

Company Registration No. 1857310 (England and Wales)

**Wesco Aircraft United Kingdom
Limited**

**Abbreviated Accounts
For The Year Ended 31 January 2001**



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WESCO AIRCRAFT UNITED KINGDOM LIMITED

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WESCO AIRCRAFT UNITED KINGDOM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2001

The directors present their report and financial statements for the year ended 31 January 2001.

Principal activities and review of the business

The principal activity of the company is that of the supply of parts to the aircraft industry.

The directors are satisfied with the results for the year and are confident about future prospects.

Results and dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £385,526 is transferred to the reserves.

Directors and their interests

The following directors have held office since 1 February 2000:

M Beck
R Snyder
G Hess

As the directors are also directors of Flintbrook Limited, this company's parent company their interests are not required to be recorded in this company's register of directors interests.

Charitable contributions

During the year the company made charitable donations of £2,881 (2000 - £3,024).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Garbutt & Elliott Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

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;
- 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 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



M Beck

Director

24/07/2001.

WESCO AIRCRAFT UNITED KINGDOM LIMITED

AUDITORS' REPORT TO WESCO AIRCRAFT UNITED KINGDOM LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 17, together with the financial statements of the company for the year ended 31 January 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

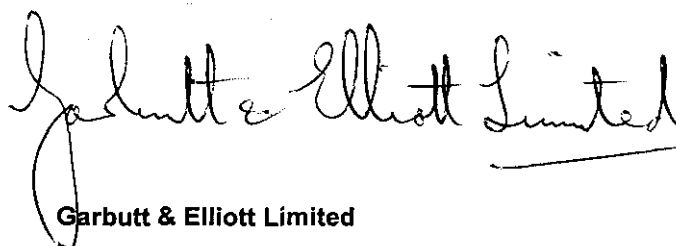
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

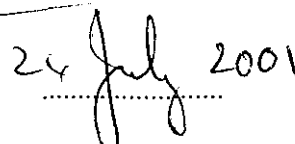
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 17 are properly prepared in accordance with that provision.


Garbutt & Elliott Limited

Chartered Accountants
Registered Auditors


24 July 2001
Monkgate House
44 Monkgate
York
YO31 7HF

WESCO AIRCRAFT UNITED KINGDOM LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2001

	Notes	2001 £	2000 £
Gross profit		2,952,504	1,682,093
Administrative expenses		(2,247,654)	(1,225,854)
Operating profit	2	704,850	456,239
Parent company debt written off		(74,457)	-
Profit on ordinary activities before interest		630,393	456,239
Other interest receivable and similar income		8,920	381
Interest payable and similar charges	3	(36,755)	(35,991)
Profit on ordinary activities before taxation		602,558	420,629
Tax on profit on ordinary activities	4	(217,032)	(136,267)
Profit on ordinary activities after taxation	14	385,526	284,362

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

WESCO AIRCRAFT UNITED KINGDOM LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5	704,837		300,978	
Investments	6	100		-	
		<u>704,937</u>		<u>300,978</u>	
Current assets					
Stocks	7	3,495,768		3,052,842	
Debtors	8	2,035,782		2,083,296	
Cash at bank and in hand		309,801		3,524	
		<u>5,841,351</u>		<u>5,139,662</u>	
Creditors: amounts falling due within one year	9	<u>(2,672,243)</u>		<u>(4,524,109)</u>	
Net current assets		<u>3,169,108</u>		<u>615,553</u>	
Total assets less current liabilities		<u>3,874,045</u>		<u>916,531</u>	
Creditors: amounts falling due after more than one year	10	(2,616,306)		(60,978)	
Provisions for liabilities and charges	11	(35,785)		(19,125)	
		<u>1,221,954</u>		<u>836,428</u>	
Capital and reserves					
Called up share capital	13	10,000		10,000	
Profit and loss account	14	1,211,954		826,428	
Shareholders' funds - equity interests	15	<u>1,221,954</u>		<u>836,428</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on

24/07/2001



M Beck
Director

WESCO AIRCRAFT UNITED KINGDOM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2001

	2001 £	2000 £
Net cash outflow from operating activities	(1,074,977)	(68,246)
Returns on investments and servicing of finance		
Interest received	8,920	381
Interest paid	(36,755)	(35,991)
Net cash outflow for returns on investments and servicing of finance	(27,835)	(35,610)
Taxation	(140,695)	(115,169)
Capital expenditure		
Payments to acquire tangible assets	(510,720)	(73,470)
Receipts from sales of tangible assets	26,500	6,500
Net cash outflow for capital expenditure	(484,220)	(66,970)
Net cash outflow before management of liquid resources and financing	(1,727,727)	(285,995)
Financing		
Other new long term loans	2,525,689	-
Repayment of other long term loans	(11,885)	(8,727)
Capital element of hire purchase contracts	(92,161)	(35,957)
Net cash inflow/(outflow) from financing	2,421,643	(44,684)
Increase/(decrease) in cash in the year	693,916	(330,679)

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2001

1	Reconciliation of operating profit to net cash outflow from operating activities	2001		2000	
		£		£	
	Operating profit	704,850		456,239	
	Depreciation of tangible assets	146,499		69,756	
	Loss on disposal of tangible assets	93,235		3,209	
	Increase in stocks	(442,926)		(1,555,330)	
	Decrease/(increase) in debtors	47,514		(585,123)	
	(Decrease)/increase in creditors within one year	(1,549,692)		1,543,003	
	Parent company debt written off	(74,457)		-	
	Net cash outflow from operating activities	(1,074,977)		(68,246)	
2	Analysis of net debt	1 February 2000	Cash flow	Other non-cash changes	31 January 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,524	306,277	-	309,801
	Bank overdrafts	(514,161)	387,539	-	(126,622)
		<u>(510,637)</u>	<u>693,816</u>	<u>-</u>	<u>183,179</u>
	Debt:				
	Hire purchase contracts	(101,442)	92,161	(159,373)	(168,654)
	Debts falling due within one year	(8,726)	2,181	-	(6,545)
	Debts falling due after one year	(9,704)	(2,515,985)	-	(2,525,689)
		<u>(119,872)</u>	<u>(2,421,643)</u>	<u>(159,373)</u>	<u>(2,700,888)</u>
	Net debt	(630,509)	(1,727,827)	(159,373)	(2,517,709)
3	Reconciliation of net cash flow to movement in net debt	2001		2000	
		£		£	
	Increase/(decrease) in cash in the year	693,816		(330,679)	
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(2,421,643)		44,684	
	Change in net debt resulting from cash flows	(1,727,827)		(285,995)	
	New hire purchase contracts	(159,373)		(72,921)	
	Movement in net debt in the year	(1,887,200)		(358,916)	
	Opening net debt	(630,509)		(271,593)	
	Closing net debt	(2,517,709)		(630,509)	

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2001

4 Major non-cash transactions

During the year the company entered into hire purchase contracts in respect of assets with a total capital value at the inception of the contracts of £159,373 (2000 - £72,921).

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	4% Straight line
Plant and machinery	15% Reducing balance / 20 - 33 1/3% Straight line
Fixtures, fittings & equipment	15% Reducing balance / 20 - 33 1/3% Straight line
Motor vehicles	25% Straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

1 Accounting policies

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	146,499	69,756
Operating lease rentals		
- Plant and machinery	13,533	8,790
- Other assets	40,602	56,247
Auditors' remuneration	9,500	9,500
3 Interest payable	2001	2000
	£	£
On bank loans and overdrafts	20,991	23,789
On other loans wholly repayable within 5 years	2,756	4,862
Hire purchase interest	13,008	7,340
	36,755	35,991
4 Taxation	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 30% (2000 - 30%)	200,000	141,144
Deferred taxation	16,660	775
	216,660	141,919
Prior years		
U.K. corporation tax	372	(5,652)
	217,032	136,267

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

5 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 February 2000	-	88,305	187,998	174,577	450,880
Additions	139,217	255,018	92,824	183,034	670,093
Disposals	-	(72,178)	(94,618)	(75,380)	(242,176)
Reclassification		(31,485)	31,485		-
At 31 January 2001	139,217	239,660	217,689	282,231	878,797
Depreciation					
At 1 February 2000	-	43,674	62,953	43,275	149,902
On disposals	-	(44,279)	(44,585)	(33,577)	(122,441)
Charge for the year	5,569	35,949	45,160	59,821	146,499
Reclassification		(5,612)	5,612		-
At 31 January 2001	5,569	29,732	69,140	69,519	173,960
Net book value					
At 31 January 2001	133,648	209,928	148,549	212,712	704,837
At 31 January 2000	-	44,631	125,045	131,302	300,978

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 January 2001	209,657
At 31 January 2000	131,302
Depreciation charge for the year	
31 January 2001	47,924
31 January 2000	30,818

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 February 2000	-
Additions	100
At 31 January 2001	<u>100</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Wesco Logistics Limited	England and Wales	Ordinary		100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Wesco Logistics Limited	100	-

7 Stocks

	2001 £	2000 £
Finished goods and goods for resale	<u>3,495,768</u>	<u>3,052,842</u>

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

8 Debtors	2001 £	2000 £
Trade debtors	1,670,416	1,735,528
Amounts owed by parent and fellow subsidiary undertakings	-	74,457
Amounts owed by participating interests	318,470	194,615
Other debtors	1,615	47,444
Prepayments and accrued income	45,281	31,252
	<u>2,035,782</u>	<u>2,083,296</u>

Amounts falling due after more than one year and included in the debtors above are:

	2001 £	2000 £
Amounts owed by group undertakings	-	74,457
	<u>-</u>	<u>74,457</u>

9 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	126,622	514,161
Net obligations under hire purchase contracts	78,037	50,168
Trade creditors	908,274	987,853
Amounts owed to parent and fellow subsidiary undertakings	100	-
Amounts owed to participating interests	1,194,238	2,657,603
Corporation tax	200,000	140,323
Other taxes and social security costs	56,545	68,289
Directors' current accounts	180	-
Other creditors	6,545	8,726
Accruals and deferred income	101,702	96,986
	<u>2,672,243</u>	<u>4,524,109</u>

The bank overdrafts are secured by a fixed and floating charge over all company assets.

Net obligations under hire purchase contracts are secured against the assets to which they relate.

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

10 Creditors: amounts falling due after more than one year	2001 £	2000 £
Other loans	2,525,689	9,704
Net obligations under hire purchase contracts	90,617	51,274
	<u>2,616,306</u>	<u>60,978</u>
Analysis of loans		
Wholly repayable within five years	2,532,234	18,430
	<u>2,532,234</u>	<u>18,430</u>
Included in current liabilities	(6,545)	(8,726)
	<u>2,525,689</u>	<u>9,704</u>
Loan maturity analysis		
In more than one year but not more than two years	-	8,726
In more than two years but not more than five years	-	978

The loan is from Wesco Aircraft Hardware Corp., is interest free and has no final date of repayment.

Net obligations under hire purchase contracts		
Repayable within one year	89,071	56,745
Repayable between one and five years	96,252	54,211
	<u>185,323</u>	<u>110,956</u>
Finance charges and interest allocated to future accounting periods	(16,669)	(9,514)
	<u>168,654</u>	<u>101,442</u>
Included in liabilities falling due within one year	(78,037)	(50,168)
	<u>90,617</u>	<u>51,274</u>

Net obligations under hire purchase contracts are secured against the assets to which they relate.

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 February 2000	19,125
Profit and loss account	16,660
Balance at 31 January 2001	<u>35,785</u>

Deferred taxation provided in the financial statements is as follows:

	2001 £	Fully provided 2000 £
Accelerated capital allowances	<u>35,785</u>	<u>19,125</u>

12 Pension costs

The company operates pension arrangements for the benefit of certain employees which are in the nature of a defined contribution scheme.

The assets of the scheme are held separately from those of the company, being invested with an insurance company.

The charge to the profit and loss account represents contributions payable by the company and amounted to £22,556 (2000 - £18,188).

13 Share capital

	2001 £	2000 £
Authorised		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2000	826,428
Retained profit for the year	385,526
Balance at 31 January 2001	<u>1,211,954</u>

15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	385,526	284,362
Opening shareholders' funds	836,428	552,066
Closing shareholders' funds	<u>1,221,954</u>	<u>836,428</u>

16 Contingent liabilities

There is an H M Customs and Excise guarantee liability of £30,000 (2000 - £30,000).

17 Financial commitments

At 31 January 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiry date:				
Within one year	-	-	8,790	-
Between two and five years	18,450	17,250	13,094	8,790
	<u>18,450</u>	<u>17,250</u>	<u>21,884</u>	<u>8,790</u>

18 Capital commitments

	2001 £	2000 £
At 31 January 2001 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	<u>27,500</u>	<u>-</u>

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

19 Directors' emoluments	2001 £	2000 £
Emoluments for qualifying services	67,896	53,657
Company pension contributions to money purchase schemes	4,422	3,815
	<u>72,318</u>	<u>57,472</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2000 - 1).

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2001 Number	2000 Number
Administration	8	14
Sales	19	4
Warehouse	25	15
	<u>52</u>	<u>33</u>

Employment costs

	£	£
Wages and salaries	1,035,635	611,481
Social security costs	105,173	61,478
Other pension costs	22,556	18,188
	<u>1,163,364</u>	<u>691,147</u>

21 Ultimate parent company

The ultimate parent company is Flintbrook Limited, a company controlled by R Snyder, a director.

WESCO AIRCRAFT UNITED KINGDOM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2001

22 Related party transactions

During the financial year the company entered into transactions with related parties as stated below.

Flintbrook Limited

Flintbrook Limited, this company's ultimate parent company, owed the company a balance of £nil (2000 - £74,457) at the year end, which is included in debtors as amounts owed by group undertakings. During the year amounts owed from Flintbrook Limited amounting to £74,457 (2000 - £nil) were written off and are disclosed as an exceptional item in the profit and loss account.

Wesco Aircraft Hardware Corp.

Wesco Aircraft Hardware Corp., a company registered in the USA is controlled by R Snyder a director of Wesco Aircraft United Kingdom Limited. During the year Wesco Aircraft Hardware Corp. purchased £249,799 (2000 - £50,293) of aircraft parts from, and sold £1,369,438 (2000 - £1,424,690) of aircraft parts to Wesco Aircraft United Kingdom Limited on an arms length basis. In addition Wesco Aircraft Hardware Corp. sold £5,160 (2000 - £112,937) of aircraft parts to Wesco Aircraft United Kingdom Limited under a direct line feed (DLF) agreement on which commissions are earned. Total commission paid to Wesco Aircraft United Kingdom Limited including DLF commissions amounted to £108,411 (2000 - £107,841). At the balance sheet date £311,380 (2000 - £194,615) was due from Wesco Aircraft Hardware Corp. and included in debtors, amounts owed by participating interests and £1,194,238 (2000 - £2,657,603) was due to Wesco Aircraft Hardware Corp. and included in creditors, amounts owed to participating interests. In addition, a loan of £2,525,689 was created in the year and this amount is included in creditors, amounts due after one year.

Snyder Family Living Trust (Trust)

The company operates from premises which are owned by the Trust, in which R Snyder, a director of this company, has an interest. No rent has been paid during the year as the company is enjoying a rent-free period and no formal agreement is yet in place. At the balance sheet date, £7,090 (2000 - £nil) was owed by the Trust and included in debtors, amounts owed by participating interests.