Company Registration No. 1857310 (England and Wales)

Wesco Aircraft Europe Limited

Abbreviated Accounts
For The Year Ended 30 September 2006

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WESCO AIRCRAFT EUROPE LIMITED

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WESCO AIRCRAFT EUROPE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

The directors present their report and financial statements for the year ended 30 September 2006.

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.

Principal risks and uncertainties affecting the Company are twofold.

General developments within and outside of the aviation industry can affect the Company's operations. Orders for new aircraft can be affected by projected air traffic growth and military requirements, as well as the OEM's ability to manage their build rates. Overall, orders from airlines and military/defence agencies tend to be somewhat cyclical.

Manufacturing capacity of the Company's vendor base is directly affected by the same developments that affect the Company's customers. As such, whenever the aviation industry enters an up cycle, the ability of the Company's vendor base to produce products on a timely basis in amounts required to support the Company's projected turnover may be impaired from time to time.

The Company has and will continue to employ certain strategies to limit negative affects of these risks and uncertainties. These strategies include closely monitoring the Company's investment in product and pricing product accordingly, regular assessments of customers' current and planned product requirements and continuous involvement in vendors' production scheduling and backlogs.

The directors believe that the position of the Company is excellent and well poised for anticipated growth in the coming year.

Results and dividends
The results for the year are set out on page 4.

The directors did not pay any dividends during the year and have not recommended payment of a dividend.

It is proposed that the retained profit of £2,532,486 is transferred to the reserves.

Future developments
The Company is financially strong and has the infrastructure to continue its sustained growth pattern. In future years, the directors anticipate that the Company will continue to secure future business through its aggressive, yet financially conservative, strategy of pursuing long-term arrangements with large OEM's.

Directors and their interests
The following directors have held office since 1 October 2005:

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.

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Charitable donations	2006	2005
	£	£
During the year the company made the following payments:		
Charitable donations	3,534	1,717

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
The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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.

Statement of disclosure to auditor
(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A Murray
Director
8/2/07

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 18, together with the financial statements of Wesco Aircraft Europe Limited for the year ended 30 September 2006 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

19 February 2007

Chartered Accountants
Registered Auditor

Arabesque House
Monks Cross Drive
Huntington
York
YO32 9GW

WESCO AIRCRAFT EUROPE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Notes	2006 £	2005 £
Gross profit		11,382,364	7,608,362
Administrative expenses		(8,806,093)	(4,776,212)
Operating profit	2	2,576,271	2,832,150
Loan waived	20	1,223,626	-
Profit on ordinary activities before interest		3,799,897	2,832,150
Other interest receivable and similar *income*	3	59,740	11,862
Interest payable and similar charges	4	(211,335)	(92,778)
Profit on ordinary activities before taxation		3,648,302	2,751,234
Tax on profit on ordinary activities	5	(1,115,816)	(860,000)
Profit on ordinary activities after taxation	14	2,532,486	1,891,234

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 2006

	Notes	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Tangible assets	6		1,108,141		1,059,421
Investments	7		100		100
			1,108,241		1,059,521
Current assets					
Stocks	8	15,877,045		14,061,217	
Debtors	9	8,045,192		6,057,622	
Cash at bank and in hand		925,236		657,690	
		24,847,473		20,776,529	
Creditors: amounts falling due within one year	10	(12,673,171)		(11,073,401)	
Net current assets			12,174,302		9,703,128
Total assets less current liabilities			13,282,543		10,762,649
Creditors: amounts falling due after more than one year	11		(77,083)		(89,675)
			13,205,460		10,672,974
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		10,055,333		7,522,847
Shareholders' funds	15		13,205,460		10,672,974

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.

Approved by the Board and authorised for issue on 8/2/07

A Murray
Director

WESCO AIRCRAFT EUROPE LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

	2006		2005	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		458,725		1,345,888
Returns on investments and servicing of finance				
Interest received	59,740		11,862	
Interest paid	(211,335)		(92,778)	
Net cash outflow for returns on investments and servicing of finance		(151,595)		(80,916)
Taxation		(1,467,097)		(605,000)
Capital expenditure				
Payments to acquire tangible assets	(362,727)		(267,994)	
Receipts from sales of tangible assets	51,158		24,894	
Net cash outflow for capital expenditure		(311,569)		(243,100)
Net cash (outflow)/inflow before management *of liquid resources and financing*		(1,471,536)		416,872
Financing				
Capital element of hire purchase contracts	(82,633)		(89,564)	
Net cash outflow from financing		(82,633)		(89,564)
(Decrease)/increase in cash in the year		(1,554,169)		327,308

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Reconciliation of operating profit to net cash inflow from operating activities

	2006	2005
	£	£
Operating profit	2,576,271	2,832,150
Depreciation of tangible assets	372,103	363,344
Profit on disposal of tangible assets	(38,080)	(6,140)
Increase in stocks	(1,815,828)	(4,255,032)
Increase in debtors	(1,987,570)	(2,988,436)
Increase in creditors within one year	1,351,829	5,400,002
Net cash inflow from operating activities	458,725	1,345,888

2 Analysis of net debt

	1 October 2005	Cash flow	Other non-cash changes	30 September 2006
	£	£	£	£
Net cash:				
Cash at bank and in hand	657,690	267,546	-	925,236
Bank overdrafts	(563,087)	(1,821,715)	-	(2,384,802)
	94,603	(1,554,169)	-	(1,459,566)
Debt:				
Finance leases	(167,252)	82,633	(71,174)	(155,793)
Net debt	(72,649)	(1,471,536)	(71,174)	(1,615,359)

3 Reconciliation of net cash flow to movement in net debt

	2006	2005
	£	£
(Decrease)/increase in cash in the year	(1,554,169)	327,308
Cash outflow from decrease in debt and lease financing	82,633	89,564
Change in net debt resulting from cash flows	(1,471,536)	416,872
New finance lease	(71,174)	(89,875)
Movement in net debt in the year	(1,542,710)	326,997
Opening net debt	(72,649)	(399,646)
Closing net debt	(1,615,359)	(72,649)

NOTES TO THE CASH FLOW STATEMENT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

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 £71,124 (2005 - £89,875).The company also had a loan owed to a related party waived in the year. The amount waived was £1,223,626 (2005 - £nil), as disclosed in note 20.

WESCO AIRCRAFT EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated). The directors have revised the presentation of certain of its costs in the previous year, recategorising them as "Administrative expenses" rather than "Cost of sales". This has had the effect of reducing cost of sales by £484,913 and increasing administrative expenses and gross profit similarly. The directors made the adjustment as they believe this fairly represents the substance of the transactions.

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 year in accordance with FRS 17.

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 difference 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

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	372,103	363,344
Loss on foreign exchange transactions	707,773	79,620
Operating lease rentals	109,275	66,000
Auditors' remuneration	11,000	9,900
and after crediting:		
Profit on disposal of tangible assets	(38,080)	(6,140)

3 Investment income

	2006	2005
	£	£
Bank interest	59,740	11,862

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

4 Interest payable	2006 £	2005 £
On bank loans and overdrafts	191,240	71,175
Hire purchase interest	11,920	10,190
On overdue tax	-	4,222
Other interest	8,175	7,191
	211,335	92,778

5 Taxation	2006 £	2005 £
Domestic current year tax		
U.K. corporation tax	1,115,740	859,961
Adjustment for prior years	76	39
Current tax charge	1,115,816	860,000
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	3,648,302	2,751,234
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	1,094,491	825,370
Effects of:		
Non deductible expenses	(10,225)	6,172
Depreciation add back	111,631	109,003
Capital allowances	(81,997)	(79,038)
Adjustments to previous periods	76	39
Other tax adjustments	1,840	(1,546)
	21,325	34,630
Current tax charge	1,115,816	860,000

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

6 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2005	531,846	868,839	680,094	337,914	2,418,693
Additions	33,105	226,511	67,098	107,187	433,901
Disposals	-	-	-	(101,024)	(101,024)
At 30 September 2006	564,951	1,095,350	747,192	344,077	2,751,570
Depreciation					
At 1 October 2005	54,002	611,725	534,117	159,428	1,359,272
On disposals	-	-	-	(87,946)	(87,946)
Charge for the year	27,522	171,860	91,939	80,782	372,103
At 30 September 2006	81,524	783,585	626,056	152,264	1,643,429
Net book value					
At 30 September 2006	483,427	311,765	121,136	191,813	1,108,141
At 30 September 2005	477,844	257,114	145,977	178,486	1,059,421

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

	Motor vehicles
	£
Net book values	
At 30 September 2006	155,260
At 30 September 2005	145,480
Depreciation charge for the year	
At 30 September 2006	52,364
At 30 September 2005	52,591

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2005 & at 30 September 2006	100
Net book value	
At 30 September 2006	100
At 30 September 2005	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	Shares held Class	%
Subsidiary undertakings			
Wesco Logistics Limited (Dormant)	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 2006 £	*Profit for the period* 2006 £
Wesco Logistics Limited (Dormant)	100	-

8 Stocks

	2006 £	2005 £
Finished goods and goods for resale	15,877,045	14,061,217

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

9 Debtors	2006 £	2005 £
Trade debtors	7,863,436	5,918,261
Prepayments and accrued income	181,756	139,361
	8,045,192	6,057,622

10 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	2,384,802	563,087
Net obligations under hire purchase contracts	78,710	77,577
Trade creditors	2,861,505	2,968,091
Amounts owed to subsidiary undertakings	100	100
Corporation tax	63,719	415,000
Other taxes and social security costs	369,820	324,125
Other creditors	5,731,148	6,305,783
Accruals and deferred income	1,183,367	419,638
	12,673,171	11,073,401

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 represents amounts owed to a related party, as disclosed in the related party transactions note.

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

11 Creditors: amounts falling due after more than one year	2006 £	2005 £
Net obligations under hire purchase contracts	77,083	89,675

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

Net obligations under hire purchase contracts		
Repayable within one year	87,084	87,706
Repayable between one and five years	80,277	94,984
	167,361	182,690
Finance charges and interest allocated to future accounting periods	(11,568)	(15,438)
	155,793	167,252
Included in liabilities falling due within one year	(78,710)	(77,577)
	77,083	89,675

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:

	2006 £	2005 £
Contributions payable by the company for the year	86,161	53,500

13 Share capital	2006 £	2005 £
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

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 October 2005	3,130,127	7,522,847
Retained profit for the year	-	2,532,486
Balance at 30 September 2006	3,130,127	10,055,333

15 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	2,532,486	1,891,234
Opening shareholders' funds	10,672,974	8,781,740
Closing shareholders' funds	13,205,460	10,672,974

16 Financial commitments

At 30 September 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2007:

	Land and buildings 2006 £	Land and buildings 2005 £
Operating leases which expire:		
In over five years	120,000	-

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006

17 Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	618,541	103,218
Company pension contributions to money purchase schemes	4,666	3,750
	623,207	106,968

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2005 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	618,541	103,218
Company pension contributions to money purchase schemes	4,666	3,750

18 Employees

Number of employees

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

	2006 Number	2005 Number
Administration	71	54
Sales	20	15
Warehouse	45	32
	136	101

Employment costs	2006 £	2005 £
Wages and salaries	3,819,896	2,284,685
Social security costs	433,243	260,888
Other pension costs	86,161	53,500
	4,339,300	2,599,073

19 Control

The immediate parent company is Flintbrook Limited, a company incorporated in the UK. The ultimate parent company is Carlyle Partners IV LP, incorporated in the USA.

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 under common control together with Wesco Aircraft Europe Limited (WAE). During the year WAHC purchased £988,028 (2005 - £686,530) of aircraft parts from, and sold £12,548,600 (2005 - £10,963,258) of aircraft parts to WAE on an arms length basis. At the balance sheet date £5,731,148 (2005 - £6,302,153) was owed to WAHC and included within other creditors, of which £nil (2005 - £1,317,830) is an interest-free loan. During the year, the interest-free loan amounting to £1,223,626 (2005 - £nil) was waived by WAHC and is shown as exceptional income in this company's accounts.

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 £84,000 (2005 - £66,000).