

**COMPANY NUMBER 4133746**

**ALPHA PARTNERS LEASING LIMITED**

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

**Directors on  
3<sup>rd</sup> September 2010:**

M A Cowdry  
C F Glenn  
E Harkness  
R Lyons  
M N Morris  
A Shilston

**Secretary:**

D J Goma  
C H Jackson

SATURDAY



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COMPANIES HOUSE

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

### **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 group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

### **PRINCIPAL ACTIVITIES**

All of the Group's business involves the leasing of commercial aero and industrial engines.

### **REVIEW OF THE BUSINESS**

The group's turnover increased by 11% compared to the previous year. This was mainly due to growth in the group's lease engine portfolio.

The group opened the year with an engine lease portfolio of 137 aero engines and 26 industrial engines, and closed with 150 aero engines and 25 industrial engine portfolio. During the year the group acquired 15 engines and sold 2 engines. Monthly average net investment in the total engine portfolio (including both fixed assets and finance lease debtors) increased by approximately \$138m 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 6 engines off lease during the year and no material bad debts arising.

The key sources of finance for the Company are two syndicated revolving credit facilities to which the Company and certain affiliates are party. The facility amounts are \$525m and \$250m, they mature in December 2012 and December 2011 respectively. One of the subsidiaries of the Company completed its refinancing in July 2010 with its share of facility just under \$56m.

## **REPORT OF THE DIRECTORS (continued)**

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 Group was US\$46,423,000 (2008 US\$40,701,000)

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

The proposed transfer to reserves is US\$14,773,000 (2008 US\$9,076,000) The Directors declared interim dividends of US\$104,500 per A and B ordinary shares (2008 US\$109,500 per A and B ordinary shares) No further dividends are recommended The total cost of dividends for 2009 is US\$20,900,000 (2008 US\$21,900,000)

## **DIRECTORATE**

The Directors who held office through the year were as follows

M A Cowdry  
C F Glenn  
E Harkness  
R C Lyons  
M N Morris  
A Shilston

## **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 2009 represent 19 days of purchases (2008 19 days)

## REPORT OF THE DIRECTORS (continued)

### 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 418 of the Companies Act 2006

In accordance with Section 485 of the Companies Act 2006, 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

A handwritten signature in black ink, appearing to read 'C H Jackson', with a long, sweeping horizontal stroke extending to the right.

C H Jackson  
Secretary

3<sup>rd</sup> September 2010

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

We have audited the financial statements of Alpha Partners Leasing Limited for the year ended 31 December 2009, which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement 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 group's and the parent company's affairs as at 31 December 2009 and of the group's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

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

	Notes	2009 US\$000	2008 US\$000 Restated*
<b>Turnover</b>	2	114,940	103,894
Cost of sales		<u>(48,844)</u>	<u>(44,086)</u>
<b>Gross profit</b>		66,096	59,808
General and administrative costs		<u>(3,445)</u>	<u>(3,429)</u>
<b>Operating profit</b>		62,651	56,379
Profit on sale of fixed assets		<u>5,747</u>	<u>8,710</u>
<b>Profit on ordinary activities before interest</b>		68,398	65,089
Net interest payable	4	<u>(21,975)</u>	<u>(24,388)</u>
<b>Profit on ordinary activities before taxation</b>	3	46,423	40,701
Tax on profit on ordinary activities	7	<u>(10,750)</u>	<u>(9,725)</u>
<b>Profit for the financial year</b>		<u>35,673</u>	<u>30,976</u>

The notes on pages 8 to 17 form part of these Financial Statements

All the results have been derived from continuing activities

As permitted by the Companies Act 2006, a separate profit and loss account for the Company has not been included in these Financial Statements. Of the Group "profit for the financial year" a profit of US\$20,900,000 (2008 US\$21,900,000) has been dealt with in the profit and loss account of the Company. In both 2008 and 2009 the Company profit on ordinary activities after taxation comprised dividends received from subsidiary undertakings.

There are no recognised gains or losses other than those disclosed in the profit and loss account above.

\*2008 figures have been restated to reflect gross up of turnover and cost of sales with a US affiliate company- See note 2

**BALANCE SHEETS**  
**AT 31 DECEMBER 2009**  
**COMPANY NUMBER 4133746**

	Notes	GROUP		COMPANY	
		2009 US\$000	2008 US\$000	2009 US\$000	2008 US\$000
<b>Fixed assets</b>					
Tangible assets	9	924,876	821,355	-	-
<b>Current assets</b>					
Stock	11	55	1,426	-	-
Debtors amounts falling due within one year	12	32,788	16,926	18,212	16,115
Debtors amounts falling due after more than one year	13	1,736	2,128	-	-
Cash at bank and in hand		1,311	876	-	-
		<u>35,890</u>	<u>21,356</u>	<u>18,212</u>	<u>16,115</u>
Creditors amounts falling due within one year	14	<u>(65,661)</u>	<u>(27,255)</u>	<u>(18,212)</u>	<u>(16,115)</u>
<b>Net current liabilities</b>		<u>(29,771)</u>	<u>(5,899)</u>	<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		895,105	815,456	-	-
Creditors amounts falling due after more than one year	15	(666,351)	(612,225)	-	-
<b>Provisions for liabilities and charges</b>	16	<u>(99,017)</u>	<u>(88,267)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>129,737</u>	<u>114,964</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>					
Called up share capital	17	-	-	-	-
Capital reserve	18	42,708	42,708	-	-
Profit and loss account	19	87,029	72,256	-	-
Equity shareholders' funds		<u>129,737</u>	<u>114,964</u>	<u>-</u>	<u>-</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 N Morris**  
**Director**

The notes on pages 8 to 17 form part of these Financial Statements

# **GROUP CASH FLOW STATEMENT** **FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 US\$000	2008 US\$000
<b>Reconciliation of operating profit to operating cash flows</b>		
Operating profit	62,651	56,379
Depreciation charges	41,524	35,313
Decrease in stock	1,371	4,045
(Increase)/decrease in debtors	(16,470)	29,912
Increase in creditors	11,006	898
<b>Net cash inflow from operating activities</b>	<u>100,082</u>	<u>126,547</u>
<b>Returns on investment and servicing of finance</b>		
Interest received	30	88
Interest paid	(22,395)	(25,712)
<b>Net cash outflow from returns on investment and servicing of finance</b>	<u>(22,365)</u>	<u>(25,624)</u>
<b>Taxation</b>	-	107
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(151,882)	(182,836)
Disposal of tangible fixed assets	10,636	24,984
<b>Net cash outflow for capital expenditure and financial investments</b>	<u>(141,246)</u>	<u>(157,852)</u>
<b>Equity dividends paid</b>	(20,900)	(21,900)
<b>Cash outflow before financing</b>	<u>(84,429)</u>	<u>(78,722)</u>
<b>Financing</b>		
Decrease in borrowings due within one year	(641)	(33,704)
Increase in borrowings due after one year	87,959	115,169
Decrease in loans from related parties	(2,454)	(2,287)
<b>Net cash inflow from financing</b>	<u>84,864</u>	<u>79,178</u>
<b>Increase in cash in the period</b>	<u>435</u>	<u>456</u>
<b>Reconciliation of net cash flow to movement in net debt</b>		
Increase in cash in the period	435	456
Cash flow from movement in borrowings	(84,864)	(79,178)
Non cash movement in borrowings	(869)	-
<b>Movement in net debt in the period</b>	<u>(85,298)</u>	<u>(78,722)</u>
<b>Net debt at 1 January</b>	<u>(563,432)</u>	<u>(484,710)</u>
<b>Net debt at 31 December</b>	<u>(648,730)</u>	<u>(563,432)</u>

## **ANALYSIS OF NET DEBT**

	At beginning of year US\$000	Cashflow US\$000	Non cash items US\$000	At end of year US\$000
Cash in hand, at bank	876	435	-	1,311
Loan from related parties	(56,764)	2,454	-	(54,310)
Debt due within one year	(1,414)	641	-	(773)
Debt due after more than one year	(506,130)	(87,959)	(869)	(594,958)
<b>Total</b>	<u>(563,432)</u>	<u>(84,429)</u>	<u>(869)</u>	<u>(648,730)</u>

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

### **1. ACCOUNTING POLICIES**

#### **Basis of Accounting**

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

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.

The Group Financial Statements have been prepared on a going concern basis, notwithstanding net current liabilities of US\$29,771,000 as at 31 December 2009.

The Directors have considered the application of the going concern basis of accounting, and believe that for the foreseeable future the Company will have adequate resources to meet its liabilities as they fall due. In making this assessment the Directors have considered the cash generation arising from future lease income receivable against the creditors and loan repayments necessary within one year.

#### **Basis of Consolidation**

In 2001, the first year the Financial Statements of the Company were prepared, the Company took advantage of the provisions within FRS 6 to account for its investment in its subsidiaries as a group reconstruction.

The Group Financial Statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 December 2009.

#### **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.

#### **Cost of Assets Held for Use in Operating Leases**

The Group accrues for obligations to reimburse either existing or prospective lessees for the costs of future maintenance. Where the accruals have arisen from the acquisition of previously used assets, the asset cost is increased by the amount estimated to return the asset to a fully overhauled condition.

#### **Income from Finance Leases**

Income is credited to the profit and loss account in proportion to the funds invested.

#### **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

**NOTE 1 (continued)**

Civil Aero Engines – 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

Industrial Engines - The period up to the 20<sup>th</sup> anniversary of the engine being first bought into use or purchased for lease by the Company

Fixtures & Fittings – 5 years

**Stock**

Stock is stated at the lower of cost and net realisable value

**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

**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**

	<b>Operating Lease Rentals US\$000</b>	<b>Finance Lease Rentals US\$000</b>	<b>Fees and other income US\$000</b>	<b>Spare Parts Sales US\$000</b>	<b>Total US\$000</b>
<b>2009</b>					
United Kingdom	40,245	83	-	75	40,403
Rest of Europe	10,339	171	-	-	10,510
USA	17,877	-	-	-	17,877
Canada	2,518	-	-	-	2,518
South America	7,990	-	-	-	7,990
Asia	35,642	-	-	-	35,642
	<u>114,611</u>	<u>254</u>	<u>-</u>	<u>75</u>	<u>114,940</u>
	<b>Operating Lease Rentals US\$000</b>	<b>Finance Lease Rentals US\$000</b>	<b>Fees and other income US\$000</b>	<b>Spare Parts Sales US\$000</b>	<b>Total US\$000</b>
<b>2008 Restated</b>					
United Kingdom	40,548	109	648	31	41,336
Rest of Europe	8,255	383	-	-	8,638
USA	5,463	937	-	-	6,400
Canada	2,832	-	-	-	2,832
South America	7,860	-	-	-	7,860
Asia	36,828	-	-	-	36,828
	<u>101,786</u>	<u>1,429</u>	<u>648</u>	<u>31</u>	<u>103,894</u>

In the 2008 Group profit and loss account and the turnover analysis above, the turnover has been restated to reflect \$6,993,000 inter-company purchase previously netted off within the group but now shown as increases both in turnover and cost of sales. This is because the Group lease engines from a US affiliate company which is outside of the Group and then lease these engines to an external customer. There is no impact in the Gross Profit or Operating Profit nor elsewhere in the financial statements.

All the Group's business originates from the United Kingdom. The Directors are of the opinion that the Group is engaged in a single class of business and the analysis above is provided for information purposes only.

**NOTES (continued)****3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<b>2009 US\$000</b>	<b>2008 Restated US\$000</b>
After charging		
Depreciation of owned tangible fixed assets	41,524	35,313
Realised exchange losses/(gains)	83	(184)
Operating lease rentals payable – hire of plant and equipment	13	8
- hire of other assets	6,350	6,993
Auditors' remuneration – Parent company	8	7
- Subsidiary companies	87	82

**4. NET INTEREST PAYABLE**

	<b>2009 US\$000</b>	<b>2008 US\$000</b>
Interest payable on		
Bank loans and overdrafts	18,100	19,937
Loans from related parties	3,896	4,064
Other borrowings	9	475
	<u>22,005</u>	<u>24,476</u>
Interest receivable	<u>(30)</u>	<u>(88)</u>
Net interest payable	<u>21,975</u>	<u>24,388</u>

**5. EMOLUMENTS OF DIRECTORS**

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

**6. EMPLOYEE INFORMATION**

	<b>2009 US\$000</b>	<b>2008 US\$000</b>
Employment costs		
Salaries	1,567	2,128
Social security costs	142	169
Other pension costs	132	173
	<u>1,841</u>	<u>2,470</u>
Average number of employees during the year	<u>16</u>	<u>17</u>

For the purposes of this note, employees are taken as being those people with contracts of employment with a related party but whose time is partly dedicated to the business of the Company and Group and whose costs of employment are therefore proportionately charged to the Group

**NOTES (continued)****7. TAXATION**

	<b>2009</b> <b>US\$000</b>	<b>2008</b> <b>US\$000</b>
Current tax		
Adjustment in respect of prior years	-	(107)
Deferred tax origination and reversal of timing differences at 28%		
In respect of current year	12,845	11,039
Adjustment in respect of prior periods	(2,095)	(1,207)
Adjustment in respect of reduction in tax rate	-	-
	<u>10,750</u>	<u>9,725</u>
Reconciliation of Tax Charge		
Profit on ordinary activities before tax	46,423	40,701
Nominal charge at UK corporate tax rate of 28% (2008 28.5%)	12,998	11,600
Expenses not deductible for tax purposes	56	53
Income not taxable	(208)	(415)
Capital allowances for period in excess of depreciation	(14,765)	(11,750)
Utilisation of brought forward losses	-	709
Adjustment to prior years	-	(107)
Other timing difference	1,919	-
Tax rate differential on timing differences in period	-	(197)
Current tax	<u>-</u>	<u>(107)</u>

The deferred tax movement in respect of prior periods 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.

**8. DIVIDENDS – Ordinary Shares**

	<b>2009</b> <b>US\$000</b>	<b>2008</b> <b>US\$000</b>
US\$104,500 per A share (2008 US\$109,500 per A share)	10,450	10,950
US\$104,500 per B share (2008 US\$109,500 per B share)	10,450	10,950
	<u>20,900</u>	<u>21,900</u>

## NOTES (continued)

## 9. TANGIBLE FIXED ASSETS

GROUP	Assets Held for Use in Operating Leases US\$000	Fixtures & Fittings US\$000	Total US\$000
Cost at 1 January 2009	990,256	538	990,794
Additions	152,882	-	152,882
Disposals	(13,447)	-	(13,447)
Cost at 31 December 2009	1,129,691	538	1,130,229
Depreciation at 1 January 2009	168,962	477	169,439
Provided during the year	41,507	17	41,524
Released on disposals	(5,610)	-	(5,610)
Depreciation at 31 December 2009	204,859	494	205,353
Net book values			
at 31 December 2009	924,832	44	924,876
at 31 December 2008	821,294	61	821,355

The cost of assets held for use in operating leases includes maintenance reserves of US\$1,497,133 (2008 US\$1,171,208) as explained in Note 1

	GROUP	
	2009 US\$000	2008 US\$000
Capital expenditure commitments		
Contracted but not provided for	99,347	108,616

Capital commitments will be funded from the Group's two revolving credit facilities

## 10. INVESTMENTS – Subsidiary Undertakings

Company	2009 US\$	2008 US\$
Shares at cost	200	200

## 11. STOCK

	GROUP		COMPANY	
	2009 US\$000	2008 US\$000	2009 US\$000	2008 US\$000
Spare parts held for engine repairs	55	1,426	-	-

## NOTES (continued)

## 12. DEBTORS – Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2009 US\$000	2008 US\$000	2009 US\$000	2008 US\$000
Finance lease receivables	309	2,778	-	-
Engine pre-delivery payments	12,652	2,989	-	-
Trade debtors	2,822	3,021	-	-
Other debtors	47	15	-	-
Prepayments and accrued income	130	448	-	-
Amounts owed by subsidiary undertakings	-	-	18,212	16,115
related parties	16,828	7,675	-	-
	<u>32,788</u>	<u>16,926</u>	<u>18,212</u>	<u>16,115</u>

## 13. DEBTORS – Amounts Falling Due After One Year

	GROUP	
	2009 US\$000	2008 US\$000
Finance lease receivables	-	309
Trade debtors	-	83
Amounts owed by related parties	1,736	1,736
	<u>1,736</u>	<u>2,128</u>
<b>Investment in Finance Leases</b>		
Rents receivable in the year	<u>2,033</u>	<u>5,197</u>

## NOTES (continued)

## 14. CREDITORS – Amounts Falling Due Within One Year

	GROUP		COMPANY	
	2009 US\$000	2008 US\$000	2009 US\$000	2008 US\$000
Trade creditors	156	109	-	-
Bank loans and overdrafts	773	1,414	-	-
Accruals and deferred income	13,910	14,024	-	-
Deposits from lessees	4,683	2,501	-	-
Maintenance reserves	2,537	5,717	-	-
Other creditors	456	838	-	-
Amounts owed to subsidiary undertakings	-	-	18,212	16,115
related parties	43,146	2,652	-	-
	<u>65,661</u>	<u>27,255</u>	<u>18,212</u>	<u>16,115</u>

## 15. CREDITORS – Amounts Falling Due After More Than One Year

	GROUP	
	2009 US\$000	2008 US\$000
Deposits from lessees	6,264	8,217
Maintenance reserves	53,965	43,766
Amounts owed to related parties falling due between one and two years	11,164	42,948
between two and five years	-	11,164
Bank loans and overdrafts falling due between one and two years	24,075	5,229
between two and five years	570,883	500,901
	<u>666,351</u>	<u>612,225</u>

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

## Maintenance reserves included above comprise:

	GROUP	
	2009 US\$000	2008 US\$000
At 1 January	49,483	53,187
Provided/received during the year	27,532	17,132
Paid out during the year	(17,669)	(13,551)
Released on disposal	(2,843)	(7,285)
At 31 December	<u>56,503</u>	<u>49,483</u>

**NOTES (continued)****16. PROVISIONS FOR LIABILITIES AND CHARGES**

<b>DEFERRED TAXATION</b>	<b>GROUP</b>	
	<b>2009 US\$000</b>	<b>2008 US\$000</b>
At 1 January	88,267	78,435
Amount charged to the profit and loss account	10,750	9,832
At 31 December	<u>99,017</u>	<u>88,267</u>
The analysis of the deferred tax provision is as follows		
Accelerated capital allowances	124,102	109,335
Accumulated losses carried forward	(25,085)	(21,068)
Provision	<u>99,017</u>	<u>88,267</u>

**17. SHARE CAPITAL**

	<b>2009 US\$</b>	<b>2008 US\$</b>
<b>Authorised</b>		
US\$1 'A' ordinary shares	100	100
US\$1 'B' ordinary shares	<u>100</u>	<u>100</u>
	<u>200</u>	<u>200</u>
<b>Issued</b>		
US\$1 'A' ordinary shares	100	100
US\$1 'B' ordinary shares	<u>100</u>	<u>100</u>
	<u>200</u>	<u>200</u>

**18. CAPITAL RESERVE – non distributable**

	<b>2009 US\$000</b>	<b>2008 US\$000</b>
Capital reserve	<u>42,708</u>	<u>42,708</u>

The Capital Reserve represents the difference between the nominal value of the Company's share capital and that of its direct subsidiaries in relation to the companies' merger

**NOTES (continued)****19. PROFIT AND LOSS ACCOUNT**

	<b>GROUP US\$000</b>
Balance at 1 January 2009	72,256
Transfer to reserves for the year Company Group	<u>14,773</u>
Balance at 31 December 2009	<u>87,029</u>

**20. RELATED PARTY TRANSACTIONS**

In the course of normal operations, the Group 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

	<b>2009 US\$000</b>	<b>2008 US\$000 Restated</b>
Sale of goods, services and fixed assets	44,435	52,339
Purchase of goods, services and fixed assets	<u>129,227</u>	<u>150,732</u>

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2009 US\$000</b>	<b>2008 US\$000</b>	<b>2009 US\$000</b>	<b>2008 US\$000</b>
Profit for the financial year	35,673	30,976	20,900	21,900
Dividends	<u>(20,900)</u>	<u>(21,900)</u>	<u>(20,900)</u>	<u>(21,900)</u>
Net addition to shareholders' funds	14,773	9,076	-	-
Opening Shareholders' funds	114,964	105,888	-	-
Closing Shareholders' funds	<u>129,737</u>	<u>114,964</u>	<u>-</u>	<u>-</u>

**22. CONTINGENT LIABILITIES**

The Group and certain affiliates are party to loan facilities. The Group provides guarantees in respect of related parties of US\$252 million (2008 US\$276 million). The related parties guarantee the obligations of the Group under the loan facilities on a reciprocal basis.

**NOTES (continued)****23. PENSION FUNDING**

The Company's employees, as disclosed in note 6, are members of one of two multi-employer defined benefits pension schemes, The Rolls-Royce Pension Fund or the Rolls-Royce Group Pension Scheme. The assets of the schemes are held in separate funds administered by trustees and invested in them independently of the finances of the Group. The schemes are funded by annual contributions from

- a) the company
- b) scheme members

As it is not possible to identify the share of underlying assets and liabilities relating to Alpha Partners Leasing Limited, in accordance with FRS17 Retirement Benefits, the scheme has been accounted for as a defined contribution scheme in these accounts.

On this basis, the amounts of employer contributions for 2009 were US\$132,000 (2008 US\$173,000).

The FRS17 disclosure related to the schemes is given in the group financial statements of Rolls-Royce Group plc.

**24. 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 St, Chicago, IL60606-5314, Illinois, USA.

**25. SUBSIDIARY UNDERTAKINGS as at 31 December 2009**

NAME	COUNTRY OF CORPORATION	BUSINESS	INTEREST IN ORDINARY SHARES %
Alpha Leasing Limited	England	Holding company	100
Alpha Leasing (No 3) Limited	England	Holding company	100
Alpha Leasing (No 4) Limited	England	Holding company	100
Omega Leasing Limited	England	Leasing of engines	100
Omega Leasing (No 3) Limited	England	Leasing of engines	100
Omega Leasing (No 4) Limited	England	Leasing of engines	100
Rolls-Royce & Partners Finance Limited	England	Holding company	100
Rolls-Royce Engine Leasing (Labuan) Limited	Malaysia	Leasing of engines	100
RRPF Engine Leasing Limited	England	Leasing of engines	100
RRPF Engine Leasing (No 2) Limited	England	Leasing of engines	100

**26. SUBSEQUENT EVENTS**

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