

**COMPANY NUMBER 4133746**

**ALPHA PARTNERS LEASING LIMITED**

**Annual Report**  
**for the Period Ended 31 December 2001**

**Directors on  
24 May 2002:**

P Heiden - Chairman  
J C Bensick  
J Cheffins  
A Coe  
J Johnson  
W T Powers

**Secretary:**

M R H Arundell



**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 period ended 31 December 2001.

### 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 the Group and of the profit or loss 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 and Group 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 Group 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.

### REVIEW OF THE BUSINESS

The Company was formed from the merger of the Rolls-Royce & Partners Finance Limited and Alpha Leasing Limited on 29 December 2000. All of the Group's business involves the leasing of commercial aero and industrial engines. The engine lease portfolio of the Group is 102 aero engines and 26 industrial engines.

### FINANCIAL REVIEW

#### Results

The profit before taxation of the Company and its subsidiaries was US\$25,592,000 (2000: US\$55,900,000).

#### Proposed transfer from reserves and payment of dividend

The proposed transfer from reserves is US\$9,858,000 (2000: transfer to reserves US\$18,122,000). The Directors declared interim dividends of US\$277,000 per A and B ordinary shares. No other dividends are recommended. The total cost of dividends for 2001 is US\$27,700,000.

### DIRECTORS

The Directors who held office throughout the period, were as follows:

#### Director

P Heiden – (Chairman)  
J C Bensick  
J Cheffins

A Coe  
J Johnson  
W T Powers

## **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 at 31 December 2001 represent 30 days of purchases.

Approved by the Board  
Signed on its behalf by:-



**M R H Arundell**  
Secretary  
65 Buckingham Gate, London SW1E 6AT

24 May 2002

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

We have audited the Financial Statements on pages 5 to 19.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Report of the Directors and, as described on page 2, the Financial Statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the Report of the Directors is not consistent with the Financial Statements, if 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 required by law regarding directors' remuneration and transactions with the Company is not disclosed.

### 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 Group'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 and the Group as at 31 December 2001 and of the profit of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

8 Salisbury Square  
Blackfriars  
LONDON  
EC4Y 8BB

*2 June* 2002

# GROUP PROFIT AND LOSS ACCOUNT

## FOR THE YEAR ENDED 31 DECEMBER 2001

	Notes	2001 US\$000	2000 US\$000
<b>Turnover</b>	2	50,098	61,367
Cost of sales		<u>(14,158)</u>	<u>(15,002)</u>
<b>Gross profit</b>		35,940	46,365
General and administrative costs		<u>(3,205)</u>	<u>(3,534)</u>
<b>Operating profit</b>		32,735	42,831
Profit on sale of fixed assets		<u>6,314</u>	<u>33,568</u>
Profit on ordinary activities before interest		39,049	76,399
Net interest payable	4	<u>(13,457)</u>	<u>(20,499)</u>
<b>Profit on ordinary activities before taxation</b>	3	25,592	55,900
Taxation	7	<u>(7,750)</u>	<u>(9,778)</u>
<b>Profit on ordinary activities after taxation</b>		17,842	46,122
Dividends	8	<u>(27,700)</u>	<u>(28,000)</u>
<b>Transferred (from)/to reserves</b>	18	<u>(9,858)</u>	<u>18,122</u>

The notes on pages 9 to 19 form part of these Financial Statements.

All the results have been derived from continuing activities.

As permitted by the Companies Act 1985, a separate profit and loss account for the Company has not been included in these Financial Statements.

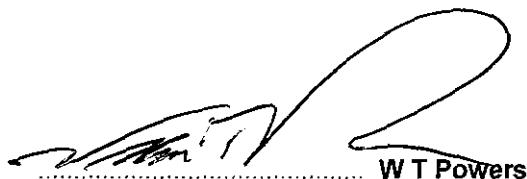
Of the Group "profit on ordinary activities after taxation" a profit of US\$27,700,000 has been dealt with in the profit and loss account of the Company.

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

# **BALANCE SHEETS** AT 31 DECEMBER 2001

		GROUP		COMPANY
	Notes	2001 US\$000	2000 US\$000	2001 US\$000
<b>Fixed Assets</b>				
Tangible Assets	9	383,160	265,075	-
		<u>383,160</u>	<u>265,075</u>	-
<b>Current Assets</b>				
Stock		55	55	-
Debtors: amounts falling due within one year	11	23,177	40,115	1,905
Debtors: amounts falling due after one year	12	52,685	55,514	-
Cash at bank and in hand		1,702	466	-
		<u>77,619</u>	<u>96,150</u>	<u>1,905</u>
<b>Creditors: amounts falling due within one year</b>	13	(91,012)	(83,635)	(1,905)
		<u>(91,012)</u>	<u>(83,635)</u>	<u>(1,905)</u>
<b>Net Current (Liabilities)/Assets</b>		(13,393)	12,515	-
<b>Total Assets less current liabilities</b>		<u>369,767</u>	<u>277,590</u>	<u>-</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(269,229)	(173,916)	-
<b>Provisions for Liabilities and Charges</b>	15	(31,090)	(24,368)	-
<b>Net Assets</b>		<u>69,448</u>	<u>79,306</u>	<u>-</u>
<b>Capital and Reserves</b>				
Called up share capital	16	-	-	-
Capital reserve	17	42,708	42,708	-
Profit and loss account	18	26,740	36,598	-
Equity shareholders' funds		<u>69,448</u>	<u>79,306</u>	<u>-</u>

The Financial Statements were approved by the Board of Directors on 24 May 2002 and were signed on its behalf by:



W T Powers

The notes on pages 9 to 19 form part of these Financial Statements.

# GROUP CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2001

		2001 US\$000	2000 US\$000
Cash flow from operating activities	A	72,681	40,944
Returns on investments and servicing of finance	B	(13,903)	(23,664)
Taxation		(3,648)	(4,219)
Capital expenditure and financial investment	C	(125,410)	272,508
Equity dividends paid		(27,700)	(28,000)
Cash (outflow)/inflow before financing		(97,980)	257,569
Financing	D	99,216	(257,326)
<b>Increase in cash in the period</b>		<b>1,236</b>	<b>243</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase in cash in the period		1,236	243
Cash flow from movement in borrowings		(99,216)	257,326
<b>Movement in net debt in the period</b>		<b>(97,980)</b>	<b>257,569</b>
<b>Net debt at 1 January</b>		<b>(205,062)</b>	<b>(462,631)</b>
<b>Net debt at 31 December</b>		<b>(303,042)</b>	<b>(205,062)</b>

## ANALYSIS OF NET DEBT

	At beginning of year US\$000	Cashflow US\$000	At end of year US\$000
Cash in hand, at bank	466	1,236	1,702
Loans from related parties	-	(68,085)	(68,085)
Debt due within one year	(69,280)	3,111	(66,169)
Debt due after one year	(136,248)	(34,242)	(170,490)
<b>Total</b>	<b>(205,062)</b>	<b>(97,980)</b>	<b>(303,042)</b>

## NOTES TO THE CASH FLOW STATEMENT

## RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2001 US\$000	2000 US\$000
<b>RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS</b>		
Operating profit	32,735	42,831
Depreciation charges	13,639	15,024
Decrease/(Increase) in debtors	19,767	(19,240)
Increase in creditors	6,540	2,329
<b>A. Net cash inflow from operating activities</b>	<b>72,681</b>	<b>40,944</b>
<b>Returns on investment and servicing of finance</b>		
Interest received	1,365	1,824
Interest paid	(15,268)	(25,488)
<b>B. Net cash outflow from returns on investment and servicing of finance</b>	<b>(13,903)</b>	<b>(23,664)</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(157,173)	(121,501)
Disposal of tangible fixed assets	31,763	394,009
<b>C. Net cash inflow/(outflow) for capital expenditure and investment</b>	<b>(125,410)</b>	<b>272,508</b>
<b>Financing</b>		
Borrowings due within one year - new loans	(3,111)	(219,157)
Borrowings due after one year - new loans	34,242	(38,169)
Increase in loans from related parties	68,085	-
<b>D. Net cash inflow/(outflow) from financing</b>	<b>99,216</b>	<b>(257,326)</b>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2001

	GROUP		COMPANY
	2001 US\$000	2000 US\$000	2001 US\$000
Shareholders' funds at 1 January	36,598	18,476	-
Total recognised (losses)/gains for the year	(9,858)	18,122	-
Shareholders funds at 31 December	26,740	36,598	-



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2001

#### 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.

##### **Basis of Consolidation**

The Company has taken advantage of the provisions within FRS6 to account for its investment in its subsidiaries as a group reconstruction. The Group Financial Statements include the financial statement of the Company and all of its subsidiary undertakings made up to 31 December.

##### **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 normal course of trading, are taken into account in determining profit on ordinary activities before taxation.

##### **Income from Operating Leases**

Net income from operating leases, after charging depreciation and interest, is credited to 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 Lease**

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 the following periods:

Civil Aero Engines - the lesser of:

- (i) the period up to the 25th 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 20th anniversary of the engine being first brought into use or purchased for lease by the Company.

Fixtures & Fittings - 5 years.

**NOTES (continued)**

**Leases where the Company is Lessee**

Assets financed by leasing agreements which give rights approximating to ownership (finance leases) have been capitalised at amounts equal to the value of the assets to the lessor and depreciation provided on the basis of the Group depreciation policy. There are no future obligations under finance leases (2000: Nil).

Costs in respect of operating leases are charged to the profit and loss account on an accruals basis.

**Interest**

Interest payable is charged to the profit and loss account as incurred except where the borrowing finances pre-delivery payments on engines to be purchased with a view to onward sale, where it is capitalised and included in the cost of the asset acquired.

**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.

## NOTES (continued)

## 2. ANALYSIS OF TURNOVER

	Operating Lease Rentals US\$000	Finance Lease Rentals US\$000	Fees US\$000	Total US\$000
2001				
United Kingdom	22,874	1,614	636	25,124
Rest of Europe	3,756	485	-	4,241
USA	3,543	1,010	-	4,553
Canada	4,880	272	-	5,152
South America	1,180	2,972	-	4,152
Asia	5,937	939	-	6,876
	<u>42,170</u>	<u>7,292</u>	<u>636</u>	<u>50,098</u>
	Operating Lease Rentals US\$000	Finance Lease Rentals US\$000	Fees US\$000	Total US\$000
2000				
United Kingdom	26,886	233	-	27,119
Rest of Europe	6,603	823	-	7,426
USA	6,872	984	-	7,856
Canada	5,639	2,123	-	7,762
South America	1,615	3,811	-	5,426
Asia	5,515	263	-	5,778
	<u>53,130</u>	<u>8,237</u>	<u>-</u>	<u>61,367</u>

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.

## 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 US\$000	2000 US\$000
<b>After Charging</b>		
Depreciation of owned tangible fixed assets	13,593	14,978
Depreciation of leased tangible fixed assets	46	46
Realised exchange (gains)/losses	(56)	59
Operating lease rentals payable – hire of plant and equipment	18	7
Auditors' remuneration:		
Audit	44	40
Non-Audit	4	19

## NOTES (continued)

## 4. GROUP NET INTEREST PAYABLE

	2001 US\$000	2000 US\$000
Interest payable on:		
Bank loans and overdrafts	(12,179)	(22,948)
Loans from related parties	(2,734)	(1)
Other borrowings	(340)	(562)
Interest capitalised	431	1,188
	<u>(14,822)</u>	<u>(22,323)</u>
Interest receivable on:		
Loans to related parties	1,150	1,421
Other	215	403
	<u>1,365</u>	<u>1,824</u>
Group Net Interest payable	<u>(13,457)</u>	<u>(20,499)</u>

## 5. EMOLUMENTS OF DIRECTORS

Total emoluments of the directors in relation to their duties as directors of the Company, were as follows:

	2001 US\$000	2000 US\$000
Directors' emoluments	-	62

## 6. EMPLOYEE INFORMATION

	2001 US\$000	2000 US\$000
Employment Costs:		
Salaries	2,609	2,042
Social security costs	253	220
Other pension costs	129	135
	<u>2,991</u>	<u>2,397</u>
Average number of employees during the year	<u>20</u>	<u>20</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

	2001 US\$000	2000 US\$000
Current Tax		
UK corporation tax at 30%	900	4,510
Adjustment in respect of prior year	128	-
	1,028	4,510
Deferred tax – origination and reversal of timing differences	6,722	5,268
	7,750	9,778
Reconciliation of Tax Charge:		
Profit on ordinary activities before tax	25,592	55,900
Nominal charge at UK corporation tax rate of 30%	7,678	16,770
Expenses not deductible for tax purposes	459	826
Income not taxable	(515)	(7,818)
Capital allowances for period in excess of depreciation	(9,122)	(5,268)
Other timing differences for period	2,400	-
Adjustment to prior years	128	-
Current Tax	1,028	4,510

## 8. DIVIDENDS - ORDINARY SHARES

	2001 US\$000	2000 US\$000
US\$277,000 per A share (2000: US\$280,000 per A share)	13,850	14,000
US\$277,000 per B share (2000: US\$280,000 per B share)	13,850	14,000
	27,700	28,000

All 2001 dividends were paid before the end of the financial period.

The 2000 figures represent the equivalent dividends paid to the shareholders of Rolls-Royce & Partners Finance Limited.

## 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 start of period	293,283	402	293,685
Additions	157,173	-	157,173
Disposals	(27,841)	-	(27,841)
Cost at 31 December 2001 <sup>1, 2</sup>	422,615	402	423,017
DEPRECIATION at start of period	28,289	321	28,610
Provided during the year	13,613	26	13,639
Released on disposals	(2,392)	-	(2,392)
Depreciation at 31 December 2001	39,510	347	39,857
<b>NET BOOK VALUES</b>			
at 31 December 2001	383,105	55	383,160
at 31 December 2000	264,994	81	265,075

1 The cost of assets held for use in operating leases includes maintenance reserves of US\$4,841,997 (2000: US\$5,543,247) as explained in Note 1.

2 The net book value of assets held under finance leases at 31 December 2001 was \$592,000 (2000: \$638,000).

	GROUP	COMPANY
	2001 US\$000	2000 US\$000
<b>Capital expenditure commitments:</b>		2001 US\$000
Contracted but not provided for	18,500	27,320
		-

## 10. INVESTMENTS - Subsidiary Undertakings

	2001 US\$
<b>Company</b>	
Shares at cost	100

## NOTES (continued)

## 11. DEBTORS - Amounts Falling Due Within One Year

	GROUP		COMPANY
	2001 US\$000	2000 US\$000	2001 US\$000
Finance lease receivables	9,678	10,002	-
Engine Pre Delivery Payments	1,461	10,680	-
Trade Debtors	1,479	7,026	-
Other Debtors	175	2,827	-
Prepayments and accrued income	962	673	-
Amounts owed by:			
- subsidiary undertakings	-	-	1,905
- related parties	9,422	8,907	-
	<u>23,177</u>	<u>40,115</u>	<u>1,905</u>

## 12. DEBTORS - Amounts Falling Due After One Year

	GROUP		COMPANY
	2001 US\$000	2000 US\$000	2001 US\$000
Finance lease receivables	50,033	48,255	-
Finance lease receivables	916	-	-
Amounts owed by related parties	<u>1,736</u>	<u>7,259</u>	-
	<u>52,685</u>	<u>55,514</u>	-
<b>Investment in Finance Leases</b>			
Additions during the year at cost	13,272	29,554	-
Rents receivable in the year	<u>19,110</u>	<u>15,464</u>	-

## NOTES (continued)

## 13. CREDITORS - Amounts Falling Due Within One Year

	GROUP		COMPANY
	2001 US\$000	2000 US\$000	2001 US\$000
Trade Creditors	75	38	-
Bank Loans	66,169	69,280	-
Tax Payable	1,566	4,186	-
Accruals and deferred income	6,351	5,810	-
Deposits from lessees	814	1,079	-
Maintenance Reserves	12,041	1,668	-
Other Creditors	186	267	-
Amounts owed to:			
- subsidiary undertakings	-	-	1,905
- related parties	3,810	1,307	-
	91,012	83,635	1,905

## 14. CREDITORS - Amounts Falling Due After More Than One Year

	GROUP		COMPANY
	2001 US\$000	2000 US\$000	2001 US\$000
Deposits from lessees	6,178	6,001	-
Maintenance Reserves	24,476	31,667	-
Amounts owed to related parties	68,085	-	-
Bank loans and overdrafts falling due:			
- between two and five years	44,782	-	-
- between two and five years	125,708	136,248	-
	269,229	173,916	-



## NOTES (continued)

## 15. PROVISIONS for Liabilities and Charges

	GROUP		COMPANY
	2001 US\$000	2000 US\$000	2001 US\$000
<b>DEFERRED TAXATION</b>			
At start of period	24,368	19,100	-
Amount charged to profit and loss account	6,722	5,268	-
At 31 December	31,090	24,368	-
The analysis of the deferred tax provision is as follows:			
Accelerated Capital Allowances	41,560	32,438	-
Other timing differences	(10,470)	(8,070)	-
Potential Liability	31,090	24,368	-

## 16. SHARE CAPITAL

	2001 US\$
<b>Authorised</b>	
US\$1'A' Ordinary shares	50
US\$1'B' Ordinary shares	50
	100
<b>Issued</b>	
US\$1'A' Ordinary shares	50
US\$1'B' Ordinary shares	50
	100

## 17. CAPITAL RESERVE – non distributable

	2001 US\$000	2000 US\$000
Capital Reserve	42,708	42,708

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, as described in note 1.

## NOTES (continued)

## 18. PROFIT AND LOSS ACCOUNT

	GROUP	COMPANY
	US\$000	US\$000
Balance at start of period	36,598	-
Results for the year	(9,858)	-
Balance at 31 December 2001	26,740	-

## 19. OPERATING LEASE ANNUAL COMMITMENTS

	2001 US\$000	2000 US\$000
Leases which expire between one and five years	18	5

None of the commitments relate to land and buildings.

## 20. RELATED PARTY TRANSACTIONS

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

	2001 US\$000	2000 US\$000
Sales of goods, services and fixed assets to	32,932	443,522
Purchase of goods, services and fixed assets from	143,335	130,040

**NOTES (continued)****21. PENSION FUNDING**

- i) The Company's employees, as disclosed in note 6, are members of a multi-employer defined benefits scheme, the Rolls-Royce Pension Fund. As it is not possible to identify the share of underlying assets and liabilities relating to Rolls-Royce & Partners Finance Limited, and in accordance with FRS 17 Retirement Benefits, the scheme has been accounted for as a defined contribution scheme in these accounts.

The FRS 17 disclosure relating to the Rolls-Royce Pension Fund is shown in note 30 in the 2001 Rolls-Royce plc accounts.

- ii) The Company also operates a group personal pension plan funded by the Company on a defined contribution basis.

The total pension cost charged to the accounts is \$129,000 (2000: \$135,000).

**22. ULTIMATE HOLDING COMPANIES**

Rolls-Royce 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 plc's consolidated Financial Statements can be obtained from 65 Buckingham Gate, London SW1E 6AT and those of GATX from 500 West Monroe, Chicago, IL60661-3676, Illinois, USA.

**23. SUBSIDIARY UNDERTAKINGS as at 31 December 2001**

NAME	COUNTRY OF INCORPORATION	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