

**COMPANY NUMBER 3780306**

**OMEGA LEASING LIMITED**

**Annual Report**  
**for the Year Ended 31 December 2009**

**Directors on**  
**3rd September 2010:** M Brady  
M A Garrett

**Secretaries:** D J Goma  
C H Jackson



Registered Office 65 Buckingham Gate, London SW1E 6AT

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## **REPORT OF THE DIRECTORS**

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2009

The directors' report has been prepared in accordance with the special provisions relating to small companies under 417 of the Companies Act 2006

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 these 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

All of the Company's business involves the leasing of commercial aero engines. The Company had an engine lease portfolio of 8 engines throughout the year (2008: 8 engines).

Both the level of business and the year-end financial position were satisfactory and the Directors expect that the general level of activity will be sustained for the foreseeable future.

## **FINANCIAL REVIEW**

### **Results**

The profit before taxation of the Company was US\$3,770,968 (2008: US\$3,466,134).

### **Proposed Transfer to Reserves and Payment of Dividend**

The proposed transfer to reserves is US\$2,273,968 (2008: US\$695,134). In 2009 the Directors declared an interim dividend of US\$19,000 per ordinary share (2008: US\$19,000). They do not recommend the payment of any further dividend. The total cost of dividends for 2009 is US\$1,900,000 (2008: US\$1,900,000).

## REPORT OF THE DIRECTORS (continued)

### SUBSEQUENT EVENTS

The Company completed its refinancing effective as of 12<sup>th</sup> July 2010. The Company's share of the new borrowing is \$55,968,000 which is a 5-year amortising term debt with fixed interest rate at 3.52% p.a.

### DIRECTORATE

The Directors who held office through the year were as follows

#### Director

M Brady  
M A Garrett

### 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

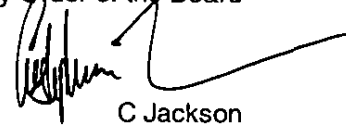
(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(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 418 of the Companies Act 2006

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



C Jackson  
Secretary

3<sup>rd</sup> September 2010

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OMEGA LEASING LIMITED**

We have audited the financial statements of Omega Leasing Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

**C N Parkin (Senior Statutory Auditor)**  
**for and on behalf of KPMG Audit Plc, Statutory Auditor**  
Chartered Accountants  
8 Salisbury Square  
London, EC4Y 8BB  
3 September 2010

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 US\$	2008 US\$
<b>Turnover</b>	2	9,234,817	9,234,817
Cost of sales		<u>(2,683,372)</u>	<u>(2,683,372)</u>
<b>Gross profit</b>		6,551,445	6,551,445
General and administrative costs		<u>(115,231)</u>	<u>(113,657)</u>
<b>Operating profit</b>		6,436,214	6,437,788
Net interest payable	3	<u>(2,665,246)</u>	<u>(2,971,654)</u>
<b>Profit on ordinary activities before taxation</b>	4	3,770,968	3,466,134
Tax credit/(charge) on profit on ordinary activities	5	<u>403,000</u>	<u>(871,000)</u>
<b>Profit for the financial year</b>		<u>4,173,968</u>	<u>2,595,134</u>

All results have been derived from continuing activities

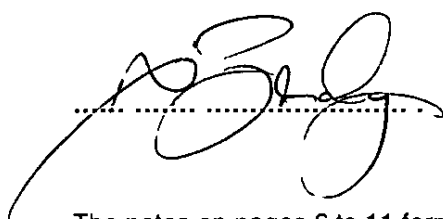
The Company had no recognised gains or losses other than those recorded in the profit and loss account in either 2008 or 2009

The notes on pages 6 to 11 form part of these Financial Statements

**BALANCE SHEET**  
**AT 31 DECEMBER 2009**  
**COMPANY NUMBER 3780306**

	Notes	2009 US\$	2008 US\$
<b>Fixed assets</b>			
Tangible assets	9	53,718,578	56,401,950
<b>Current assets</b>			
Debtors amounts falling due within one year	10	18,180,097	16,083,224
Debtors amounts falling due after one year	11	1,735,670	1,735,670
Cash		23,415	22,940
		<u>19,939,182</u>	<u>17,841,834</u>
<b>Creditors</b> amounts falling due within one year	12	<u>(43,527,027)</u>	<u>(3,036,193)</u>
<b>Net current (liabilities)/assets</b>		<u>(23,587,845)</u>	<u>14,805,641</u>
<b>Total assets less current liabilities</b>		30,130,733	71,207,591
<b>Creditors</b> amounts falling due after more than one year	13	(11,164,629)	(54,112,455)
<b>Provisions for liabilities and charges</b>	14	<u>(11,318,000)</u>	<u>(11,721,000)</u>
<b>Net assets</b>		<u>7,648,104</u>	<u>5,374,136</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account		<u>7,648,004</u>	<u>5,374,036</u>
Equity shareholder's funds	16	<u>7,648,104</u>	<u>5,374,136</u>

The Financial Statements were approved by the Board of Directors on 3<sup>rd</sup> September 2010 and were signed on its behalf by



**M Brady**  
**Director**

The notes on pages 6 to 11 form part of these Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

### 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 Alpha Partners Leasing 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

#### Functional and Presentational Currency

The Financial Statements are presented in US Dollars as the Company conducts its principal activities in US Dollars and therefore recognises US Dollars as its functional currency

#### Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into US dollars at the rate ruling at the year end. Exchange differences, including those arising from currency conversions in the usual course of trading, are taken into account in determining profit on ordinary activities before taxation

#### Turnover

Net income from operating leases is credited to the profit and loss account on a straight line basis

#### Depreciation

Fixed assets are depreciated on a straight line basis from the time that they are first brought into use so as to write off their cost, less estimated residual value, over the lesser of

- (i) the period up to the 25<sup>th</sup> anniversary of the engine being first delivered to an airline, or purchased for lease by the Company, and
- (ii) the anticipated remaining useful life of the airframe for which the engine is designed

#### Interest

Interest payable is charged to the profit and loss account as incurred

#### Taxation

Provision for taxation is made at the current rate and for deferred taxation, at the projected rate, on all timing differences, which have originated, but not reversed at the Balance Sheet date



**NOTE 1 (continued)****Dividends on shares presented within equity**

Dividends are only recognised as a liability to the extent that they are declared prior to the year end

**2. ANALYSIS OF TURNOVER BY DESTINATION**

	<b>2009 US\$</b>	<b>2008 US\$</b>
United Kingdom	<u>9,234,817</u>	<u>9,234,817</u>

All the Company's business arises from operating leases originating in the United Kingdom

**3. NET INTEREST PAYABLE**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Interest payable on Loans from related parties	<u>3,896,120</u>	<u>4,063,502</u>
Interest receivable on Loans to holding company	(1,230,874)	(1,091,621)
Other	-	(227)
	<u>(1,230,874)</u>	<u>(1,091,848)</u>
Net interest payable	<u>2,665,246</u>	<u>2,971,654</u>

**4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2009 US\$</b>	<b>2008 US\$</b>
After charging Depreciation of owned tangible fixed assets	2,683,372	2,683,372
Auditors' remuneration	4,147	2,571

**NOTES (continued)****5. TAXATION CHARGE**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Current tax		
Group relief payable/(receivable) at 28% (2008 28.5%)	-	65
Group relief not paid for	-	(65)
	-	-
Deferred tax origination and reversal of timing differences		
In respect of current year	1,056,000	970,000
In respect of prior periods	(1,459,000)	(99,000)
In respect of reduction in tax rate	-	-
Total tax (credit)/charge	<u>(403,000)</u>	<u>871,000</u>
Reconciliation of tax charge		
Profit on ordinary activities before tax	<u>3,770,968</u>	<u>3,466,134</u>
Nominal charge at UK corporate tax rate of 28% (2008 28.5%)	1,055,871	987,848
Expenses not deductible	129	-
Income not taxable	-	(454)
Depreciation in excess of capital allowances	535,000	460,000
Utilisation of brought forward losses	(1,591,000)	(1,430,000)
Tax rate differential on timing differences in period	-	(17,329)
Group relief not paid for	-	(65)
Current tax	<u>-</u>	<u>-</u>

The prior year adjustment is the adjustment in the deferred tax movement which arises from the transitional provisions in Schedule 18, FA 2009. This legislation was enacted in July 2009 and had the effect of increasing the trading losses being carried forward.

**6. DIVIDENDS – Ordinary Shares**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Interim dividend per share US\$19,000 (2008 US\$19,000)	<u>1,900,000</u>	<u>1,900,000</u>

**7. EMOLUMENTS OF DIRECTORS**

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

**8. EMPLOYEE INFORMATION**

The Company is charged a proportion of the costs of employment of those employees with contracts of employment with a related party but whose time is partly dedicated to the business of the Company.

**NOTES (continued)****9. TANGIBLE FIXED ASSETS**

	<b>ASSETS HELD FOR USE IN OPERATING LEASES US\$</b>
Cost at 1 January 2009 and 31 December 2009	<u>75,680,728</u>
Depreciation at 1 January 2009	19,278,778
Provided during the year	<u>2,683,372</u>
Depreciation at 31 December 2009	<u>21,962,150</u>
Net book values	
As at 31 December 2009	<u>53,718,578</u>
As at 31 December 2008	<u>56,401,950</u>

**10. DEBTORS – Amounts Falling Due Within One Year**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Amounts owed by holding company	<u>18,180,097</u>	<u>16,083,224</u>

**11. DEBTORS – Amounts Falling Due After More Than One Year**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Group relief receivable	<u>1,735,670</u>	<u>1,735,670</u>

**12. CREDITORS – Amounts Falling Due Within One Year**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Accruals and deferred income	257,301	257,000
Amount owed to		
holding company	8,595	8,595
related parties	43,261,131	2,770,598
	<u>43,527,027</u>	<u>3,036,193</u>

**NOTES (continued)****13. CREDITORS – Amounts Falling Due After More Than One Year**

	<b>2009 US\$</b>	<b>2008 US\$</b>
Amounts owed to related parties repayable		
Between one and two years	11,164,629	42,947,826
Between two and five years	-	11,164,629
	<u>11,164,629</u>	<u>54,112,455</u>

The above borrowings were obtained during 2001 in order to purchase the fixed assets of the Company, the loan is secured against those assets

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>DEFERRED TAXATION</b>	<b>2009 US\$</b>	<b>2008 US\$</b>
At 1 January 2009	11,721,000	10,850,000
Amount (credited)/charged to the profit and loss account	(403,000)	871,000
At 31 December 2009	<u>11,318,000</u>	<u>11,721,000</u>
The analysis of the deferred tax provision is as follows		
Accelerated capital allowances	14,176,000	14,711,000
Accumulated losses carried forward	(2,858,000)	(2,990,000)
Provision	<u>11,318,000</u>	<u>11,721,000</u>

**15. SHARE CAPITAL**

	<b>2009 US\$</b>	<b>2008 US\$</b>
<b>Authorised</b>		
US\$1 ordinary shares	100	100
<b>Issued and fully paid</b>		
US\$1 ordinary shares	100	100

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	<b>US\$</b>
Opening shareholder's funds	5,374,136
Profit for the financial year	4,173,968
Dividends paid on equity shares	(1,900,000)
Closing shareholder's funds	<u>7,648,104</u>

**NOTES (continued)****17. 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 222 West Adams Street, Chicago, IL 60606-5314, Illinois, USA

Alpha Leasing Limited, a company registered in England and Wales, is the immediate holding company. Alpha Leasing Limited is wholly owned by Alpha Partners Leasing Limited, which heads the smallest and 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

**18. RELATED PARTY TRANSACTIONS**

In the course of normal operations, the Company has contracted on an arms length basis with subsidiary and joint venture undertakings of Rolls-Royce Group plc. The aggregated transactions which are considered to be material and which have not been disclosed elsewhere in the Financial Statements are summarised below

	<u>2009 US\$</u>	<u>2008 US\$</u>
Sale of goods, services and fixed assets	<u>9,234,817</u>	<u>9,234,817</u>

**19. CONTINGENT LIABILITIES**

The Company and certain affiliates are party to a loan facility. The Company provides guarantees in respect of the obligations of its holding company and in respect of related parties of \$115 million (2008 US\$120 million)

**20. SUBSEQUENT EVENTS**

The Company completed its refinancing effective as of 12<sup>th</sup> July 2010. The Company's share of the new borrowing is \$55,968,000 which is a 5-year amortising term debt with fixed interest rate at 3.52% pa.