

Registration number: 00769666

Rolls-Royce International Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2024

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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 2024

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 2024.

Principal activities

The principal activities of the Company are:

- To provide administration services for employees who work in its branch network (see page 7) and for certain employees employed by Rolls-Royce Holdings plc and its subsidiaries (the Group) who are required to work on overseas assignments; and
- The management and execution of an external contract from the Qatar branch.

As part of the administration services provision, the Company recharges (at a mark-up) multiple entities within the Group for the costs in relation to the assignees. The Company also provides local representation, in-country expertise, market research, commercial information and strategies for the development of business opportunities.

The external contract is to provide engine servicing to a customer and work began in 2022. The contract is set to run until 2028.

Business review

During the year, the Company has continued to support its global network of branches. The Company operates across a number of different international branches and representative offices (see page 7).

Revenue in the Company is generated through charges made to entities within the Group for the provision of services provided by the Company (Point in time revenue, £13,797,000 in the year to 31st December 2024) and from contracted engineering services provided to an external customer (Over time revenue of £10,349,000 in the year to 31st December 2024). Revenue generated from the provision of services to other entities within the Group is charged based on costs incurred plus an agreed and fixed mark up. Revenue generated from engineering services provided to a third party is recognised based on the proportion of contract costs incurred to total expected contracted costs.

Revenue has decreased by £468,000 to £24,146,000 (2023 restated¹: £24,614,000). This was predominantly driven by a reduction in revenue recognised under the external contract, as a result of reduced costs incurred in 2024 versus the prior year, offset by an improvement in expected contract margin in 2024 following a review of the long term contract forecast in the year, resulting in a catch up of revenue recognised to date. This was offset by an increase in revenue generated from intercompany recharges, as a result of credit notes raised in the prior year.

Profit after taxation for the year has increased by £969,000 to £3,081,000 (2023 restated¹: £2,112,000) resulting from increased margin recognised on overseas assignee costs, due to credit notes raised in the prior year and favourable foreign exchange movements in 2024 versus the prior year. Margin recognised relating to the external contract also improved, as detailed above. The current year also benefited from an improvement in bank interest received, and a £193,000 dividend received from a subsidiary entity.

Net assets at the balance sheet date have increased to £12,212,000 (2023 restated¹: £8,901,000) largely due to movements relating to the external contract: an increase in cash and cash equivalents from customer invoicing, less cash contract costs paid and an improvement in the contract liabilities position due to the timing of contract invoicing versus revenue recognised. The net asset position also benefited from a net improvement in trade payables and receivables.

¹The previously reported 2023 revenue, profit after taxation and net assets have been restated. See Note 2 for further details.

Rolls-Royce International Limited

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

Key performance indicators

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

	2024	Restated ¹ 2023
	£ 000	£ 000
Revenue	24,146	24,614
Profit after taxation	3,081	2,112
Net assets	12,212	8,901

¹ The previously reported 2023 revenue, profit after taxation and net assets have been restated. See note 2 for further details.

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 2024 Rolls-Royce Holdings plc Annual Report, which is publicly available from the address in note 22. The Company acts in accordance with this policy to manage and mitigate the risks identified below.

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

The Company is subject to a range of legislation and other regulatory requirements in the locations in which it operates, impacting the Company's ability to conduct business in certain jurisdictions and exposing the Company to potential: reputational damage; financial penalties; and debarment from government contracts for a period of time – any of which could have a material adverse effect. The Company has in-country experts and contacts who provide support and have controls in place to manage the risks noted above.

The Company receives and pays a proportion of its income and costs in relation to its external contract in foreign currencies, hence is subject to the risk of exchange rate fluctuations, though this risk is mitigated to the extent that the revenue and cost of sales are in the same currency, and hence for these the risk is limited to the net margin element. A significant proportion of contract costs are also fixed under the terms of the Company's contract with its supplier, however a number of direct costs to the contract remain variable. If the external customer chooses to vary its flying hours there could be uncertainty in the Maintenance Repair and Overhaul (MRO) profile of the engines. This could result in a change in frequency of engine servicing and hence have an impact on the direct costs incurred. This risk is however captured in the long-term contract forecast reviewed each year, and is not expected to be significant.

The Group has an extensive compliance programme, which is applied within the Company. This programme and the Global Code of Conduct are promulgated throughout the Group and are updated and reinforced from time to time, to ensure their continued relevance, and to ensure that they are complied with. The Global Code of Conduct and the Group's compliance programme are supported by appropriate training. A Group legal and compliance team has been put in place to manage ethics and compliance issues.

Rolls-Royce International Limited

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

Section 172(1) statement

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

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

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

The Company's key stakeholders are its parent company Rolls-Royce plc, the employees who work in the branch offices, other employees who are employed by the Group who are required to work on overseas assignments and the external customer for the long-term contract. The Company engages with its parent Company, Rolls-Royce plc, through a variety of channels including face-to-face consultations, Board updates and regular communication between teams on joint projects. The Directors use skills learnt during their director training to consider the impact decisions have on stakeholders and the wider community. The Directors then consider the stakeholder impacts against long-term strategy and principal risks. The Directors ensure principal risks are mitigated by adopting the Group Global Code of Conduct. In respect of the long-term contract, communications with the external customer are managed through regular meetings facilitated by the local Qatar branch.

When the Company makes principal decisions, it engages with its parent to ensure the interests of the wider stakeholders, which include the Group, are taken into account. For example, the Company engages with its' parent in the event that a business unit is required to set up operations in a country where Rolls-Royce plc has a limited presence; based on advice and guidance from external advisers, the Company assesses whether an entity should be registered in the form of a branch, representative office, or commercial registration office of the Company (subject to local laws, regulations and statutory requirements). This reduces the number of the Company's subsidiary undertakings. For example, the Abu Dhabi branch was set up as a branch of the Company as opposed to a separate subsidiary of Rolls-Royce plc.

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. 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 policies in relation to the safeguarding of human rights and community relationships as outlined in the 2024 Rolls-Royce Holdings plc Annual Report which is publicly available from the address in note 22.

The Company Directors believe that, individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2024.

Rolls-Royce International Limited

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

The Directors ensure that when making principal decisions they factor in the principal risks of the Company and the interests of all stakeholders. When any principal decisions are made and discussed, the Directors ensure that the consequences of the decisions over the long term to other stakeholders including employees' interests and relationships with other suppliers and customers are considered. An example of this is a Director of the Company being the Company's SME in respect of international working; secondly a key stakeholder in ensuring employees are placed in locations where relevant security concerns have been adhered.

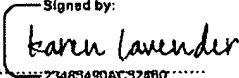
Culture is a combination of the values, attitudes and behaviours demonstrated by the Company in its activities and relations with stakeholders. The Company embodies and demonstrates the desired culture of the Group to maintain a reputation for high standards of business conduct through the adoption of the Group Policy manual which ensures that the Company embodies the philosophy to act with integrity and is trusted to deliver excellence. Further details on the Group Policy manual and the policies the Company adopts can be found in the 2024 Rolls-Royce Holdings plc Annual Report.

Climate-related corporate reporting

The Company adopts the policies and frameworks set by the Group which include the sustainability measures set out in the 2024 Rolls-Royce Holdings plc Annual Report on pages 32 to 45. The Company is aligned to the objectives of the Group. The Directors fully recognise their responsibility to have regard to the impact of the Company's operations on the community and environment.

Approved by the Board on 16 December 2025

and signed on its behalf by:

Signed by:

.....23483480AC32480.....
Karen Lavender
Director

Rolls-Royce International 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 the 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:

Steven McNabola (appointed 24 July 2024)

Karen Lavender (appointed 4 September 2025)

Alex Quinn (resigned 24 July 2024)

Richard Guy (resigned 4 September 2025)

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 £3,081,000 (2023 restated: £2,112,000). The net assets of the Company are £12,212,000 (2023 restated: £8,901,000).

During the year, the Company paid no dividends (2023: no dividends) to its parent undertaking. The Directors do not recommend the payment of a final dividend (2023: £nil).

Future developments

The Directors do not expect any change to the activities carried out by the Company following the start of the long-term contract in 2022. 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 contract is expected to run until 2028 and at the end of 2024 was operating with a full complement of field service representatives as per the terms of the contract. In 2024 the Company also employed 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:

Interest risk

Cash balances are held at floating rates and the Company is therefore exposed to movements in interest rates.

Foreign exchange risk

Cash balances are held in both Sterling and in local currency and therefore these balances are exposed to movements in foreign exchange rates. This risk is mitigated by the fact that some external trade payables are settled by the Company's parent on its behalf, who benefits from foreign exchange hedging arrangements. The Company receives and pays a proportion of its income and costs in relation to its external contract in foreign currencies, hence is subject to the risk of exchange rate fluctuations, though this risk is mitigated to the extent that the revenue and cost of sales are in the same currency, and hence for these the risk is limited to the net margin element.

Rolls-Royce International Limited

Directors' Report for the year ended 31 December 2024 (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 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 Financial Statements have been prepared on a going concern basis. The Company has net current assets of £14,074,000 (2023 re-stated: £10,400,000) which is largely the result of the positive cash position, offset by net payable position in relation to trade and intercompany receivables and payables.

The Directors have considered the cash flow forecasts directly related to 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.

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 plc to ensure the Company continues its trading activities and meets financial liabilities as they fall due.

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

After considering the above, the Directors are satisfied that it remains appropriate to prepare the Company's financial statements on a going concern basis.

Branches

The Company has branches registered in Abu Dhabi, Bahrain, Belgium, Colombia, Dubai, Ethiopia, France, Germany, Hong Kong, Qatar, South Korea, Spain and Sri Lanka. The Company also has representation offices in Italy, Taiwan and Vietnam.

Rolls-Royce International Limited

Directors' Report for the year ended 31 December 2024 (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.

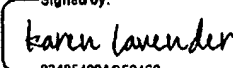
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies 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 16 December 2025 and signed on its behalf by:

Signed by:

.....234B5490AC52460.....
Karen Lavender
Director

Rolls-Royce International Limited

Independent auditor's 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 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, Statement of Comprehensive Income and 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.

Rolls-Royce International Limited

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

Reporting on other information (continued)

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.

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.

Rolls-Royce International Limited

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

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to applicable employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and relevant tax legislation specific to jurisdictions where the company and its branches operate. 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 and the company's in-house legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing them to supporting documentation to assess compliance with applicable requirements;
- Designing audit procedures to incorporate an element of unpredictability into our audit testing; and
- Identifying, and where relevant, testing journals that meet specific risk based criteria, for example, unexpected account combinations.

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.

Rolls-Royce International Limited

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

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.



Charlotte Marnham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2025

Rolls-Royce International Limited

Income Statement for the year ended 31 December 2024

		2024	Restated ¹ 2023
	Note	£ 000	£ 000
Revenue	3	24,146	24,614
Cost of sales		(22,876)	(24,367)
Gross profit		1,270	247
General and administrative expenses		(251)	(186)
Operating profit	4	1,019	61
Income from shares in Group undertakings	11	193	-
Finance income	7	3,097	2,911
Finance costs	8	(29)	(35)
Profit before taxation		4,280	2,937
Income tax expense	9	(1,199)	(825)
Profit for the financial year		3,081	2,112

¹ See Note 2 for further details

The above results were derived from continuing operations.

The notes on pages 18 to 44 form an integral part of these Financial Statements.

Rolls-Royce International Limited

Statement of Comprehensive Income for the year ended 31 December 2024

	2024 £ 000	Restated ¹ 2023 £ 000
Profit for the financial year	3,081	2,112
Items that will be reclassified to profit or loss:		
Foreign exchange translation differences on foreign operations	112	(66)
Items that will not be reclassified to profit or loss:		
Actuarial movements on post-employment schemes	(50)	-
Total comprehensive income for the year	3,143	2,046

¹ See Note 2 for further details

The notes on pages 18 to 44 form an integral part of these Financial Statements.

Rolls-Royce International Limited**Statement of Financial Position
as at 31 December 2024****(Registration number: 00769666)**

	Note	2024 £ 000	Restated ¹ 2023 £ 000
Non-current assets			
Right-of-use assets	10	470	616
Investments	11	22	22
Deferred tax assets	9	411	491
		903	1,129
Current assets			
Trade and other receivables	12	82,961	38,745
Cash and cash equivalents	13	14,345	12,276
		97,306	51,021
Current Liabilities			
Lease liabilities	14	(151)	(151)
Trade and other payables	15	(82,972)	(39,232)
Contract liabilities	16	(109)	(1,238)
		(83,232)	(40,621)
Net current assets		14,074	10,400
Total assets less current liabilities		14,977	11,529
Non-current liabilities			
Lease liabilities	14	(338)	(513)
Trade and other payables	15	(1,607)	(1,359)
Post-employment benefit liabilities	18	(820)	(756)
		(2,765)	(2,628)
Net assets		12,212	8,901
Equity			
Called up share capital	19	200	200
Other reserves		(334)	(446)
Retained earnings		12,346	9,147
Total equity		12,212	8,901

¹ A number of balances have been restated at 31 December 2024. See note 2 for further details

The Financial Statements on pages 13 to 44 were approved and authorised for issue by the Board of Directors on 16 December 2025 and signed on its behalf by:

Signed by:

 234854899AC52460...
 Karen Lavender
 Director

The notes on pages 18 to 44 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 as previously stated		200	(446)	9,067	8,821
Prior period adjustment (see Note 2)				80	80
Restated Balance 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	17	—	—	338	338
Related tax movements	9	—	—	(170)	(170)
At 31 December 2024		200	(334)	12,346	12,212

1 The previously reported 2023 profit and retained earnings have been restated to include the change in 2023 profit. See note 2 for further details

Other reserves relates 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 includes £138,000 (2023: £250,000) which relates to foreign exchange losses on translation of foreign operations.

Rolls-Royce International Limited

Statement of Changes in Equity for the year ended 31 December 2023

		Called up share capital £ 000	Other reserves £ 000	Retained earnings £ 000	Total Equity £ 000
At 1 January 2023		200	(380)	6,736	6,556
Profit for the financial year		—	—	2,032	2,032
Foreign exchange movement in the year		—	(66)	—	(66)
Total comprehensive (expense)/income Restated ¹		—	(66)	2,032	1,966
Transactions with owners in their capacity as owners					
Share-based payment transactions – direct to equity	17	—	—	109	109
Related tax movements	9	—	—	190	190
At 31 December 2023		200	(446)	9,067	8,821

The notes on pages 18 to 44 form an integral part of these Financial Statements.

Rolls-Royce International 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, incorporated and domiciled in the East Midlands, United Kingdom.

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

Principal activities

The principal activities of the Company are:

- To provide administration services for employees who work in its branch network and for certain employees employed by the Rolls-Royce Holdings plc group (the Group) who are required to work on overseas assignments; and
- The management of an external engine servicing and maintenance contract from the Qatar branch.

As part of the administration services provision, the Company recharges (at a mark-up) multiple entities within the Group for the costs in relation to the assignees. The Company also provides local representation, in-country expertise, market research, commercial information- and strategies for the development of business opportunities.

The external contract is to provide engine servicing and maintenance to a customer and work began in 2022. The contract is set to run until 2028.

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 2024 (continued)

2 Material accounting policies (continued)

Basis of preparation (continued)

- Paragraph 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).

Prior year restatements, reclassifications and representations

A number of restatements and re-classifications have been made to the previously disclosed 2023 numbers, these are explained below.

Restatement of revenue

Costs incurred by the Company which do not relate to Rolls-Royce International branches are classified as Passthrough costs and are recharged without mark-up to the company within the Group on whose behalf they have been paid, the recharge being netted off against the associated cost of sale. The classification of passthrough and non-passthrough costs has been reviewed and the accounting entries have been checked resulting in a number of errors being identified, and restatements have been made to correct these, as follows:

- Following the reclassification, certain pass-through costs were identified that had previously been classified as non-passthrough. Revenue representing the recharge of these costs has been recognised (including relevant mark-up), and the associated costs have been recognised within cost of sales, resulting in an increase in revenue of £2,911,000.
- As a result of the reclassification, an additional bonus accrual of £566,000 has been recharged with an inclusive mark-up of 6.52%. Revenue was accordingly adjusted by £480,000, the difference between the two being as a result of foreign exchange differences and mark-up applied to the recharge.
- A number of passthrough costs were also identified that had been mistakenly recharged with mark-up applied, resulting in a £95,000 reduction in revenue.
- A number of non-passthrough costs were identified which had incorrectly been excluded from recharges, resulting in a £287,000 increase to revenue.
- An adjustment was made to credit certain accrued costs of £886,000 which had been mistakenly classified as non-passthrough in nature, and revenue had been accrued for these. This resulted in a reduction in revenue of £886,000.

Total revenue has been restated by £2,697,000. As a result of the above adjustments, the value of the point in time revenue (internal revenue) disclosed in Note 3 has also been adjusted by £2,697,000, and the geographical split of this revenue has also been updated.

Revenue in note 3 was also previously categorised into internal and external revenue, but has been renamed revenue recognised over time, relating to the external contract, and revenue recognised at a point in time.

Restatement of cost of sales

As a result of the passthrough and non-passthrough costs reclassification errors identified above, a number of restatements have been made to cost of sales, as follows:

- Passthrough costs of £2,912,000 and credits of £886,000 as above have been reclassified as non-passthrough and eliminated from cost of sales.
- An accrual relating to the 2024 bonus, paid in 2025, has increased by £566,000 following the change in classification of passthrough and non-passthrough costs detailed above.

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Prior year restatements, reclassifications and representations (continued)

Restatement of cost of sales (continued)

Foreign exchange adjustments were reviewed and as a result, adjustments made to adjust the cost of sales incurred in foreign currencies to the 2023 average rates were recalculated to exclude the impact of any cost of sales borne by the Company's parent. This resulted in an additional charge of £612,000 being recognised within cost of sales, with a corresponding increase in finance income.

Cost of sales and administrative expenses were previously reported as one line, these have now been analysed and posted correctly with £186,000 of cost of sales moved to administrative costs. Total cost of sales has been restated by £3,018,000.

Restatement of General and Administrative costs

As detailed above, administrative expenses have been reclassified from cost of sales, resulting in £186,000 being recognised within General and Administrative Costs.

Restatement of Finance Income

Foreign exchange of £612,000 was reclassified from to cost of sales as detailed above.

Restatement of Income Tax

Current income tax expense in the income statement has been restated by £25,000 following a change in profit before tax due to the above restatements. This will be recovered by the Company's parent via Group relief (see note 9).

Restatement of Staff costs

Staff costs have been restated after an error was found with the classification of costs between passthrough and non-passthrough above, the headcount report was further analysed and costs for Rolls Royce International employees only have now been identified and disclosed in Note 5. Staff costs have therefore increased by £3,030,000. The classification of staff costs between the various categories has also been re-analysed as it was found that there was inconsistency between the treatment of these across the branches. These have therefore been re-stated to ensure consistency.

Restatement of Trade and other receivables

Intercompany credit notes of £804,000 were incorrectly included within intercompany payables; these have now been reclassified to intercompany receivables to net against the related debtor balance. As described above, a number of passthrough costs were identified that had been mistakenly recharged with mark-up applied and conversely a number of non-passthrough costs where recharges had been missed. The necessary adjustments were made to correct these, resulting in A £95,000 decrease to intercompany debtors and a £287,000 increase to accrued income respectively.

Accrued income relating to accrued bonus costs of £458,000 has been reclassified from intercompany debtors to accrued income. The income accrual has also been increased by a further £480,000, with the corresponding entry to revenue, as described above.

A further adjustment was made to reclassify a £1,422,000 creditor from other payables to intercompany trade receivables, since it related to a credit note accrued against intercompany revenue previously invoiced. Revenue accruals of £1,107,000 included within intercompany receivables have been reclassified to accrued income to reflect the fact that these balances have not yet been invoiced. Total trade and other receivables have been restated by £1,555,000.

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Prior year restatements, reclassifications and representations (continued)

Restatement of Trade and other payables

Adjustments have been made to reclassify £804,000 of intercompany credit notes from intercompany trade payables to intercompany trade receivables as described above. Additional accrued bonus costs of £566,000 were recognised within other payables, with the corresponding entry in cost of sales, as described above. Reclassifications of £592,000 were identified to be required from accruals to trade payables relating to external trade payables and a further £318,000 from trade payables to accruals as a result of an assessment of unrecorded liabilities at the year end.

Adjustments made to profit before tax as detailed above, resulted in a £25,000 increase to the intercompany tax creditor balance. The reclassification of the £1,422,000 creditor from other payables to intercompany trade receivables above resulted in a £1,422,000 reduction in other payables.

An accrual of £1,359,000 relating to the external contract was reclassified from current to non-current to better reflect the timing of the expected cashflows of this balance. The contract liabilities balance, previously included with trade payables was presented separately on the face of the balance sheet, reducing trade and other payables by £1,238,000. Total adjustments to trade and other payables (both current and non-current) were £2,873,000).

Representation of provisions to post-employment benefit liabilities

End of service benefit liabilities £820,000 (2023: £756,000) relating to the company's Dubai and Abu Dhabi branches were previously disclosed as provisions but have been reclassified to post-employment benefit liabilities in the Statement of Financial Position to better reflect their nature. In addition, the disclosures in note 18 have been updated to include full actuarial disclosures under IAS 19 *Employee Benefits*, including the restated disclosures for 2023. Other comprehensive income has not been restated to reflect remeasurement of the post-employment benefit plan but the note has been updated for comparative purposes.

Representation of Contract Liabilities

Contract liabilities of £1,238,000 previously included with trade and other payables, have been represented to show these on a separate line on the face of the Statement of Financial Position to better reflect the material nature of this balance.

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Prior year restatements, reclassifications and representations (continued)

The impact of the above restatements on the 2023 financial statements has been summarised below.

	Signed 2023 Financial Statements £ 000	Adjustment amount £ 000	Restated 2023 figures £ 000
Income statement			
Revenue	21,917	2,697	24,614
Cost of sales	(21,349)	(3,018)	(24,367)
Gross profit	568	(321)	247
General and administrative expenses	-	(186)	(186)
Operating profit	568	(507)	61
Finance income	2,299	612	2,911
Finance costs	(35)	-	(35)
Profit before taxation	2,832	105	2,937
Taxation	(800)	(25)	(825)
Profit for the financial year	2,032	80	2,112
Revenue (note 3)			
Middle East & Africa	11,287	-	11,287
United Kingdom	8,643	2,131	10,774
United States	760	153	913
Rest of Europe	900	244	1,144
Rest of World	327	169	496
Total revenue	21,917	2,697	24,614
Class of revenue			
Point in time revenue (previously described as internal revenue)	10,621	2,697	13,318
Over time revenue (previously described as external revenue)	11,296	-	11,296
Total revenue	21,917	2,697	24,614

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Prior year restatements, reclassifications and representations (continued)

	Signed 2023 Financial Statements £ 000	Adjustment amount £ 000	Restated 2023 figures £ 000
Staff and Directors costs (Note 5)			
Wages, salaries and benefits	5,997	3,324	9,321
Social security costs	701	(458)	243
Pensions and other post-employment scheme benefits	190	164	354
Share-based payment expenses	109	-	109
Total staff costs	<u>6,997</u>	<u>3,030</u>	<u>10,027</u>
Finance income (Note 7)			
Bank interest receivable	1,868	-	1,868
Foreign exchange gains	395	612	1,007
Intercompany interest receivable	36	-	36
Total finance income	<u>2,299</u>	<u>612</u>	<u>2,911</u>
Income tax expense (Note 9)			
Group relief payable	651	25	676
Total tax charge	800	25	825

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Prior year restatements, reclassifications and representations (continued)

	Signed 2023 Financial Statements £ 000	Adjustment amount £ 000	Restated 2023 figures £ 000
Statement of Financial Position			
Trade and other receivables (note 12)			
Trade receivables	908	-	908
Amounts due from group undertakings	31,475	(3,886)	27,589
Prepayments and accrued income	7,468	2,331	9,799
Other receivables	221	-	221
Amounts due from related party undertakings	228	-	228
Total Receivables	40,300	(1,555)	38,745
Trade and other payables (note 15)			
Current:			
Trade payables	4,620	274	4,894
Amounts due to group undertakings	31,952	(804)	31,148
Accruals	2,810	(1,633)	1,177
Other payables	2,032	(856)	1,176
Amounts due to group undertakings for group relief	651	25	676
Tax liabilities in other jurisdictions	70	-	70
Contract Liabilities	1,238	(1,238)	-
Social security and other taxes	83	-	83
Amounts owed to related parties	8	-	8
Non-current:			
Accruals	-	1,359	1,359
Total trade and other payables	43,464	(2,873)	40,591

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Prior year restatements, reclassifications and representations (continued)

	Signed 2023 Financial Statements £ 000	Adjustment amount £ 000	Restated 2023 figures £ 000
Contract Liabilities (note 16)	-	1,238	1,238
Provisions for liabilities and charges	756	(756)	-
Post Employment Benefits	-	756	756

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 2024 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 22.

New standards, amendments and IFRIC interpretations

There are no amendments to accounting standards, no new standards or IFRIC interpretations that are effective for the year ended 31 December 2024 that have a material impact on the Company's Financial Statements.

Going concern

The Financial Statements have been prepared on a going concern basis. The Company has net current assets of £14,074,000 (2023 restated: £10,400,000) which is largely the result of the positive cash position, offset by trade and net intercompany payables.

The Directors have considered the cash flow forecasts directly related to the remaining 4 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.

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 plc to ensure the Company continues its trading activities and meets financial liabilities as they fall due.

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

Rolls-Royce International 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

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) revenue from a long-term contract providing engineering services to an external company.

Rolls-Royce International Limited

Notes to the Financial Statements for the year ended 31 December 2024 (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 servicing contract, the amount of revenue attributable to the stage of completion of this long-term contract 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.

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.

Investments

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

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

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 2024 (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.

Rolls-Royce International Limited

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

2 Material accounting policies (continued)

Post employment Benefit Obligations (continued)

Current and past service costs related to post-employment benefits are recognised immediately in the statement of the 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.

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.

In 2024 post employment benefit liabilities have been disclosed under IAS 19 Employee Benefits with related disclosures. In 2023 these were presented within provisions.

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.

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 market-based performance conditions, if applicable.

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's shareholders.

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 2024 (continued)

3 Revenue

A geographical analysis of revenue is presented as follows:

	2024	Restated ¹ 2023
	£ 000	£ 000
Middle East & Africa ²	10,364	11,287
United Kingdom	11,444	10,774
United States	865	913
Rest of Europe	944	1,144
Rest of World	529	496
	<u>24,146</u>	<u>24,614</u>
Point in time revenue	13,797	13,318
Over time revenue	<u>10,349</u>	<u>11,296</u>
	<u>24,146</u>	<u>24,614</u>

¹ The previously reported 2023 revenue has been restated. See Note 2 for further details.

² Includes £1,238,000 (2023: £2,446,000) of revenue that was included in the contract liability balance at the beginning of the period and £427,000 (2023: £176,000) recognised in the year relating to performance obligations satisfied in the previous year

All revenue is generated from the sale of services.

4 Operating profit

Arrived at after charging:

	2024	2023
	£ 000	£ 000
Staff and directors' costs (see note 5)	10,329	10,027
External contract subcontractor costs	7,235	7,903
Consultancy and accounting services	1,145	883
Travel	769	747
Depreciation charge of right-of-use assets	158	156

Rolls-Royce International Limited

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

5 Staff and Directors costs

The aggregate payroll costs were as follows:

	2024	Restated ¹ 2023
	£ 000	£ 000
Wages, salaries and benefits	9,400	9,321
Social security costs	198	243
Pensions and other post-employment scheme benefits	393	354
Share-based payments (Note 17)	338	109
	<u>10,329</u>	<u>10,027</u>

¹ The previously reported 2023 total staff and directors costs have been restated, largely due to a review of the classification of passsthrough and non-passsthrough costs, during the year which has resulted in the recognition of additional costs in 2023. A detailed review of the staff costs entries has also resulted in a representation of the balances disclosed in 2023 between categories. Other pension costs have now been restated to include end of service benefits. See Note 2 for further details

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:

	2024 No.	2023 No.
Engineering	40	39
Administration and support	<u>36</u>	<u>37</u>
	<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 2024 were £283,000 (2023: £201,000) and were paid by Rolls-Royce plc and not recharged.

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

7 Finance income

	2024	Restated ¹ 2023
	£ 000	£ 000
Bank interest receivable	2,148	1,868
Foreign exchange gains	917	1,007
Intercompany interest receivable	32	36
	<u>3,097</u>	<u>2,911</u>

¹ The previously reported 2023 foreign exchange gains have been restated due to a recalculation of these to exclude foreign exchange borne by the parent on the Company's behalf. See Note 2 for a detailed analysis.

Rolls-Royce International Limited

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

8 Finance costs

	2024 £ 000	2023 £ 000
Interest charge on lease liabilities	29	35
	<u>29</u>	<u>35</u>

9 Income tax expense

Tax charged in the income statement:

	2024 £ 000	Restated ¹ 2023 £ 000
Current tax		
UK corporation tax charge on profit for the year	314	—
Double taxation relief	(314)	—
Group relief payable at 25.0% (2023: 23.5%)	830	676
Adjustments in respect of prior periods	236	—
	<u>1,066</u>	<u>676</u>
Foreign tax	223	211
Total current income tax	<u>1,289</u>	<u>887</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(87)	(37)
Adjustments in respect of prior periods	(3)	(25)
Total deferred taxation	<u>(90)</u>	<u>(62)</u>
Tax expense in the income statement	<u>1,199</u>	<u>825</u>

¹ The tax charge for 2023 has been restated as a result of the restatement made to profit before taxation

The tax assessed for the year is higher than (2023: higher than) the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%).

The differences are reconciled below:

	2024 £ 000	Restated ¹ 2023 £ 000
Profit before taxation	<u>4,280</u>	<u>2,937</u>
Corporation tax at standard rate of 25.0% (2023: 23.5%)	1,070	690
Adjustments in respect of prior periods	233	(25)
Adjustments from effect of (income non taxable)/expenses not deductible	(14)	(50)
Tax rate differential on temporary differences	1	(1)
(Double taxation relief)/Unrelieved overseas tax	<u>(91)</u>	<u>211</u>
Total tax charge	<u>1,199</u>	<u>825</u>

¹ The tax charge for 2023 has been restated as a result of the restatement made to profit before taxation

Rolls-Royce International Limited

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

9 Income tax expense (continued)

The Company is within the scope of the OECD Pillar Two (Global Minimum Tax) model rules, which came into effect from 1 January 2024. For the period to 31 December 2024, the Company has 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 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	—

Deferred tax movement during the prior year:

	At 1 January 2023 £ 000	Recognised in income statement £ 000	Recognised in OCI £ 000	At 31 December 2023 £ 000	Recognised as DTA £ 000	Recognised as DTL £ 000
Accelerated tax depreciation	57	(10)	—	47	47	—
Other items	182	72	190	444	444	—
Net tax assets	239	62	190	491	491	—

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.

¹The previously reported 2023 revenue, cost of sales and finance income have been restated. This has had an effect on profit before tax. See Note 2 for a detailed analysis.

Rolls-Royce International Limited

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

10 Right-of-use assets

	Land and buildings Total £ 000
Cost	
At 1 January 2024	1,462
Additions	12
At 31 December 2024	1,474
Accumulated depreciation	
At 1 January 2024	846
Charge for the year	158
At 31 December 2024	1,004
Carrying amount	
At 31 December 2024	470
At 31 December 2023	616

Depreciation of £158,000 (2023: £156,000) is included in cost of sales in the income statement.

11 Investments

	Total £ 000
Subsidiaries	
Cost	
At 1 January 2024	32
At 31 December 2024	32
Provision for impairment	
At 1 January 2024	10
At 31 December 2024	10
Carrying amount	
At 31 December 2024	22
At 31 December 2023	22

Rolls-Royce International Limited

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

11 Investments (continued)

As at 31 December 2024, the companies listed below are directly owned by the Company. The financial year end of each company listed below is 31 December unless otherwise indicated.

Company name	Share class	Address	% Holding 2024
Rolls-Royce India Limited ¹	Ordinary	Moor Lane, Derby, Derbyshire, DE24 8BJ	100.0%
Rolls-Royce (Thailand) Limited	Ordinary	989 Floor 12A, Unit B1, B2, Siam Piwat Tower, Rama 1, Pathumwan, Bangkok, 10330, Thailand	100.0%

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 2024, 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

	2024 £ 000	2023 £ 000
Rolls-Royce (Thailand) Limited	193	—
	<u>193</u>	<u>—</u>

The Company's investment in its subsidiary entity, Rolls-Royce (Thailand) Limited was sold in August 2025, see note 23 for further details.

Rolls-Royce International Limited

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

12 Trade and other receivables

	2024	Restated ¹ 2023
	£ 000	£ 000
Trade receivables	1,830	908
Amounts due from group undertakings	69,998	27,589
Prepayments and accrued income	10,746	9,799
Other receivables	77	221
Amounts due from related party undertakings (note 21)	310	228
	82,961	38,745

¹ The previously reported 2023 amounts due from group undertakings have been restated as a result of the 2023 revenue restatements, and to reclassify certain intercompany balances from trade payables. For further details see note 2.

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 (2023: £nil) for expected credit losses in accordance with IFRS 9.

Accrued income includes £10,578,000 intercompany recharge revenue (2023: £9,654,000).

13 Cash and cash equivalents

	2024	2023
	£ 000	£ 000
Cash at bank	14,345	12,276

As at 31 December 2024, £160,000 (2023: £157,000) 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 (2023: none) has been recognised for expected credit losses in accordance with IFRS 9.

14 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 2024 (continued)

14 Lease liabilities (continued)

Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to leases:

	2024 £ 000	2023 £ 000
Right-of-use assets		
Land and buildings	470	616
Lease liabilities		
Current lease liabilities	151	151
Non-current lease liabilities	338	513
	489	664
	2024 £ 000	2023 £ 000
Future minimum lease payments on leases at 31 December:		
Within one year	173	182
In one to five years	372	506
After five years	—	65
Total gross payments	545	753
Impact of finance expense	(56)	(89)
Carrying amount of liability	489	664

The total cash outflow for leases was £182,000 (2023: £169,000). The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 31 December 2024 was 5.5% (2023: 5.3%).

Amounts recognised in Income statement:

The income statement includes the following amounts relating to leases:

	2024 £ 000	2023 £ 000
Depreciation charge on right-of-use assets (included in cost of sales)	158	156
Interest expense (included in finance cost)	29	35

Rolls-Royce International Limited

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

15 Trade and other payables

Current

	2024	Restated ¹ 2023
	£ 000	£ 000
Trade payables	3,155	4,894
Amounts due to group undertakings	73,526	31,148
Accruals	3,841	1,177
Other payables	1,179	1,176
Amounts due to group undertakings for group relief	855	676
Deferred income	220	—
Overseas tax payable	154	70
Social security and other taxes	42	83
Amounts owed to related parties (note 21)	—	8
	82,972	39,232

¹ Trade and other payables have been restated at 31 December as a result of errors identified. Contract liabilities have also been represented and are now shown in note 16. See note 2 for further details.

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

Non-current

	2024	Restated ¹ 2023
	£ 000	£ 000
Accruals	1,607	1,359

¹ An accrual of £1,359,000 relating to the external contract was reclassified from current to non-current to better reflect the timing of the expected future cashflows of this balance.

16 Contract Liabilities

	2024	2023
	£ 000	£ 000
Contract liabilities (Current)	109	1,238

Contract liabilities represent consideration received from customers in advance of revenue recognised in relation to performance obligations completed and relate to an external contract held in the Qatar branch.

17 Share-based payments

Share-based payment charges incurred by the Company in the year to 31 December 2024 were £338,000 (2023: £109,000). During the year, the Company participated in the following share-based payment plans operated by Rolls-Royce Holdings plc:

Long Term Incentive Plan (LTIP)

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

Rolls-Royce International Limited

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

17 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 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:

	Expiry date (31 January)	Exercise price in pence per share option	ShareSave share options	
			2024 No.	2023 No.
Grant - vest				
2019 - 2025	2025	232	5,379	5,645
2021 - 2025	2025	97	141,520	146,012
			146,899	151,657

The weighted average remaining contractual life for cash-settled options at 31 December 2024 was 0.1 years (2023: 1.1 years).

18 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 obligation are met when they fall due upon termination of employment.

	2024 £ 000	2023 £ 000
Defined Benefit obligation	820	756

Rolls-Royce International Limited

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

18 Post Employment Benefits (continued)

Changes in the present value of defined benefit obligation is as follows:

	2024	2023
	£ 000	£ 000
At 1 January	756	627
Charge for the year	180	166
Interest cost	28	27
Payments made during the year	(207)	(54)
Unrecognised actuarial loss	50	28
Foreign exchange difference	13	(38)
At 31 December	820	756

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

	2024	2023
	£ 000	£ 000
Current service cost	180	166
Interest cost	28	27
Amounts recognised in profit or loss	208	193

Remeasurement:

	2024	2023
	£ 000	£ 000
(Gain)/Loss from change in financial assumptions	(15)	3
Loss due to experience adjustments	65	25
Amount recognised as other comprehensive income	50	28

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

	2024	2023
Discount rate	4.85%	4.25%
Future salary increase	3.75%	3.50%

Other comprehensive income has not been restated to reflect remeasurement of the post-employment benefit plan but the note has been updated for comparative purposes.

Rolls-Royce International Limited

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

18 Post Employment Benefits (continued)

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

Discount rate	2024	2023
	£ 000	£ 000
1% increase in discount rate	(37)	(44)
1% decrease in discount rate	41	48
Future salary increase	2024	2023
	£ 000	£ 000
1% increase in salary escalation rate	41	51
1% decrease in salary escalation rate	(38)	(46)

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 (2023: between 6 and 7 years)

Maturity analysis of the benefit payments

Projected benefits payable in future from the date of reporting:

	2024	2023
	£ 000	£ 000
Over the next year	134	117
Between 2 to 5 years	373	352
Between 6 to 10 years	360	362
More than 10 years	183	242
	1,050	1,073

Rolls-Royce International Limited

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

19 Called up share capital

Allotted, authorised and fully paid

	2024		2023	
	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.

20 Contingent liabilities

Certain authorities are investigating members of the Group for matters relating to misconduct in relation to historical matters. The Group is responding appropriately. Action may be taken by further authorities against the Group or Individuals. In addition, the Group could still be affected by actions from customers, customers' financiers and the Group's current and former investors, including certain potential claims in respect of the Group's historical ethics and compliance disclosures which have been notified to the Group. The Directors are not currently aware of any matters that are likely to lead to a material financial loss over and above the penalties imposed to date but cannot anticipate all the possible actions that may be taken or their potential consequences.

The Directors of the Company have considered whether it is probable that an ongoing tax matter specific to the Bahrain branch would result in cash outflows for the Company. The Directors have conducted an assessment based on the information presently available and have estimated a possible outflow of £212,000. However, after considering the status of discussions with the Bahrain Tax Authorities, the Directors have concluded that an outflow of resources is not probable. As such, in line with IAS 37 Provisions, contingent liabilities and contingent assets a provision for the potential outflow has not been recognised.

Rolls-Royce International Limited

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

21 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.

Income from related party undertakings for the year ended 31 December

	2024 £ 000	2023 £ 000
EPI Europrop International GmbH	537	835
Hong Kong Aero Engine Services Limited	412	159
Aero Gearbox International SAS	701	550
Aerospace Transmission Technologies GmbH	—	2
	<u>1,650</u>	<u>1,546</u>

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

	2024 £ 000	2023 £ 000
Aero Gearbox International SAS	277	21
EPI Europrop International GmbH	—	207
Hong Kong Aero Engine Services Limited	33	—
Aerospace Transmission Technologies GmbH	—	(8)
	<u>310</u>	<u>220</u>

22 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.

23 Post Balance Sheet Events

On 18 August 2025 the Company's investment in its subsidiary entity, Rolls-Royce (Thailand) Limited was sold to another Rolls-Royce group entity, Rolls-Royce Solutions Asia Pte Ltd for consideration of \$1,411,484 (£1,051,855).