

COMPANY NUMBER 4133746

ALPHA PARTNERS LEASING LIMITED

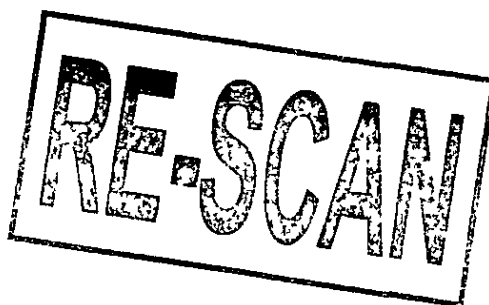
Annual Report
for the Year Ended 31 December 2006

**Directors on
26th June 2007:**

M A Cowdry
C G Freeman
C F Glenn
R Lyons
M N Morris
A Shilston
M Terrett

Secretary:

N T Goldsworthy
D J Goma



THURSDAY



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COMPANIES HOUSE

Registered Office 65 Buckingham Gate, London SW1E 6AT

50112-707

REPORT OF THE DIRECTORS

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 judgments 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, and
- prepare the financial statements on a 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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 company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

REVIEW OF THE BUSINESS

The group increased its turnover by 23% compared to the previous year. This was mainly due to growth in the group's lease engine portfolio, higher interest rates which increased lease income from variable rate leases and also an increase in the revenue from spare parts sales.

The group opened the year with an engine lease portfolio of 98 aero engines and 26 industrial engines, and closed with 107 aero engines and an unchanged industrial engine portfolio. During the year the group acquired 12 engines, sold 2 engines and had 1 finance lease expire. Monthly average net investment in the total engine portfolio (including both fixed assets and finance lease debtors) increased by approximately \$41m year on year.

The principal risks and uncertainties facing the group are the risk of engines being off lease for extended periods and the risk of customer bankruptcy and resultant bad debts. These risks were successfully managed during the year with an average of 4 engines off lease during the year and no material bad debts arising.

The subsidiary companies are financed by separate finance facilities. The key sources of finance within the group is a \$525m syndicated revolving credit facility to which certain group companies and affiliates are party. During the year an option was exercised to extend the term of this facility by one year to December 2011. At the end of the year the headroom available under this facility to fund further investment in lease engines was \$98.5m.

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 and its subsidiaries was US\$30,047,000 (2005 US\$27,144,000)

Proposed Transfer to Reserves and Payment of Dividend

The proposed transfer to reserves is US\$6,422,000 (2005 US\$7,199,000). The Directors declared interim dividends of US\$72,500 per A and B ordinary shares (2005 US\$62,500 per A and B ordinary shares). No further dividends are recommended. The total cost of dividends for 2006 is US\$14,500,000 (2005 US\$12,500,000).

DIRECTORATE

The Directors who held office through the year were as follows

M R H Arundell (resigned 18 December 2006, appointed alternate director 19 December 2006, resigned as alternate director 25 May 2007)
J C Bensick (resigned 10 November 2006)
A C Coe (resigned 31 January 2006)
M A Cowdry (appointed 19 December 2006)
C G Freeman (appointed 19 December 2006)
C F Glenn
J Guyette (resigned 17 December 2006)
H Haid (appointed 31 January 2006, resigned 27 March 2007)
R C Lyons (appointed 27 March 2007)
M N Morris (appointed alternate director 25 May 2007)
A Shilston
M Terrett

DIRECTORS' INTERESTS

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

PAYMENT TO SUPPLIERS

The Company seeks the best possible terms from suppliers and, in entering into binding purchasing contracts, gives consideration to quality, delivery, price and the terms of payment. The Company abides therewith whenever it is satisfied that suppliers have provided the goods or services in accordance with agreed terms and conditions. Trade Creditors (excluding creditors related to capital items) at 31 December 2006 represent XX days of purchases (2005 8 days).

AUDITORS & ANNUAL GENERAL MEETINGS

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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By Order of the Board


N T Goldsworthy
Secretary
26th June 2007

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA PARTNERS LEASING LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Alpha Partners Leasing Limited for the year ended 31 December 2006 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement 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.