

**COMPANY NUMBER 2873019**

**RRPF ENGINE LEASING (No.2) LIMITED**

**Annual Report**  
**for the Year Ended 31 December 2007**

**Directors on  
20<sup>th</sup> June 2008:**

M Brady  
M A Garrett

**Secretaries:**

D J Goma  
C H Jackson

**TUESDAY**



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21/10/2008

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COMPANIES HOUSE

Registered Office 65 Buckingham Gate, London SW1E 6AT

## REPORT OF THE DIRECTORS

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2007

The directors report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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

## REVIEW OF THE BUSINESS

The Company's one engine lease that was on finance lease terms was terminated during 2003. Since then the Company has made no new investments in engines for lease.

## FINANCIAL REVIEW

### Results

The Company did not make a profit or loss in the year (2006 Nil profit or loss)

### Proposed Transfer to Reserves and Payment of Dividend

There is no proposed transfer from reserves in 2007 (2006 US\$3,990,000)

There were no declared interim dividends by the Directors in 2007 (2006 US\$39,897,1361). They do not recommend payment of any further dividend. The total cost of dividends for 2007 is nil per ordinary share (2006 US\$3,990,000)

## REPORT OF THE DIRECTORS (continued)

### DIRECTORATE

The Directors who held office through the year were as follows

#### Director

M R H Arundell	(Resigned 25 <sup>th</sup> May 2007)
M Brady	(Appointed 21 <sup>st</sup> April 2008)
M A Garrett	
N T Goldsworthy	(Resigned 21 <sup>st</sup> April 2008)
H I Wilson	(Resigned 21 <sup>st</sup> April 2008)

### DIRECTORS' INTERESTS

None of the Directors, or their immediate family, had any beneficial interest in the shares of the Company during the year

### AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

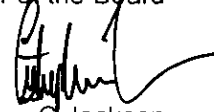
(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

By Order of the Board



O Jackson  
Secretary  
20<sup>th</sup> June 2008

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RRPf ENGINE LEASING (No.2) LIMITED**

We have audited the financial statements (the "financial statements") of RRPf Engine Leasing (No 2) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page number 2.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

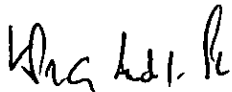
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## AUDITORS' REPORT (continued)

### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
8 Salisbury Square  
London, EC4Y 8BB

20<sup>th</sup> June 2008 London

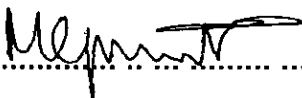
**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

# **BALANCE SHEET** **AT 31 DECEMBER 2007**

	Notes	2007 US\$000	2006 US\$000
<b>Current assets</b>			
Debtors amounts falling due within one year		-	-
<b>Total assets less current liabilities</b>		-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
Called up share capital	5	-	-
Profit and loss account		-	-
<b>Equity shareholder's funds</b>	6	-	-

The Financial Statements were approved by the Board of Directors on 20<sup>th</sup> June 2008 and were signed on its behalf by



**M A Garrett**  
**Director**

The notes on pages 8 to 9 form part of these Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The Financial Statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly-owned subsidiary undertaking of Rolls-Royce & Partners Finance Limited and its cash flows are included within the consolidated cash flow statement of that company

Under FRS8 the Company is exempt from the requirement to disclose related party transactions with the Alpha Partners Leasing Group and its joint venture undertakings on the grounds that it is a wholly-owned subsidiary undertaking of Alpha Partners Leasing Limited

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee

### 2. EMOLUMENTS OF DIRECTORS

The Company paid no emoluments to the Directors in respect of their services during the year

### 3. EMPLOYEE INFORMATION

The Company did not have any employees during the year

### 4. SHARE CAPITAL

	2007 £	2006 £
Authorised £1 ordinary shares	100	100
Issued and fully paid	100	100

### 5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	US\$000
Opening and closing shareholders' funds	-



**6. ULTIMATE HOLDING COMPANIES**

Rolls-Royce Group plc, a company registered in England and Wales, and GATX Corporation, a company registered in the United States, are the joint ultimate holding companies. Copies of Rolls-Royce Group plc's consolidated Financial Statements can be obtained from 65 Buckingham Gate, London SW1E 6AT and those of GATX Corporation from 500 West Monroe, Chicago, IL60661-3676, Illinois, USA

Rolls-Royce & Partners Finance Limited, a company registered in England and Wales, is the immediate holding company and heads the smallest group in which the results of the Company are consolidated. Copies of its consolidated Financial Statements can be obtained from 65 Buckingham Gate, London SW1E 6AT

**7. CONTINGENT LIABILITIES**

The Company and certain affiliates are party to a bank loan facility. The Company provides guarantees in respect of the obligation of its holding company and in respect to related parties of US\$485 million (2006 US\$427 million). The related parties guarantee the Company for its obligations under the loan facility on a reciprocal basis.