

Company Registration No. 1857310 (England and Wales)

Wesco Aircraft Europe Limited

**Abbreviated Accounts
For The Period Ended 30 September 2004**



WESCO AIRCRAFT EUROPE LIMITED

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WESCO AIRCRAFT EUROPE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2004

The directors present their report and financial statements for the period ended 30 September 2004.

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 period and are confident about future prospects.

Results and dividends

The results for the period are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

It is proposed that the retained profit of £909,262 is transferred to the reserves.

Directors

The following directors have held office since 1 February 2004:

R Snyder

G Hess

A Murray

(Appointed 1 September 2004)

Directors' interests

There are no directors' interests requiring disclosure under the Companies Act 1985.

	Ordinary shares of £ 1 each	
	30 September 2004	1 February 2004
R Snyder	-	-
G Hess	-	-
A Murray	-	-

As the continuing 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 donations	30 September 2004	31 January 2004
	£	£

During the period the company made the following payments:

Charitable donations	720	3,636
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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.

WESCO AIRCRAFT EUROPE LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2004

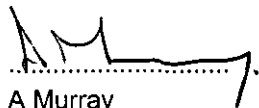
Directors' responsibilities

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



A Murray

Director

29/04/2005

WESCO AIRCRAFT EUROPE LIMITED

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

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the period ended 30 September 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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, for our work, for this report, or for the opinions we have formed.

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 audit 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 4 to 16 are properly prepared in accordance with that provision.



Garbutt & Elliott Limited

20 May 2005

Chartered Accountants
Registered Auditors

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

WESCO AIRCRAFT EUROPE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2004

		1 February 2004 to 30 September 2004	1 February 2003 to 31 January 2004
	Notes	£	£
Gross profit		3,925,880	5,946,742
Administrative expenses		(2,548,370)	(3,952,480)
Operating profit	2	1,377,510	1,994,262
Other interest receivable and similar income		81	3,722
Interest payable and similar charges	3	(56,368)	(29,964)
Profit on ordinary activities before taxation		1,321,223	1,968,020
Tax on profit on ordinary activities	4	(411,961)	(609,476)
Profit on ordinary activities after taxation	13	909,262	1,358,544

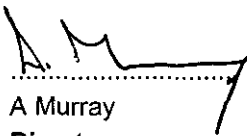
WESCO AIRCRAFT EUROPE LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2004

	Notes	30 September 2004		31 January 2004	
		£	£	£	£
Fixed assets					
Tangible assets	5	1,083,650		742,338	
Investments	6	100		100	
		1,083,750		742,438	
Current assets					
Stocks	7	9,806,185		9,835,362	
Debtors	8	3,069,186		2,563,344	
Cash at bank and in hand		950,436		149,909	
		13,825,807		12,548,615	
Creditors: amounts falling due within one year	9	(6,034,275)		(5,360,763)	
Net current assets		7,791,532		7,187,852	
Total assets less current liabilities		8,875,282		7,930,290	
Creditors: amounts falling due after more than one year	10	(93,542)		(57,812)	
		8,781,740		7,872,478	
Capital and reserves					
Called up share capital	12	20,000		20,000	
Share premium account	13	3,130,127		3,130,127	
Profit and loss account	13	5,631,613		4,722,351	
Shareholders' funds - equity interests	14	8,781,740		7,872,478	

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 20th April 2005.


A Murray
Director

WESCO AIRCRAFT EUROPE LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2004

	1 February 2004 to 30 September 2004 £	1 February 2003 to 31 January 2004 £
Net cash inflow from operating activities	1,277,253	307,055
Returns on investments and servicing of finance		
Interest received	81	3,722
Interest paid	(56,368)	(29,964)
Net cash outflow for returns on investments and servicing of finance	(56,287)	(26,242)
Taxation	(515,626)	(673,210)
Capital expenditure		
Payments to acquire tangible assets	(526,265)	(274,388)
Receipts from sales of tangible assets	41,000	23,094
Net cash outflow for capital expenditure	(485,265)	(251,294)
Net cash inflow/(outflow) before management of liquid resources and financing	220,075	(643,691)
Financing		
Capital element of hire purchase contracts	(39,793)	(74,187)
Net cash outflow from financing	(39,793)	(74,187)
Increase/(decrease) in cash in the period	180,282	(717,878)

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	30 September 2004 £	31 January 2004 £
	Operating profit	1,377,510	1,994,262
	Depreciation of tangible assets	269,083	325,641
	Profit on disposal of tangible assets	(22,803)	(2,010)
	Decrease/(increase) in stocks	29,177	(2,661,061)
	(Increase)/decrease in debtors	(505,842)	383,400
	Increase in creditors within one year	130,128	266,823
	Net cash inflow from operating activities	1,277,253	307,055

2	Analysis of net debt	1 February 2004 £	Cash flow £	Other non-cash changes £	30 September 2004 £
	Net cash:				
	Cash at bank and in hand	149,909	800,527	-	950,436
	Bank overdrafts	(562,896)	(620,245)	-	(1,183,141)
		<u>(412,987)</u>	<u>180,282</u>	<u>-</u>	<u>(232,705)</u>
	Debt:				
	Finance leases	(104,407)	39,793	(102,327)	(166,941)
	Net debt	<u>(517,394)</u>	<u>220,075</u>	<u>(102,327)</u>	<u>(399,646)</u>

3	Reconciliation of net cash flow to movement in net debt	30 September 2004 £	31 January 2004 £
	Increase/(decrease) in cash in the period	180,282	(717,878)
	Cash outflow from decrease in debt and lease financing	39,793	74,187
	Change in net debt resulting from cash flows	220,075	(643,691)
	New finance lease	(102,327)	(110,150)
	Movement in net debt in the period	117,748	(753,841)
	Opening net (debt)/funds	(517,394)	236,447
	Closing net debt	<u>(399,646)</u>	<u>(517,394)</u>

4 Major non-cash transactions

During the period the company entered into hire purchase contracts in respect of assets with a total capital value at the inception of the contracts of £102,327 (31 January 2004 - £110,150).

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

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

1.4 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	25 years straight line
Plant and machinery	3 - 5 years straight line
Fixtures, fittings and equipment	3 - 5 years straight line
Motor vehicles	4 years straight line

1.5 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.

1.6 Investments

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

1.7 Stock

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

1.8 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 period in accordance with FRS 17.

1.9 Deferred taxation

Full provision is made for deferred tax arising from timing differences existing at the balance sheet date where there exists an obligation to pay more, or a right to pay less tax in the future. The rate applied to such timing differences is the average rate that is expected to apply in the periods when the timing differences are expected to reverse. Deferred tax balances are not discounted.

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

1 Accounting policies

1.10 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.

1.11 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	30 September 2004 £	31 January 2004 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	269,083	325,641
	Loss on foreign exchange transactions	12,897	159,830
	Operating lease rentals		
	- Plant and machinery	13,142	29,444
	- Other assets	44,000	64,585
	Auditors' remuneration	9,900	9,900
	and after crediting:		
	Profit on disposal of tangible assets	(22,803)	(2,010)
		<u> </u>	<u> </u>
3	Interest payable	30 September 2004 £	31 January 2004 £
	On bank loans and overdrafts	32,683	12,445
	Hire purchase interest	6,328	8,460
	Other interest	17,357	9,059
		<u> </u>	<u> </u>
		56,368	29,964

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

4	Taxation	30 September 2004 £	31 January 2004 £
	Domestic current year tax		
	U.K. corporation tax	401,000	610,000
	Adjustment for prior years	10,961	(524)
	Current tax charge	<u>411,961</u>	<u>609,476</u>
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	<u>1,321,223</u>	<u>1,968,020</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>396,367</u>	<u>590,406</u>
	Effects of:		
	Non deductible expenses	(2,822)	9,286
	Depreciation add back	80,725	97,692
	Capital allowances	(71,064)	(86,153)
	Adjustments to previous periods	10,961	(524)
	Other tax adjustments	(2,206)	(1,231)
		<u>15,594</u>	<u>19,070</u>
	Current tax charge	<u>411,961</u>	<u>609,476</u>

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

5 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 February 2004	187,339	607,302	489,686	348,364	1,632,691
Additions	279,328	185,914	78,034	85,316	628,592
Disposals	-	-	-	(125,707)	(125,707)
At 30 September 2004	466,667	793,216	567,720	307,973	2,135,576
Depreciation					
At 1 February 2004	22,381	328,752	355,770	183,450	890,353
On disposals	-	-	-	(107,510)	(107,510)
Charge for the period	10,558	111,649	88,498	58,378	269,083
At 30 September 2004	32,939	440,401	444,268	134,318	1,051,926
Net book value					
At 30 September 2004	433,728	352,815	123,452	173,655	1,083,650
At 31 January 2004	164,958	278,550	133,916	164,914	742,338

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

	Motor vehicles £
Net book values	
At 30 September 2004	120,327
At 31 January 2004	120,051
Depreciation charge for the period	
30 September 2004	37,068
31 January 2004	41,014

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

6 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 February 2004 & at 30 September 2004	100

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 period were as follows:

	Capital and reserves 2004 £	Profit for the period 2004 £
Wesco Logistics Limited	100	-

7 Stocks

	30 September 2004 £	31 January 2004 £
Finished goods and goods for resale	9,806,185	9,835,362

8 Debtors

	30 September 2004 £	31 January 2004 £
Trade debtors	2,901,064	2,508,783
Prepayments and accrued income	168,122	54,561
	3,069,186	2,563,344

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

9 Creditors: amounts falling due within one year	30 September 2004 £	31 January 2004 £
Bank loans and overdrafts	1,183,141	562,896
Net obligations under hire purchase contracts	73,399	46,595
Trade creditors	1,015,055	1,834,171
Amounts owed to subsidiary undertakings	100	100
Corporation tax	160,000	263,665
Other taxes and social security costs	290,476	247,226
Other creditors	2,933,802	2,222,468
Accruals and deferred income	378,302	183,642
	<u>6,034,275</u>	<u>5,360,763</u>

The bank borrowings are secured by a fixed and floating charge over all company assets. Interest is charged on such borrowings at 1.75% over bank base rate.

Hire purchase contracts are secured against the assets to which they relate.

Other creditors primarily represents amounts owed to a related party, as disclosed in the related party transactions note on page 16.

10 Creditors: amounts falling due after more than one year	30 September 2004 £	31 January 2004 £
Net obligations under hire purchase contracts	<u>93,542</u>	<u>57,812</u>
Hire purchase contracts are secured against the assets to which they relate.		
Net obligations under hire purchase contracts		
Repayable within one year	83,215	51,343
Repayable between one and five years	99,794	60,102
	<u>183,009</u>	<u>111,445</u>
Finance charges and interest allocated to future accounting periods	(16,068)	(7,038)
	<u>166,941</u>	<u>104,407</u>
Included in liabilities falling due within one year	<u>(73,399)</u>	<u>(46,595)</u>
	<u>93,542</u>	<u>57,812</u>

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, as follows:

	30 September 2004 £	31 January 2004 £
Contributions payable by the company for the period	21,309	42,999

12 Share capital

	30 September 2004 £	31 January 2004 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000

13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 February 2004	3,130,127	4,722,351
Retained profit for the period	-	909,262
Balance at 30 September 2004	3,130,127	5,631,613

14 Reconciliation of movements in shareholders' funds

	30 September 2004 £	31 January 2004 £
Profit for the financial period	909,262	1,358,544
Opening shareholders' funds	7,872,478	6,513,934
Closing shareholders' funds	8,781,740	7,872,478

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

15 Financial commitments

At 30 September 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	30 September	31 January
	2004	2004
	£	£
Expiry date:		
Within one year	66,000	66,000

The lease of the company's premises expired on 31 January 2005, however, as the premises are leased from a related party, the lease is expected to be renewed under the same terms.

16 Directors' emoluments

	30 September	31 January
	2004	2004
	£	£
Emoluments for qualifying services	6,250	20,408
Company pension contributions to money purchase schemes	312	827
Compensation for loss of office	-	44,000
	6,562	65,235

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004- 1).

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 SEPTEMBER 2004

17 Employees

Number of employees

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

	30 September 2004 Number	31 January 2004 Number
Administration	49	28
Sales	11	13
Warehouse	31	44
	<u>91</u>	<u>85</u>

Employment costs

	£	£
Wages and salaries	1,335,471	1,788,232
Social security costs	139,089	195,383
Other pension costs	21,309	42,999
	<u>1,495,869</u>	<u>2,026,614</u>

18 Ultimate parent company

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

19 Related party transactions

During the financial period the company entered into transactions with related parties as stated below:

Wesco Aircraft Hardware Corp. (WAHC)

WAHC, a company registered in the USA, is controlled by R Snyder, a director of Wesco Aircraft Europe Limited (WAE). During the period WAHC purchased £387,357 (31 January 2004 - £208,325) of aircraft parts from, and sold £3,577,316 (31 January 2004 - £4,282,080) of aircraft parts to WAE on an arms length basis. At the balance sheet date £2,922,177 (31 January 2004 - £2,219,228) was owed to WAHC and included within other creditors.

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. Rents payable to the Trust for the period amounted to £44,000 (31 January 2004 - £66,000). At the balance sheet date, £nil (31 January 2004 - £3,240) was owed to the Trust and included within other creditors.