

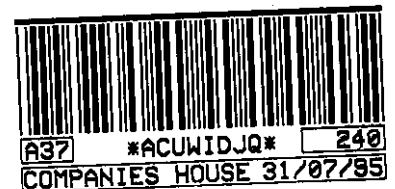
**RRPF ENGINE LEASING (NO.2) LIMITED**

**(formerly Alnery No. 1321 Limited)**

**(Registered Number : 2873019)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 5 JANUARY 1994 TO 31 DECEMBER 1994**



# **RRPF ENGINE LEASING (NO.2) LIMITED**

## **REPORT OF THE DIRECTORS**

The Directors submit their Report and the audited Financial Statements for the period ending 31 December 1994.

### **REVIEW OF BUSINESS**

The Company was incorporated as Alnery No. 1321 Limited on 18 December 1993, and changed its name to RRPF Engine Leasing (No.2) Limited on 5 January 1994, the date it was acquired by Rolls-Royce & Partners Finance Limited and commenced trading.

All the Company's business involves the leasing of commercial jet engines.

### **FINANCIAL REVIEW**

#### **Results**

The profit before taxation for the period was US\$544,000.

#### **Allocation of Results**

The proposed transfer to reserves is US\$364,000.

The Directors do not recommend the payment of a dividend.

### **FIXED ASSETS**

The changes to fixed assets are set out in Note 7 of the accounts.

### **DIRECTORS**

The directors who have served during the period are as follows:

	<b>Date of Appointment</b>
M A Cowdry	13 July 1994
M H Kolk	5 January 1994
P M Foggin	5 January 1994
M H M Ogle	5 January 1994
K A Wolfe	5 January 1994

### **DIRECTOR'S INTERESTS**

None of the directors held any beneficial interest in the shares of the Company at any time during the period.

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

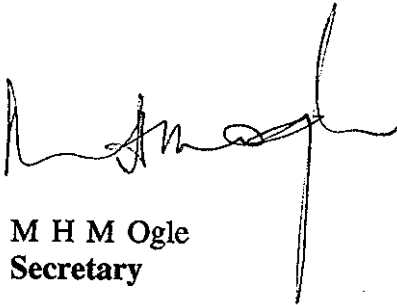
**REPORT OF THE DIRECTORS (continued)**

**AUDITORS**

On 6 February 1995 the auditors changed the name under which they practise to KPMG and, accordingly they have signed their report in their new name.

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

**By order of the Board**



M H M Ogle  
Secretary

21 April

1995

65 Buckingham Gate  
London SW1E 6AT

## **RRPF ENGINE LEASING (NO.2) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare Financial Statements for each financial year which 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 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 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS  
OF RRPF ENGINE LEASING (NO.2) LIMITED**

We have audited the Financial Statements on pages 6 to 13.

**Respective Responsibilities of Directors and Auditors**

As described on page 4 the Company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

**Opinion**

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company as at 31 December 1994 and of the profit of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

KPMG  
Chartered Accountants  
Registered Auditors

8 Salisbury Square  
Blackfriars  
LONDON  
EC4Y 8BB

*26 April* 1995

# RRPF ENGINE LEASING (NO.2) LIMITED

## PROFIT AND LOSS ACCOUNT

For the period from 5 January 1994 to 31 December 1994

	Notes	US\$000
Turnover	2	1,518
Cost of Sales		(974)
		<hr/>
Gross Profit		544
Administrative expenses		-
		<hr/>
Profit on ordinary activities before taxation	3	544
Tax on profit on ordinary activities	6	(180)
		<hr/>
Retained profit for the period	12	364
		<hr/>

The notes on pages 8 to 13 form part of these Financial Statements.

All of the results related to continuing activities.

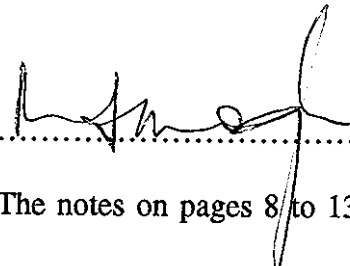
The Company had no recognised gains and losses other than those passing through the profit and loss account.

# RRPF ENGINE LEASING (NO.2) LIMITED

## BALANCE SHEET AT 31 DECEMBER 1994

	Note	US\$000
<b>Fixed Assets</b>		
Tangible Assets	7	15,728
		.....
<b>Current Assets - Amounts falling due within one year</b>		
Debtors	8	-
Cash at bank and in hand		-
		-----
		-
<b>Creditors - Amounts falling due within one year</b>	9	(14,688)
		-----
<b>Net Current Liabilities</b>		(14,688)
		.....
<b>Provisions for Liabilities and Charges</b>	10	(676)
		.....
		364
		-----
<b>Capital and Reserves</b>		
Called up share capital	11	-
Profit and loss account	12	364
		-----
		364
		-----

These Financial Statements were approved by the board of directors on 21 April 1995 and were signed on its behalf by:


 ..... M H M Ogle

25 April 95

The notes on pages 8 to 13 form part of these Financial Statements.

# **RRPF ENGINE LEASING (NO.2) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

#### **(a) Basis of Preparation**

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 including within the consolidated cash flow statement of that Company.

#### **(b) Foreign Currencies**

Transactions denominated in currencies other than United States Dollars are translated into dollars at the exchange rates ruling at the date of the transactions. Assets and liabilities are translated at exchange rates ruling at the year end.

Realised exchange differences are dealt with through the profit and loss account.

Unrealised exchange differences arising from translations at the year end are taken to reserves.

#### **(c) Income from Operating Leases**

Net income from operating leases, after charging depreciation and interest, is credited to the profit and loss account on an accruals basis.

#### **(d) Cost of Operating Lease Assets**

When previously used assets which are not in a fully overhauled condition are acquired, a Maintenance Reserve is created and the asset cost increased by the amount estimated to be needed to return the asset to a fully overhauled condition. This reserve is realised to match subsequent maintenance costs.



## RRPF ENGINE LEASING (NO.2) LIMITED

### NOTES (continued)

#### (e) Depreciation

Assets held for use in operating leases are depreciated on a straight line basis from the time they are first brought into use so as to write off their cost, less estimated residual value, by the earlier of (i) the 25th anniversary of the engine being first delivered to an airline, or purchased for lease by the company and (ii) the end of the anticipated remaining useful life of the airframe for which the engine is designed.

#### (f) Taxation

Provision is made at the rate for the period for United Kingdom Corporation Tax on profits for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### 2. TURNOVER

Turnover represents the amounts due during the period from lease rentals.

The Geographical analysis was:

	Operating Lease Rentals US\$000
Europe	1,337
North America	-
South America	181
Far East & Africa	-
	<hr/>
	1,518
	<hr/>

## RRPF ENGINE LEASING (NO.2) LIMITED

### NOTES (continued)

#### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Profit before taxation is stated after taking into account:

	US\$000
Depreciation of tangible fixed assets	509
	<u>          </u>

Auditors' remuneration is paid by the holding Company.

#### 4. EMOLUMENTS OF DIRECTORS

The directors did not receive any emoluments during the period.

#### 5. EMPLOYEE INFORMATION

The Company did not have any employees during the period.

#### 6. TAXATION

	US\$000
The charge comprises:	
Deferred taxation	180
	<u>          </u>

# RRPF ENGINE LEASING (NO.2) LIMITED

## NOTES (continued)

### 7. TANGIBLE FIXED ASSETS

	ASSETS HELD FOR USE IN OPERATING LEASES US\$000
<b>COST</b>	
Additions	16,275
	_____
Cost at 31 December 1994	16,275
	_____
<b>DEPRECIATION</b>	
On additions from parent undertaking	38
Provided during the year	509
Released on Disposals	-
	_____
Depreciation at 31 December 1994	547
	_____
<b>NET BOOK VALUE</b>	
at 31 December 1994	15,728
	_____
Net book value includes Maintenance Reserves of (as explained in Note 1(d))	296

### 8. CURRENT ASSETS

	US\$000
<b>Debtors: Amounts falling due within one year</b>	
Trade debtors	-
Prepayments and accrued income	-
	_____
	_____

# RRPF ENGINE LEASING (NO.2) LIMITED

## NOTES (continued)

### 9. CURRENT LIABILITIES

US\$000

#### Creditors: Amounts falling due within one year

Trade creditors	-
Accruals and deferred income	-
Deposits from lessees	-
Amounts owing to holding Company	14,688
	<hr/>
	14,688
	<hr/>

### 10. PROVISIONS for liabilities and charges

US\$000

#### MAINTENANCE RESERVES

Transferred from group undertakings	296
Provided or received during the period	-
Paid out during the period	-
	<hr/>
At 31 December 1994	296
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#### PROVISION FOR DEFERRED TAXATION

Charge for the period - accelerated capital allowances	180
Transferred from Group undertakings	200
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At 31 December 1994	380
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TOTAL PROVISIONS at 31 December 1994	676
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Maintenance reserves are amounts provided by the Company, or paid by lessees, towards future maintenance costs of leased assets.

# RRPF ENGINE LEASING (NO.2) LIMITED

## NOTES (continued)

### 11. SHARE CAPITAL

	Nominal Value
Authorised and allotted	£
£1 ordinary shares	100
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### 12. PROFIT AND LOSS ACCOUNT

	US\$000
Result for the Period	364
	<hr/>
Profit at 31 December 1994	364
	<hr/>

### 13. CAPITAL EXPENDITURE AND COMMITMENTS

NIL

### 14. CONTINGENT LIABILITIES

NIL

### 15. ULTIMATE HOLDING COMPANY

Rolls-Royce & Partners Finance Limited, a Company registered in England and Wales, is the ultimate holding Company and heads the largest 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.

This Group is the only Group of which the Company is a member.