The Directors do not recommend the payment of a final dividend (2024: £nil).

On 31 March 2026, the Company distributed a loan note receivable of £1,244 from its subsidiary, Rolls-Royce India Limited, to its parent, Rolls-Royce plc.

Future developments

For the offering of administrative services to employees on assignment, the Company will continue to consider where the Group customers require the services of the Company. This may necessitate the opening of additional branches in new locations or closure of branches as the Group's footprint is reviewed and reduced or resized accordingly. The long-term engine servicing contract is expected to run until 2028 and at the end of 2025 was operating with a full complement of field service representatives as per the terms of the contract. The Company also employs a Country manager to oversee operations in Qatar. The Directors continue to monitor the Company's performance and will take any mitigating actions if required to reduce the Company's cash outflows.

Financial risk management

The following financial risks are considered key by the Directors:

Foreign exchange risk

Cash balances are held in multiple currencies, exposing the Company to movements in foreign exchange rates. This risk is mitigated by the Company's parent, which settles certain external trade payables on its behalf and benefits from foreign exchange hedging arrangements. The Company also receives and pays a proportion of its income and costs relating to its external contract in foreign currencies. Consequently, it is subject to the risk of exchange rate fluctuations, however, this risk is mitigated to the extent that revenue and cost of sales are in the same currency, limiting exposure to the net margin element.

Rolls-Royce International Limited

Directors' Report for the year ended 31 December 2025 (continued)

Financial risk management (continued)

Credit risk

The Company's credit risk is primarily attributable to its external contract receivables. The amounts presented in the Statement of Financial Position are net of provisions for impairment. With the exception of these, the main customers of the Company are other subsidiary undertakings of the Group, who will be supported by Rolls-Royce Holdings plc if required, therefore the intercompany receivable is low risk. There are standard supplier checks for external customers (including credit checks) conducted as part of the onboarding process and throughout the duration of a contract. Therefore, the overall credit risk to the Company is low.

The Company is also exposed to credit risk attributable to the overseas financial institutions who hold the Company's cash balances. The Company operates under the Group's credit policy which ordinarily requires counterparties to have a public long-term senior unsecured rating of 'BBB' or higher. Where this is not possible an alternative counterparty is chosen based upon either its reputation or whether the Group has an existing relationship. On a quarterly basis, all counterparties that have both cash deposits and a credit rating below 'BBB' are reported to the Group Treasury Review Meeting. Action is taken to transfer cash to other counterparties with a better credit rating, where alternative options which are in line with the Group's credit policy are available.

Going concern

The Directors of the Company have prepared the Financial Statements on a going concern basis which assumes the Company will continue in operation for at least 12 months from the date of approval of the Financial Statements and be able to meet its obligations as they fall due.

The administrative business activities of the Company are directly linked to the requirements of Rolls-Royce plc, its immediate parent company, and other Group undertakings. As such the Company is reliant on Group companies settling the significant level of intercompany balances recognised and operates as part of cash pooling arrangements with Rolls-Royce plc. Considering these intercompany settlements, the Directors consider that the Company is reliant on the ongoing support of Rolls-Royce Holdings plc and Rolls-Royce plc to ensure the Company continues its trading activities and meets financial liabilities as they fall due.

The Directors have considered the cash flow forecasts directly related to the remaining 3 years of the contract offering engineering services to an external customer and are satisfied that these forecasts are sufficient to cover working capital requirements in respect of the contract.

Rolls-Royce Holdings plc, the Company's ultimate parent, and parent undertaking of Rolls-Royce plc, has provided written confirmation of its intention to continue to provide financial support, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the Company has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future.

After considering the factors set out above, the Directors have a reasonable expectation that the Company has access to sufficient financial and other resources to continue in operational existence for the foreseeable future that is at least 12 months from the date of approval of these financial statements. Accordingly, the Directors believe that it is appropriate that these Financial Statements are prepared on a going concern basis.

Branches

The Company has branches registered in Bahrain, Belgium, Colombia, Ethiopia, France, Germany, Hong Kong, Qatar, South Korea, Spain, Sri Lanka, United Arab Emirates, and opened an additional branch in Saudi Arabia in the year. The Company also has representative offices in Italy, Taiwan and Vietnam.

Rolls-Royce International Limited

Directors' Report for the year ended 31 December 2025 (continued)

Relationships with suppliers

The Directors have disclosed information regarding the Company's relationships with suppliers in the Strategic Report on page 4.

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.

Statement of Directors' Responsibilities in respect of the Financial Statements

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

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

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

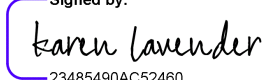
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies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

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 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 on 23 September 2026 and signed on its behalf by:

Signed by:

234B54B0AC52460.....
 Karen Lavender
 Director

Independent auditors' report to the members of Rolls-Royce International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Rolls-Royce International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 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 2025;
- the Income Statement for the year then ended;
- the Statement of Comprehensive Income for the year then ended;
- 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.

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 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 2025 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.

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 the Companies Act 2006 and relevant tax legislation, 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 posting inappropriate journal entries to manipulate the financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing the minutes of meetings of those charged with governance;
- Incorporating an element of unpredictability into our audit testing;

- Identifying and, where relevant, testing journals that meet specific risk criteria in respect of unexpected account combinations; and
- Reviewing financial statement disclosures, testing them to supporting documentation and assessing compliance with applicable requirements.

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. This description forms part of our auditors' report.

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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Charlotte Marnham

Charlotte Marnham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 September 2026

Rolls-Royce International Limited

Income Statement for the year ended 31 December 2025

	Note	2025 £ 000	2024 £ 000
Revenue	3	24,229	24,146
Cost of sales		(22,230)	(22,876)
Gross profit		1,999	1,270
General and administrative expenses		(128)	(251)
Operating profit	4	1,871	1,019
Gain arising on disposal of business	11	1,030	—
Income from shares in Group undertakings	11	—	193
Finance income	7	4,130	3,097
Finance costs	8	(57)	(29)
Profit before taxation		6,974	4,280
Income tax expense	9	(3,065)	(1,199)
Profit for the financial year		3,909	3,081

The above results were derived from continuing operations.

The notes on pages 18 to 39 form an integral part of these Financial Statements.

Rolls-Royce International Limited

Statement of Comprehensive Income
for the year ended 31 December 2025

	2025 £ 000	2024 £ 000
Profit for the financial year	3,909	3,081
Items that will be reclassified to profit or loss:		
Foreign exchange translation differences on foreign operations	(273)	112
Items that will not be reclassified to profit or loss:		
Actuarial movements on post-employment schemes	(44)	(50)
Total comprehensive income for the year	3,592	3,143

The notes on pages 18 to 39 form an integral part of these Financial Statements.

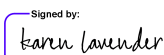
Rolls-Royce International Limited

Statement of Financial Position as at 31 December 2025

(Registration number: 00769666)

	Note	2025 £ 000	2024 £ 000
Non-current assets			
Right-of-use assets	10	343	470
Investments	11	9	22
Other financial assets	12	119	—
Deferred tax assets	9	1,074	411
		1,545	903
Current assets			
Trade and other receivables	13	57,013	82,961
Cash and cash equivalents	14	17,713	14,345
Contract assets	17	680	—
		75,406	97,306
Current Liabilities			
Lease liabilities	15	(129)	(151)
Trade and other payables	16	(57,249)	(82,972)
Contract liabilities	17	—	(109)
		(57,378)	(83,232)
Net current assets		18,028	14,074
Total assets less current liabilities		19,573	14,977
Non-current liabilities			
Lease liabilities	15	(241)	(338)
Trade and other payables	16	(1,715)	(1,607)
Post-employment benefit liabilities	19	(926)	(820)
		(2,882)	(2,765)
Net assets		16,691	12,212
Equity			
Called up share capital	20	200	200
Other reserves		(607)	(334)
Retained earnings		17,098	12,346
Total equity		16,691	12,212

The Financial Statements on pages 13 to 39 were approved and authorised for issue by the Board of Directors on 23 September 2026 and signed on its behalf by:

Signed by:

 23485490AC52460
 Karen Lavender
 Director

The notes on pages 18 to 39 form an integral part of these Financial Statements.

Rolls-Royce International Limited

Statement of Changes in Equity for the year ended 31 December 2025

	Note	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2025		200	(334)	12,346	12,212
Profit for the financial year		—	—	3,909	3,909
Actuarial movements on post-employment schemes		—	—	(44)	(44)
Foreign exchange translation differences on foreign operations		—	(273)	—	(273)
Total comprehensive income		—	(273)	3,865	3,592
Transactions with owners in their capacity as owners					
Share-based payment transactions – direct to equity	18	—	—	324	324
Related tax movements	9	—	—	563	563
At 31 December 2025		200	(607)	17,098	16,691

Other reserves relate to the transfer of an End of Services Benefit provision of £196,000 in 2018 from Rolls-Royce Industrial Power Engineering (Overseas Projects) Limited to the Company and was treated as a capital distribution. In addition, other reserves include £411,000 (2024: £138,000) which relates to foreign exchange losses on translation of foreign operations.

The notes on pages 18 to 39 form an integral part of these Financial Statements.

Rolls-Royce International Limited

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

	Note	Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2024		200	(446)	9,147	8,901
Profit for the financial year		—	—	3,081	3,081
Actuarial movements on post-employment schemes		—	—	(50)	(50)
Foreign exchange translation differences on foreign operations		—	112	—	112
Total comprehensive income		—	112	3,031	3,143
Transactions with owners in their capacity as owners					
Share-based payment transactions – direct to equity	18	—	—	338	338
Related tax movements	9	—	—	(170)	(170)
At 31 December 2024		200	(334)	12,346	12,212

The notes on pages 18 to 39 form an integral part of these Financial Statements.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025

1 General information

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

The nature of the Company's operations and its principal activities are set out in the Strategic Report.

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

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);
 - 134 to 136 (capital management disclosures); and
 - 111 (statement of cash flows information).
 - 10(f) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A-40D.
- IAS 7, *Statement of cash flows*;
- IFRS 7, *Financial instruments: disclosures*;
- 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);
- Paragraph 38 of IAS 1, *Presentation of Financial Statements* – comparative information requirements;
- The requirements in IAS 24 *Related party disclosures*, to disclose related party transactions entered into between two or more members of a group;

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

2 Material accounting policies (continued)

Basis of preparation (continued)

- Paragraphs 17 and 18A of IAS 24, *Related party disclosures* (key management compensation); and
- Paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).

Exemption from preparing group accounts

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

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare Consolidated Financial Statements as it and its subsidiary undertakings are included by full consolidation in the 2025 Consolidated Financial Statements of its parent, Rolls-Royce plc, a company incorporated in the United Kingdom, which are publicly available. The address of the parent company's registered address is set out in note 23.

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 2025 that have a material impact on the Company's Financial Statements.

Going concern

The Directors of the Company have prepared the Financial Statements on a going concern basis which assumes the Company will continue in operation for at least 12 months from the date of approval of the Financial Statements and be able to meet its obligations as they fall due.

The administrative business activities of the Company are directly linked to the requirements of Rolls-Royce plc, its immediate parent company, and other Group undertakings. As such the Company is reliant on Group companies settling the significant level of intercompany balances recognised and operates as part of cash pooling arrangements with Rolls-Royce plc. Considering these intercompany settlements, the Directors consider that the Company is reliant on the ongoing support of Rolls-Royce Holdings plc and Rolls-Royce plc to ensure the Company continues its trading activities and meets financial liabilities as they fall due.

The Directors have considered the cash flow forecasts directly related to the remaining 3 years of the contract offering engineering services to an external customer and are satisfied that these forecasts are sufficient to cover working capital requirements in respect of the contract.

Rolls-Royce Holdings plc, the Company's ultimate parent, and parent undertaking of Rolls-Royce plc, has provided written confirmation of its intention to continue to provide financial support, as necessary, for a period of at least 12 months from the date of signing these financial statements, to ensure the Company has adequate resources to maintain its operational existence and to meet its financial demands for the foreseeable future.

After considering the factors set out above, the Directors have a reasonable expectation that the Company has access to sufficient financial and other resources to continue in operational existence for the foreseeable future that is at least 12 months from the date of approval of these financial statements. Accordingly, the Directors believe that it is appropriate that these Financial Statements are prepared on a going concern basis.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

2 Material accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies.

The Company has a long-term contract that falls into different accounting years. Contract accounting is applied as, although the revenue earned is fixed in the terms of the contract, the estimated costs can fluctuate. An element of the revenue and costs are made in foreign currency, hence the Company is subject to exchange rate volatility. Estimates are therefore required in the Company's long-term contract forecast to assess the pattern of future servicing costs to be incurred and impact of inflation on costs, and assumptions are required to be made about future exchange rates. Since revenue is recognised on a stage of completion basis, fluctuations in cost will impact the overall expected margin of the contract, and also the profile of revenue recognised each year.

Since the total contract revenue is fixed and a large proportion of the costs of sales are also at a fixed rate as specified under the terms of the Company's contract with its supplier, the estimates included within the long-term contract forecast are not considered to be critical in nature. The Financial Statements are therefore not considered to contain any area involving a higher degree of judgement or complexity and therefore no further considerations are required.

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 'Pound 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. Revenue is recognised when performance obligations have been satisfied and will be classified as at a point in time or over time.

Revenue is recognised when services have been provided to the 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; (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 revenue of the Company comes from the provision of administrative services recognised at a point in time. Revenue in the income statement is recognised in the accounting period in which the service is rendered.

The Company is deemed to have two statutory revenue streams; i) activities undertaken by the Company's branches and employees which are derived from costs incurred plus an agreed mark-up and ii) the provision of engineering services to an external company through a long-term contract and ad-hoc contracts where additional work is required.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

2 Material accounting policies (continued)

Revenue recognition (continued)

The Company has a low risk associated with the rendering of the services provided by employees on assignment. The revenue represents commission charged on costs relating to these employees, which is predetermined based on agreements with Group entities and is often a percentage of the costs incurred. Revenue is recognised when services have been rendered, or costs incurred, where the Company is entitled to be reimbursed, by the network of branches. This is considered to be at a point in time.

For the long-term engine servicing contract, the amount of revenue attributable to the stage of completion is recognised when the outcome of the contract can be foreseen with reasonable certainty. This is considered to be over time. Total revenue for the contract is fixed but its recognition fluctuates depending on the cost appropriate to its stage of completion, less amounts recognised in previous years. A contract asset or liability is recognised where payment is received in arrears or advance of the revenue recognised in meeting performance obligations. Provision is made for any losses as soon as they are foreseen. When additional services are required from the external company, ad-hoc contracts are entered into for the provision of these services. These ad-hoc contracts are measured at a point-in-time when the engineering services are provided.

All costs borne by the Company directly or indirectly relate to the two statutory revenue streams noted above and accordingly all costs borne by the Company are classified as cost of sales within the Income Statement.

Finance income

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

Income tax expense/(credit)

The tax expense/(credit) for the financial year comprises current and deferred tax:

- Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for tax purposes and is calculated using the enacted or substantively enacted rates that are expected to apply when the asset or liability is settled. In the UK, the deferred tax liability on the pension scheme surplus is recognised consistently with the basis for recognising the surplus i.e. at the rate applicable to refunds from a trust.

Tax is charged or credited to the income statement or OCI as appropriate, except when it relates to items credited or charged directly to equity in which case the tax is also dealt with in equity.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill or for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits, which include the reversal of taxable temporary differences, will be available against which the assets can be utilised.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

2 Material accounting policies (continued)

Investments

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

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 and intercompany 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, intercompany payables and contract liabilities, and are classified and measured at amortised cost.

Impairment

IFRS 9 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 amounts due from group undertakings, 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 services rendered in the ordinary course of business. If collection is expected in one year or less, or in the normal operating cycle of the business, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less any ECLs.

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

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

2 Material accounting policies (continued)

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments less any lease incentive receivable;
- variable lease payments that are based on an index or a rate; and
- payments of penalties for termination of the lease, if the lease term reflects the Company exercising that option.

Where leases commence after the initial IFRS 16 *Leases* transition date, the lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability or a revaluation of the liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Each right-of-use asset is depreciated over the shorter of its useful economic life and the lease term on a straight-line basis unless the lease is expected to transfer ownership of the underlying asset to the Company, in which case the asset is depreciated to the end of the useful life of the asset. Payments associated with the short-term leases are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

Trade and other 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.

Post employment Benefit Obligations

The Company operates a post-employment benefit scheme of defined benefit plans driven by the labour laws requirement in the United Arab Emirates, and recognises a non-current liability for such benefit obligations in its Statement of Financial Position.

The post-employment benefits are not funded. Accordingly, valuations of the obligations under those plans are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of comprehensive income while unwinding of the liability at discount rates used are recorded as financial cost. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the other comprehensive income.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

2 Material accounting policies (continued)

Post employment Benefit Obligations (continued)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are also recognised immediately in the statement of comprehensive income as past service costs.

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 Total Shareholder Return (TSR) performance condition in the Performance Share Plan, where no adjustment is required as allowance for these performance conditions are included in the initial fair value.

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 a pricing model that assumes that participants will exercise their options at the beginning of the six-month window if the share price is greater than the exercise price. Otherwise, it assumes that options are held until the expiration of their contractual term; and
- ii) Long term incentive plan - using a pricing model adjusted to reflect non-entitlement to dividends (or equivalent) and the TSR market-based performance condition.
- iii) Free shares - The fair value of shares awarded under the free shares scheme is calculated as the share price on the date of the award, on the basis that awards are entitled to receive dividends (or equivalents).

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.

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.

Rounding of amounts

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

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

3 Revenue

The Company's revenue by destination of the customer is as follows:

	2025	2024
	£ 000	£ 000
Middle East ¹	9,996	10,364
United Kingdom	12,243	11,444
United States	665	865
Rest of Europe	1,061	944
Rest of World	264	529
	24,229	24,146
Point in time revenue ²	14,431	13,797
Over time revenue ¹	9,798	10,349
	24,229	24,146

¹ Includes £109,000 (2024: £1,238,000) of revenue that was included in the contract liability balance at the beginning of the period and a reduction of £449,000 (2024: increase of £427,000) recognised in the year relating to performance obligations satisfied in previous years

² Includes £187,000 (2024: £nil) of ad-hoc external revenue from the provision of engineering services

All revenue is generated from the sale of services.

4 Operating profit

Arrived at after charging:

	2025	2024
	£ 000	£ 000
Staff and directors' costs (note 5)	10,321	10,329
External contract subcontractor costs	7,436	7,235
Consultancy and accounting services	929	1,145
Travel	1,011	769
Depreciation charge of right-of-use assets	176	158

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

5 Staff and Directors costs

The aggregate payroll costs were as follows:

	2025 £ 000	2024 £ 000
Wages, salaries and benefits	9,253	9,400
Social security costs	409	198
Pensions and other post-employment scheme benefits	335	393
Share-based payments (note 18)	324	338
	<u>10,321</u>	<u>10,329</u>

Staff costs and the number of employees disclosed in these Financial Statements relate to employees of the Company only. Employees on international assignment from other Group companies are excluded from these Financial Statements.

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

	2025 No.	2024 No.
Engineering	43	40
Administration and support	33	36
	<u>76</u>	<u>76</u>

All Directors fees or emoluments were paid by Rolls-Royce plc, as 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.

6 Auditors' remuneration

The fees for the audit of the Company Financial Statements for the year ended 31 December 2025 were £230,000 (2024: £283,000) and were paid by Rolls-Royce plc and not recharged.

No (2024: no) amounts were paid to the Company's auditors for non-audit services.

Rolls-Royce International Limited

Notes to the Financial Statements
for the year ended 31 December 2025 (continued)

7 Finance income

	2025 £ 000	2024 £ 000
Bank interest receivable	3,523	2,148
Foreign exchange gains	580	917
Intercompany interest receivable	27	32
	<u>4,130</u>	<u>3,097</u>

8 Finance costs

	2025 £ 000	2024 £ 000
Interest charge on lease liabilities	21	29
Interest payable on post-employment schemes	36	—
	<u>57</u>	<u>29</u>

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

9 Income tax expense

Tax charged in the income statement:

	2025 £ 000	2024 £ 000
Current tax		
UK corporation tax charge on profit for the year	224	314
Current tax charge in respect of Pillar Two income taxes	110	—
Double taxation relief	(224)	(314)
Group relief payable at 25.0% (2024: 25.0%)	1,541	830
Adjustments in respect of prior periods	745	236
	<u>2,396</u>	<u>1,066</u>
Foreign tax	954	223
Total current income tax	<u>3,350</u>	<u>1,289</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(41)	(87)
Adjustments in respect of prior periods	(244)	(3)
Total deferred taxation	<u>(285)</u>	<u>(90)</u>
Tax expense in the income statement	<u>3,065</u>	<u>1,199</u>

Other tax (credits)/charges to equity:

	2025 £ 000	2024 £ 000
Current tax on share-based payments	(185)	—
Deferred tax on share-based payments	(378)	170
Other tax (credits)/charges to equity	<u>(563)</u>	<u>170</u>

The tax assessed for the year is higher than (2024: higher than) the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%).

The differences are reconciled below:

	2025 £ 000	2024 £ 000
Profit before taxation	<u>6,974</u>	<u>4,280</u>
Corporation tax at standard rate of 25.0% (2024: 25.0%)	1,744	1,070
Adjustments in respect of prior periods	501	233
Adjustments from effect of (income non-taxable)/expenses not deductible	(20)	(14)
Tax rate differential on temporary differences	—	1
Pillar Two income taxes	110	—
Unrelieved overseas tax/(Double taxation relief)	730	(91)
Total tax charge	<u>3,065</u>	<u>1,199</u>

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

9 Income tax expense (continued)

Current tax (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 2025, the Company has continued to apply the mandatory exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as provided in the amendments to IAS 12 issued in May 2023.

Deferred tax

Deferred tax movement during the year:

	At 1 January 2025 £ 000	Recognised in income statement £ 000	Recognised in OCI £ 000	At 31 December 2025 £ 000	Recognised as DTA £ 000	Recognised as DTL £ 000
Accelerated tax depreciation	38	(7)	—	31	31	—
Other items	373	292	378	1,043	1,043	—
Net tax assets	411	285	378	1,074	1,074	—

Deferred tax movement during the prior year:

	At 1 January 2024 £ 000	Recognised in income statement £ 000	Recognised in OCI £ 000	At 31 December 2024 £ 000	Recognised as DTA £ 000	Recognised as DTL £ 000
Accelerated tax depreciation	47	(9)	—	38	38	—
Other items	444	99	(170)	373	373	—
Net tax assets	491	90	(170)	411	411	—

Other items above relate to share-based payments, pension costs and IFRS 9 adjustments in respect of prior years. The deferred tax asset has been recognised to the extent that the Company expects to make sufficient taxable profits against which it could be offset in future years. None of the deferred tax is unrecognised.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

10 Right-of-use assets

	Land and buildings Total £ 000
Cost	
At 1 January 2025	1,474
Additions	35
Transfers in	70
At 31 December 2025	<u>1,579</u>
Accumulated depreciation	
At 1 January 2025	1,004
Charge for the year	176
Transfers in	56
At 31 December 2025	<u>1,236</u>
Carrying amount	
At 31 December 2025	<u>343</u>
At 31 December 2024	<u>470</u>

Depreciation of £176,000 (2024: £158,000) is included in cost of sales in the income statement.

11 Investments

	Total £ 000
Subsidiaries	
Cost	
At 1 January 2025	32
Additions	9
Disposals	(32)
At 31 December 2025	<u>9</u>
Provision for impairment	
At 1 January 2025	10
Disposals	(10)
At 31 December 2025	<u>—</u>
Carrying amount	
At 31 December 2025	<u>9</u>
At 31 December 2024	<u>22</u>

On 18 August 2025 the Company's 99.99% shareholding in its subsidiary entity, Rolls-Royce (Thailand) Limited was sold to another Group entity, Rolls-Royce Solutions Asia Pte Ltd for consideration of \$1,411,484 (£1,052,000), resulting in a gain on disposal of £1,030,000.

On 1 October 2025 the Company purchased 1,000 ordinary shares in PT Rolls-Royce Indonesia, representing a 1% shareholding, from a fellow subsidiary for consideration of £9,000.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

11 Investments (continued)

As at 31 December 2025, the Company held a direct shareholding in the below entities:

Company name	Share class	Address	% Holding 2025
Rolls-Royce India Limited ¹	Ordinary	Moor Lane, Derby, Derbyshire, DE24 8BJ	100.0%
PT Rolls-Royce Indonesia	Ordinary	Secure Building Blok B, Jl. Raya Protokol Halim, Perdanakusuma, Jakarta, 13610, Indonesia	1.0%

¹ Reporting year end is 31 March

In accordance with the requirements of IAS 36 *Impairment of Assets*, the carrying value of the Company's investments are reviewed for indicators of impairment on an annual basis. Where such indicators are present, a quantified impairment test would be required and the fair value less costs of disposal calculated based upon a discounted cash flow methodology using the most recent forecasts prepared by management.

At 31 December 2025, the Directors assessed the impact of new potential indicators of impairment and concluded that there was no risk of impairment. In making this judgement, the Directors considered the following:

- The net assets of the Company compared to the investment balance;
- The future strategy of the business;
- The impact of climate-related risks and opportunities;
- Trading assumptions (e.g. volume of equipment deliveries, pricing achieved and cost escalation) that are based on current and known future programmes, estimates of market share and long-term economic forecasts; and
- Macro-economic factors.

Dividend income received

	2025 £ 000	2024 £ 000
Rolls-Royce (Thailand) Limited	—	193
	—	193

12 Other financial assets

	2025 £ 000	2024 £ 000
Rental deposits	119	—
	119	—

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

13 Trade and other receivables

	2025 £ 000	2024 £ 000
Trade receivables	833	1,830
Amounts due from group undertakings	39,492	69,998
Prepayments and accrued income	16,422	10,746
Other receivables	195	77
Amounts due from related party undertakings (note 22)	71	310
	<u>57,013</u>	<u>82,961</u>

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

Amounts due from group undertakings are stated after provisions for impairment of £nil (2024: £nil) for expected credit losses in accordance with IFRS 9.

Accrued income includes £16,395,000 intercompany recharge revenue (2024: £10,578,000).

14 Cash and cash equivalents

	2025 £ 000	2024 £ 000
Cash at bank	<u>17,713</u>	<u>14,345</u>

As at 31 December 2025, £149,000 (2024: £160,000) of cash was held at banks who had a credit rating below the recommended level as set by Rolls-Royce Holdings plc.

Following an assessment by the Company, no provision for impairment (2024: none) has been recognised for expected credit losses in accordance with IFRS 9.

15 Lease liabilities

Leases are fixed term and do not have the right to extend or purchase the leased assets. The use of the assets enables the Company to provide the administrative support to their parent company.

The Company has lease contracts for various offices which are used in its operations. The amounts recognised in the Financial Statements in relation to the leases are as follows:

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

15 Lease liabilities (continued)

Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

	2025 £ 000	2024 £ 000
Right-of-use assets		
Land and buildings	343	470
Lease liabilities		
Current lease liabilities	129	151
Non-current lease liabilities	241	338
	370	489
	2025 £ 000	2024 £ 000
Future minimum lease payments on leases at 31 December:		
Within one year	145	173
In one to five years	260	372
After five years	—	—
Total gross payments	405	545
Impact of finance expense	(35)	(56)
Carrying amount of liability	370	489

The total cash outflow for leases was £204,000 (2024: £182,000). The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31 December 2025 was 5.5% (2024: 5.5%).

Amounts recognised in income statement:

The income statement includes the following amounts relating to leases:

	2025 £ 000	2024 £ 000
Depreciation charge on right-of-use assets (included in cost of sales)	176	158
Interest expense (included in finance cost)	21	29

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

16 Trade and other payables

Current

	2025	2024
	£ 000	£ 000
Trade payables	5,164	3,155
Amounts due to group undertakings	43,124	73,526
Accruals	3,879	3,841
Other payables	1,624	1,179
Amounts due to group undertakings for group relief	2,956	855
Deferred income	—	220
Overseas tax payable	333	154
Social security and other taxes	118	42
Amounts owed to related parties (note 22)	51	—
	<u>57,249</u>	<u>82,972</u>

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

Non-current

	2025	2024
	£ 000	£ 000
Accruals	<u>1,715</u>	<u>1,607</u>

17 Contract assets and liabilities

	2025	2024
	£ 000	£ 000
Contract assets (Current)	<u>680</u>	<u>—</u>
	2025	2024
	£ 000	£ 000
Contract liabilities (Current)	<u>—</u>	<u>109</u>

Contract assets and liabilities relate to an external contract held in the Qatar branch.

Contract assets represent revenue recognised in relation to performance obligations completed in excess of amounts invoiced. Contract liabilities represent consideration received from customers in advance of revenue recognised in relation to performance obligations completed.

Rolls-Royce International Limited

Notes to the Financial Statements
for the year ended 31 December 2025 (continued)

18 Share-based payments

Share-based payment charges incurred by the Company in the year to 31 December 2025 were £324,000 (2024: £338,000). The weighted average share price at the date shares were exercised was 728p (2024: 420p) and the closing price at 31 December 2025 was 1,150p (2024: 569p).

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.

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.

Share options outstanding:

Scheme	Exercise price in pence per share option	ShareSave share options	
		2025 No.	2024 No.
2019 UK 5-year scheme	232	13	5,379
2021 UK 3-year scheme	97	149	141,520
		162	146,899

The weighted average remaining contractual life for cash-settled options at 31 December 2025 was 0.6 years (2024: 0.1 years).

Free Shares

In 2024, every Rolls-Royce employee was gifted 150 shares. The awards were granted under the 'Rolls-Royce Share Purchase Plan' for UK employees and it is an equity-settled scheme. The fair value of shares awarded under the Free shares scheme is calculated as the share price on the date of the award, on the basis that awards are entitled to receive dividends (or equivalents).

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

19 Post Employment Benefits

The Company operates a defined benefit plan in line with the Labour Law requirement in the United Arab Emirates. The end of service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the United Arab Emirates. Employees' end of service benefit plans are unfunded plans and the benefit payment obligations are met when they fall due upon termination of employment.

	2025 £ 000	2024 £ 000
Defined Benefit obligation	926	820
	2025 £ 000	2024 £ 000
At 1 January	820	756
Charge for the year	142	180
Interest cost	36	28
Payments made during the year	(59)	(207)
Unrecognised actuarial loss	44	50
Foreign exchange difference	(57)	13
At 31 December	926	820

Benefit expense recognised in the statement of comprehensive income is as follows:

	2025 £ 000	2024 £ 000
Current service cost	142	180
Interest cost	36	28
Amounts recognised in profit or loss	178	208

Remeasurement:

	2025 £ 000	2024 £ 000
Loss/(gain) from change in financial assumptions	40	(15)
Loss due to experience adjustments	4	65
Amount recognised as other comprehensive income	44	50

Principal assumptions used in determining defined benefit obligation for the Company are as follows:

	2025	2024
Discount rate	4.20%	4.85%
Future salary increase	4.00%	3.75%

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

19 Post Employment Benefits (continued)

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation is as follows:

Discount rate

	2025	2024
	£ 000	£ 000
1% increase in discount rate	(44)	(37)
1% decrease in discount rate	48	41

Future salary increase

	2025	2024
	£ 000	£ 000
1% increase in salary escalation rate	48	41
1% decrease in salary escalation rate	(44)	(38)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

The weighted average duration of the defined benefit obligations under the schemes is between 5 and 6 years (2024: between 5 and 6 years)

Maturity analysis of the benefit payments

Projected benefits payable in future from the date of reporting:

	2025	2024
	£ 000	£ 000
Over the next year	157	134
Between 2 to 5 years	488	373
Between 6 to 10 years	347	360
More than 10 years	192	183
	1,184	1,050

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

20 Called up share capital

Allotted, authorised and fully paid

	2025		2024	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	200	200	200	200

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.

No dividends were paid, proposed or declared during the current or preceding year.

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 consequences.

22 Related party transactions

Related party undertakings are joint ventures and joint operations of the Group. EPI Europrop International GmbH is a 28% joint venture, Hong Kong Aero Engine Services Limited is a 50% joint venture, Aero Gearbox International SAS is a 50% joint operation of the Group. Related party undertakings also include a subsidiary of the Group, where the Group controls the entity and as a result consolidates the entity and records a non-controlling interest: Aerospace Transmission Technologies GmbH (50% ownership).

The Company is a wholly owned subsidiary of its ultimate parent Rolls-Royce Holdings plc and is included within the consolidated results of Rolls-Royce Holdings plc and therefore has taken advantage of the exemption in FRS 101 not to disclose related party transactions with its parent company and other wholly owned Group companies.

All related party transactions are unsecured and will be settled in cash when due.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2025 (continued)

22 Related party transactions (continued)

Income from related party undertakings for the year ended 31 December

	2025 £ 000	2024 £ 000
EPI Europrop International GmbH	302	537
Hong Kong Aero Engine Services Limited	211	412
Aero Gearbox International SAS	452	701
	<u>965</u>	<u>1,650</u>

Receivables from and (payables to) related party undertakings at 31 December

	2025 £ 000	2024 £ 000
Aero Gearbox International SAS	71	277
Hong Kong Aero Engine Services Limited	(51)	33
	<u>20</u>	<u>310</u>

23 Parent and ultimate parent undertaking

The Company's immediate parent is Rolls-Royce plc.

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, N1 9FX, United Kingdom.

24 Post balance sheet events

On 31 March 2026, the Company distributed a loan note receivable of £1,244 from its subsidiary, Rolls-Royce India Limited, to its parent, Rolls-Royce plc. This distribution was declared after the reporting date and, accordingly, has not been recognised as a liability in these financial statements.