

Company Registration No. 1857310 (England and Wales)

Wesco Aircraft Europe Limited

**Abbreviated Accounts
For The Year Ended 30 September 2005**



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COMPANIES HOUSE 13/04/2006

WESCO AIRCRAFT EUROPE LIMITED

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WESCO AIRCRAFT EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

The directors present their report and financial statements for the year ended 30 September 2005.

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 4.

The directors do not recommend payment of an ordinary dividend.

It is proposed that the retained profit of £1,891,234 is transferred to the reserves.

Directors and their interests

The following directors have held office since 1 October 2004:

R Snyder
G Hess
A Murray

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 donations

	30 September 2005	30 September 2004
	£	£

During the year the company made the following payments:

Charitable donations	1,717	720
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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 (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

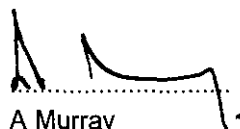
Directors' responsibilities

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 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

17th Mar 2006.

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 year ended 30 September 2005 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 audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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 audit 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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider 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.

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 have been properly prepared in accordance with that provision.



Garbutt & Elliott Limited

12 April 2006

Chartered Accountants
Registered Auditors

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

WESCO AIRCRAFT EUROPE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

		1 October 2004 to 30 September 2005	1 February 2004 to 30 September 2004
	Notes	£	£
Gross profit		7,163,999	3,925,880
Administrative expenses		(4,331,849)	(2,548,370)
Operating profit	2	2,832,150	1,377,510
Other interest receivable and similar income		11,862	81
Interest payable and similar charges	4	(92,778)	(56,368)
Profit on ordinary activities before taxation		2,751,234	1,321,223
Tax on profit on ordinary activities	5	(860,000)	(411,961)
Profit on ordinary activities after taxation	14	1,891,234	909,262

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.

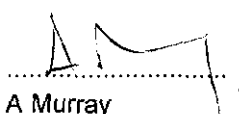
WESCO AIRCRAFT EUROPE LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2005

	Notes	2005		2004	
		£	£	£	£
Fixed assets					
Tangible assets	6	1,059,421		1,083,650	
Investments	7		100		100
			<u>1,059,521</u>		<u>1,083,750</u>
Current assets					
Stocks	8	14,061,217		9,806,185	
Debtors	9	6,057,622		3,069,186	
Cash at bank and in hand		657,690		950,436	
		<u>20,776,529</u>		<u>13,825,807</u>	
Creditors: amounts falling due within one year	10	(11,073,401)		(6,034,275)	
Net current assets			<u>9,703,128</u>		<u>7,791,532</u>
Total assets less current liabilities			<u>10,762,649</u>		<u>8,875,282</u>
Creditors: amounts falling due after more than one year	11		(89,675)		(93,542)
			<u>10,672,974</u>		<u>8,781,740</u>
Capital and reserves					
Called up share capital	13	20,000		20,000	
Share premium account	14	3,130,127		3,130,127	
Profit and loss account	14	7,522,847		5,631,613	
Shareholders' funds - equity interests	15		<u>10,672,974</u>		<u>8,781,740</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 31/03/06.


A Murray
Director

WESCO AIRCRAFT EUROPE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

	1 October 2004 to 30 September 2005 £	1 February 2004 to 30 September 2004 £
Net cash inflow from operating activities	1,345,888	1,277,253
Returns on investments and servicing of finance		
Interest received	11,862	81
Interest paid	(92,778)	(56,368)
Net cash outflow for returns on investments and servicing of finance	(80,916)	(56,287)
Taxation	(605,000)	(515,626)
Capital expenditure		
Payments to acquire tangible assets	(267,994)	(526,265)
Receipts from sales of tangible assets	24,894	41,000
Net cash outflow for capital expenditure	(243,100)	(485,265)
Net cash inflow before management of liquid resources and financing	416,872	220,075
Financing		
Capital element of hire purchase contracts	(89,564)	(39,793)
Net cash outflow from financing	(89,564)	(39,793)
Increase in cash in the year	327,308	180,282

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2005

1	Reconciliation of operating profit to net cash inflow from operating activities	2005	2004
		£	£
	Operating profit	2,832,150	1,377,510
	Depreciation of tangible assets	363,344	269,083
	Profit on disposal of tangible assets	(6,140)	(22,803)
	(Increase)/decrease in stocks	(4,255,032)	29,177
	Increase in debtors	(2,988,436)	(505,842)
	Increase in creditors within one year	5,400,002	130,128
	Net cash inflow from operating activities	1,345,888	1,277,253

2	Analysis of net debt	1 October 2004	Cash flow	Other non-cash changes	30 September 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	950,436	(292,746)	-	657,690
	Bank overdrafts	(1,183,141)	620,054	-	(563,087)
		(232,705)	327,308	-	94,603
	Debt:				
	Finance leases	(166,941)	89,564	(89,875)	(167,252)
	Net debt	(399,646)	416,872	(89,875)	(72,649)

3	Reconciliation of net cash flow to movement in net debt	2005	2004
		£	£
	Increase in cash in the year	327,308	180,282
	Cash outflow from decrease in debt and lease financing	89,564	39,793
	Change in net debt resulting from cash flows	416,872	220,075
	New finance lease	(89,875)	(102,327)
	Movement in net debt in the year	326,997	117,748
	Opening net debt	(399,646)	(517,394)
	Closing net debt	(72,649)	(399,646)

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 £89,875 (2004 - £102,327).

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

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, which have been applied consistently (except as otherwise stated).

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 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 year in accordance with FRS 17.

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

1 Accounting policies (continued)

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 right to pay less tax, with the following exceptions:

- Provision is made for tax on gains arising from revaluation of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only, where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax balances are not discounted and are calculated at the tax rates that are expected to apply in the period in which timing differences are expected to reverse.

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	2005 £	2004 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	363,344	269,083
	Loss on foreign exchange transactions	79,620	12,897
	Operating lease rentals	66,000	44,000
	Auditors' remuneration	9,900	9,900
	and after crediting:		
	Profit on disposal of tangible assets	(6,140)	(22,803)
3	Investment income	2005 £	2004 £
	Bank interest	11,862	81

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

4	Interest payable	2005 £	2004 £
	On bank loans and overdrafts	71,175	32,683
	Hire purchase interest	10,190	6,328
	Other interest	11,413	17,357
		<u>92,778</u>	<u>56,368</u>
5	Taxation	2005 £	2004 £
	Domestic current year tax		
	U.K. corporation tax	859,961	401,000
	Adjustment for prior years	39	10,961
	Current tax charge	<u>860,000</u>	<u>411,961</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>2,751,234</u>	<u>1,321,223</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	<u>825,370</u>	<u>396,367</u>
	Effects of:		
	Non deductible expenses	6,172	(2,822)
	Depreciation add back	109,003	80,725
	Capital allowances	(79,038)	(71,064)
	Adjustments to previous periods	39	10,961
	Other tax adjustments	(1,546)	(2,206)
		<u>34,630</u>	<u>15,594</u>
	Current tax charge	<u>860,000</u>	<u>411,961</u>

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

6 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2004	466,667	793,216	567,720	307,973	2,135,576
Additions	65,179	75,623	112,374	104,693	357,869
Disposals	-	-	-	(74,752)	(74,752)
At 30 September 2005	531,846	868,839	680,094	337,914	2,418,693
Depreciation					
At 1 October 2004	32,939	440,401	444,268	134,318	1,051,926
On disposals	-	-	-	(55,998)	(55,998)
Charge for the year	21,063	171,324	89,849	81,108	363,344
At 30 September 2005	54,002	611,725	534,117	159,428	1,359,272
Net book value					
At 30 September 2005	477,844	257,114	145,977	178,486	1,059,421
At 30 September 2004	433,728	352,815	123,452	173,655	1,083,650

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

	Motor vehicles £
Net book values	
At 30 September 2005	145,480
At 30 September 2004	120,327
Depreciation charge for the year	
At 30 September 2005	52,591
At 30 September 2004	37,068

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2004 & at 30 September 2005	100
Net book value	
At 30 September 2005	100
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 2005 £	Profit for the period 2005 £
Wesco Logistics Limited	100	-

8 Stocks

	2005 £	2004 £
Finished goods and goods for resale	14,061,217	9,806,185

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

9 Debtors	2005 £	2004 £
Trade debtors	5,918,261	2,901,064
Prepayments and accrued income	139,361	168,122
	<u>6,057,622</u>	<u>3,069,186</u>
10 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	563,087	1,183,141
Net obligations under hire purchase contracts	77,577	73,399
Trade creditors	2,968,091	1,015,055
Amounts owed to subsidiary undertakings	100	100
Corporation tax	415,000	160,000
Other taxes and social security costs	324,125	290,476
Other creditors	6,305,783	2,933,802
Accruals and deferred income	419,638	378,302
	<u>11,073,401</u>	<u>6,034,275</u>

The bank borrowings represent a bank overdraft which is secured by a fixed and floating charge over all company assets.

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.

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

11 Creditors: amounts falling due after more than one year	2005 £	2004 £
Net obligations under hire purchase contracts	89,675	93,542
Hire purchase contracts are secured against the assets to which they relate.		
Net obligations under hire purchase contracts		
Repayable within one year	87,706	83,215
Repayable between one and five years	94,984	99,794
	182,690	183,009
Finance charges and interest allocated to future accounting periods	(15,438)	(16,068)
	167,252	166,941
Included in liabilities falling due within one year	(77,577)	(73,399)
	89,675	93,542

12 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:

	2005 £	2004 £
Contributions payable by the company for the year	53,500	21,309

13 Share capital	2005 £	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

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 October 2004	3,130,127	5,631,613
Retained profit for the year	-	1,891,234
Balance at 30 September 2005	<u>3,130,127</u>	<u>7,522,847</u>

15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	1,891,234	909,262
Opening shareholders' funds	<u>8,781,740</u>	<u>7,872,478</u>
Closing shareholders' funds	<u>10,672,974</u>	<u>8,781,740</u>

16 Financial commitments

At 30 September 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2006:

	Land and buildings 2005 £	2004 £
Operating leases which expire:		
Within one year	<u>-</u>	<u>66,000</u>

Subsequent to the year end the company renewed the lease of its land and buildings at £90,000 per annum.

17 Directors' emoluments

	2005 £	2004 £
Emoluments for qualifying services	103,218	6,250
Company pension contributions to money purchase schemes	<u>3,750</u>	<u>312</u>
	<u>106,968</u>	<u>6,562</u>

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 (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2005

18 Employees

Number of employees

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

	2005 Number	2004 Number
Administration	54	49
Sales	15	11
Warehouse	32	31
	<u>101</u>	<u>91</u>

Employment costs

	2005 £	2004 £
Wages and salaries	2,284,685	1,335,471
Social security costs	260,888	139,089
Other pension costs	53,500	21,309
	<u>2,599,073</u>	<u>1,495,869</u>

19 Ultimate parent company

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

20 Related party transactions

During the financial year 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 year WAHC purchased £686,530 (2004 - £387,357) of aircraft parts from, and sold £10,963,258 (2004 - £3,577,316) of aircraft parts to WAE on an arms length basis. At the balance sheet date £6,302,153 (2004 - £2,922,177) was owed to WAHC and included within other creditors, of which £1,317,830 (2004 - £1,317,830) is an interest-free loan.

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 year amounted to £66,000 (2004 - £44,000).