

Company registration number 01857310

Wesco Aircraft Europe Limited
Annual Report and financial statements
for the year ended 30 September 2011

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Wesco Aircraft Europe Limited

Company information

Directors	R Snyder G Hess A Murray J Dobrucki
Company secretary	G Hess
Company number	01857310
Registered office	Park Mill Way Clayton West Huddersfield West Yorkshire HD8 9XJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Benson House 33 Wellington Street Leeds LS1 4JP
Bankers	Lloyds Bank plc 6/7 Park Row Leeds LS1 1NX

Wesco Aircraft Europe Limited

Annual Report and financial statements

for the year ended 30 September 2011

Contents	Page
Directors' report	1
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Wesco Aircraft Europe Limited

Directors' report for the year ended 30 September 2011

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2011

Principal activities and review of business

Wesco Aircraft Europe Limited continued to be primarily involved in the supply of fasteners to the aircraft industry. The directors considered the results for the year adequate and they are optimistic about future prospects. Principal risks and uncertainties affecting the company are twofold:

1. 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 original equipment manufacturer ("OEM")'s ability to manage their build rates. Through 2010/11 build rates grew in line with longer term expectations following the economic slowdown of the previous year. Contracted orders from airlines and military/defence agencies grew as did non-contracted demand, reflecting a more aggressive approach to capturing these sales.
2. Manufacturing capacity of the company's vendor base is also affected by the same developments that affect the company's customers. In 2009/10 demand levels became more aligned with supply, which remained true for most of 2010/11.

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

The main performance indicators used to measure business performance reflected this general economic uncertainty. As expected the company resumed its growth in 2010/11. Turnover for 2010/11 was £70.0 million, an all-time high, and reflected growth of 22% versus 2009/10. Gross profit reduced to 29% (2010: 32%), reflecting the further growth in contracted sales and a competitive ad-hoc sales market. The growth in turnover was facilitated by an 11% increase in sales headcount but numbers in the warehouse were held static. Costs increased due to the growth in the sales function and higher turnover lead to additional overtime and temporary labour costs in the warehouse. These factors contributed to an increase in administrative costs of 13% year on year.

Employees

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of the company as a whole. Communication with all employees continues through the intranet, team briefings and the business update.

Financial instruments

The company's operations expose it to a variety of financial risks that include the effects of changes in interest rates, liquidity risk, credit risk and foreign exchange risk. The company seeks to limit the effects of such risks through the continuing support of its ultimate parent company. Cash forecasts are established in order to analyse more quickly these financial risks. The business has agreed to rollover funding from its parent in the form of a loan note of £7.6m into 2011/12.

Liquidity risk

The company manages liquidity risk by ensuring sufficient facilities are available for at least the next 12 months and enjoys the support of shareholders.

Wesco Aircraft Europe Limited

Directors' report for the year ended 30 September 2011 (continued)

Financial instruments (continued)

Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Interest rate risk

Interest rate risk arises as a consequence of borrowings from banks, the borrowings from which are at variable rates of interest. The company does not use derivative financial instruments to manage interest rate costs and as such no hedge accounting is applied.

Foreign currency risk

The company is exposed to movements in foreign exchange rates as a result of making sales and purchases in foreign currencies. The risk is mitigated as most purchases and sales are denominated in US dollars and therefore a natural hedge exists. The company has also mitigated risk by maintaining foreign currency bank accounts and hedged against foreign exchange movements beyond pre-determined foreign exchange rates.

Credit risk

The company has implemented policies that require appropriate credit checks on customers before sales are made and the amount of exposure to any individual customer is subject to a limit, which is assessed regularly by management. However, to date, the nature of the principal customers has meant that the company is not exposed to significant credit risk and foresees no default of third parties which could have a significant impact on the financial statements.

Commodity price risk

The company is exposed to commodity price risk as a result of its operations. The company manages the risk through supply agreements which provide against such commodity price risk.

Results and dividends

The results for the year are set out on page 6. The directors do not recommend payment of an ordinary dividend (2010: £nil). It is proposed that the retained profit of £4,586,000 (2010: £4,013,000) be taken reserves.

Future developments

The company is financially strong and has the infrastructure to continue its sustained growth pattern with the medium to long term outlook for the aircraft industry remaining strong. 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 OEMs.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements are as set out on the "Company Information" page.

Charitable donations

During the year the company made £3,055 (2010: £4,183) in charitable donations.

Wesco Aircraft Europe Limited

Directors' report for the year ended 30 September 2011 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are the auditors to the company and in accordance with section 487(2) of the Companies Act 2006, they are deemed to be re-appointed for each succeeding financial year.

On behalf of the board

J A Dobrucki



Director
29 May 2012

Wesco Aircraft Europe Limited

Independent auditors' report to the members of Wesco Aircraft Europe Limited

We have audited the financial statements of Wesco Aircraft Europe Limited for the year ended 30 September 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Wesco Aircraft Europe Limited

Independent auditors' report to the members of Wesco Aircraft Europe Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Caseldine (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

33 Wellington Street

Leeds

LS1 4JP

29 May 2012

Wesco Aircraft Europe Limited

Profit and loss account for the year ended 30 September 2011

	Note	2011 £'000	2010 £'000
Turnover	2	70,022	57,350
Cost of sales		(49,990)	(39,236)
Gross profit		20,032	18,114
Administrative expenses		(13,692)	(11,999)
Operating profit	3	6,340	6,115
Other interest receivable and similar income	8	-	4
Interest payable and similar charges	9	(462)	(490)
Profit on ordinary activities before taxation		5,878	5,629
Tax on profit on ordinary activities	10	(1,292)	(1,616)
Profit for the financial year	19	4,586	4,013

All items dealt with in arriving at operating profit above relate to continuing operations

The company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents

Wesco Aircraft Europe Limited

Balance sheet as at 30 September 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	11	885	968
Current assets			
Stocks	13	40,375	30,606
Debtors	14	16,380	10,852
Cash at bank and in hand		4,826	11,561
		61,581	53,019
Creditors: amounts falling due within one year	15	(24,878)	(21,076)
Net current assets		36,703	31,943
Total assets less current liabilities		37,588	32,911
Capital and reserves			
Called up share capital	18	20	20
Share premium account	19	3,130	3,130
Profit and loss account	19	34,438	29,761
Total shareholders' funds	20	37,588	32,911

The financial statements on pages 8 to 22 were approved by the board of directors on 29 May 2012 and were signed on its behalf by

Jan Dobrucki
Director



Company registration number 01857310

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011

1 Accounting policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The cash flows of the company are consolidated into Wesco Aircraft Holdings Inc, its ultimate parent undertaking, a company that prepares publicly available consolidated accounts. Consequently, in accordance with FRS 1 (revised 1996), no cash flow statement has been included within these accounts.

Turnover

Turnover represents amounts receivable for goods and services net of value added tax and trade discounts. Wesco recognises revenue when it has transferred all rights and obligations to customers with no outstanding liabilities remaining. This is done by reference to contracted Incoterms that are quoted on shipping documentation and recorded in Wesco's systems.

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	Over the life of the lease
Plant and machinery	3-5 years straight line
Fixtures, fittings and equipment	3-5 years straight line
Motor vehicles	4 years straight line

Leases and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Stock

Stock is valued at the lower of average weighted cost and net realisable value. Wesco values stock using moving average weighted cost calculated by dividing the total cost of goods available for sale by the total number available for sale.

Provision against obsolescence is calculated by analysing how stock is consumed and extrapolating a curve to forecast usage of older inventory. From this expected sell through, Wesco has determined an appropriate annual percentage stock write down from the date goods were brought into the group.

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

1 Accounting policies (continued)

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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, 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 the 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 periods in which the timing differences are expected to reverse.

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 the profit and loss account.

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

2 Turnover

Turnover relates wholly to the company's principal activity. A geographical analysis of turnover is set out below.

	2011	2010
	£'000	£'000
United Kingdom	26,840	22,819
Europe	39,053	31,071
North America	2,681	2,520
Rest of the World	1,448	940
	70,022	57,350

3 Operating profit

	2011	2010
	£'000	£'000
Operating profit is stated after charging/(crediting)		
Depreciation of tangible fixed assets	283	286
(Gain)/loss on foreign exchange transaction	(233)	358
Operating lease rentals		
- plant and machinery	98	93
- other assets	161	165
Fees payable to the company's auditors for the audit of the company's annual accounts	31	30
Loss/(profit) on disposal of fixed assets	9	(3)

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

4 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was

By activity	2011 Number	2010 Number
Administration	77	79
Sales	51	46
Warehouse	37	37
	165	162

5 Employee costs

	2011 £'000	2010 £'000
Wages and salaries	4,716	4,395
Social security costs	538	433
Other pensions costs	280	147
Cost of employee share scheme (note 7)	91	-
	5,625	4,975

6 Directors' emoluments

	2011 £'000	2010 £'000
Aggregate emoluments for qualifying services	305	190
Company pension contributions to money purchase schemes	16	17
	321	207

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2010 2)

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

6 Directors' emoluments (continued)

Highest paid director	2011 £'000	2010 £'000
Emoluments for qualifying services	209	110
Company pension contributions to money purchase schemes	9	8
	218	118

7 Share-based payments

The ultimate parent company operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

Share Options

Share Options have been granted in Wesco Aircraft Holdings Inc, the ultimate parent company of Wesco Aircraft Europe Limited, since 2006. The parent company's remuneration committee can grant options over shares in the parent company to employees of the group. Prior to the listing of the parent company on the New York Stock exchange, options were granted with an exercise price equal to the estimated market price of the shares under option at the date of grant. After floatation shares were granted in line with market price. The contractual life of an option is 10 years. Awards under the share option plan are generally reserved for employees at senior management level and above, 15 employees are currently eligible to participate in this group. The company has had ad-hoc grants of options on each year since January 2009. Options granted vest annually over a period of between 3 and 5 years. Exercise of an option is subject to continued employment. Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations. The fair value per option granted and the assumptions used in the calculation are as follows:

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

7 Share-based payments (continued)

	Options Granted			
	17 May 2007	31 August 2008	30 June 2008	2 August 2011
Share price at grant date	n/a	n/a	n/a	\$15 00
Exercise price (USD)	\$4 12	\$5 16	\$5 16	\$15 00
Number of employees	5	1	1	12
Shares under option	629,514	29,511	22,500	53,100
Vesting period (years)	4 4	4 8	4 8	3 2
Expected volatility	48 3%	51 5%	50 8%	46%
Option life (years)	10	10	10	10
Expected life (years)	6 2	6 5	6 5	6 0
Risk-free interest rate	4 58%	2 76%	3 51%	2 23%
Expected dividends as a dividend yield	-	-	-	-
Fair value per option (USD)	\$2 19	\$2 49	\$2 50	\$6 91

The expected volatility is based on historical volatility over the last three years. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on U.S. Treasury securities of a term consistent with the assumed option life.

A reconciliation of option movements over the past two years is shown below.

	2011		2010	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 October	681,525	\$4 20	681,525	\$4 20
Granted	53,100	\$15 00	-	-
Exercised	(45,106)	\$4 25	-	-
Outstanding at 30 September	689,519	\$5 03	681,525	\$4 20
Exercisable at 30 September	671,123	\$4 18	534,818	\$4 18

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

7 Share-based payments (continued)

The weighted average fair value of options granted in the year was £235,000 (2010 nil)

Range Of Exercise Prices	Weighted Ave Exercise Price	2011			2010		
		No Shares	Weighted Ave Remaining Life		No Shares	Weighted Ave Remaining Life	
			Expected	Contractual		Expected	Contractual
\$0.00-\$5.00	\$4.12	629,514	-	2.4	\$4.12	629,514	3.4
\$5.01-\$10.00	\$5.16	52,011	-	3.5	\$5.16	52,011	4.5
\$10.01-\$15.00	\$15.00	53,100	1.8	5.8	-	-	-

The weighted average share price during the period for options exercised over the year was \$15.00 (2010 \$0.00). The total charge for the year relating to employee share-based payment plans was £75,000 (2010 nil), all of which related to equity-settled share-based payment transactions. After deferred tax, the total charge was £56,000 (2010 nil).

No charge was included within the prior year financial statements of Wesco Aircraft Europe Limited. The total charge incurred by the ultimate parent company in the prior year in relation to employee share-based payment plans was £114,000, and after deferred tax this charge was £84,000. No adjustment has been made to the prior year reported results on the grounds of materiality.

Restricted stock units

The fair value of restricted stock units is the market price at grant date and is amortised over the respective vesting periods. The Stock Options charge to the profit and loss account for the year is £16,000 (2010 £nil). After deferred tax, the total charge was £12,000 (2010 nil).

The following table summarises restricted stock award activity during the year

	2011		2010	
	Restricted Stock Awards	Weighted Average Fair Value	Restricted Stock Awards	Weighted Average Fair Value
Outstanding at 1 October	-	-	-	-
Granted during year	19,575	\$293,625	-	-
Vested during year	(1,726)	\$25,465	-	-
Non vested at 30 September	17,849	\$268,160	-	-

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

8 Other interest receivable and similar income

	2011 £'000	2010 £'000
Other interest	-	4

9 Interest payable and similar charges

	2011 £'000	2010 £'000
On bank loans and overdrafts	30	55
Other interest	432	435
	462	490

10 Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Current tax		
UK corporation tax on profits of the year	1,565	1,580
Adjustments in respect of previous years	2	2
Total current tax	1,567	1,582
Deferred tax		
Origination and reversal of timing differences	(298)	-
Adjustments in respect of previous years	23	34
Total deferred tax (note 15)	(275)	34
Tax on profit on ordinary activities	1,292	1,616

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

10 Tax on profit on ordinary activities (continued)

The tax assessed for the year is lower (2010 higher) than the standard effective rate of corporation tax in the UK for the year ended 30 September 2011 of 27% (2010 28%). The differences are explained below

Factors affecting tax charge for the year

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	5,878	5,625
Profit on ordinary activities multiplied by standard rate in the UK 27% (2010 28%)	1,587	1,575
Effects of		
Expenses not deductible for tax purposes	44	40
Capital allowances in excess of depreciation	(20)	(28)
Other short term timing differences	(46)	(7)
Adjustments in respect of prior years	2	2
Current tax charge	1,567	1,582

Factors affecting current and future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 budget statement to reduce the main rate of corporation tax from 26 per cent to a proposed rate of 22 per cent by 1 April 2014. Legislation reducing the main rate of corporation tax from 26 per cent to 24 per cent from 1 April 2012 was enacted by 26 March 2012. Legislation reducing the main rate of corporation tax to 23% from 1 April 2013 is expected to be included in the Finance Bill 2012, with a future Finance Bill reducing the tax rate to 22% from 1 April 2014. It is expected that the impact of these changes will not be material to the company.

During the year, as a result of the changes in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 and will be effective from 1 April 2011, and to 25% that was substantively enacted on 5 July 2011 and that be effective from 1 April 2012, the relevant deferred tax balances have been re-measured.

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

11 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2010	1,171	1,216	456	99	2,942
Additions	6	109	86	-	201
Disposals	-	-	(81)	(51)	(132)
At 30 September 2011	1,177	1,325	461	48	3,011
Accumulated depreciation					
At 1 October 2010	431	1,071	378	94	1,974
Charge for the year	118	108	53	4	283
Disposals	-	-	(81)	(50)	(131)
At 30 September 2011	549	1,179	350	48	2,126
Net book value					
At 30 September 2011	628	146	111	-	885
At 30 September 2010	740	145	78	5	968

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

12 Fixed asset investments

Holdings of more than 20%

At the start of the year the company held more than 20% of the share capital of Wesco Logistics Limited, a dormant company. Effective from 2nd August 2011 Wesco Logistics Limited was struck from the UK Companies' Register.

13 Stocks

	2011 £'000	2010 £'000
Finished goods and goods for resale	40,375	30,606

The valuation of goods by the average weighted cost method is not materially different from replacement cost.

14 Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year:		
Trade debtors	13,987	9,639
Amounts owed by parent and fellow subsidiary undertakings	330	314
Other debtors	-	4
Overseas value added tax recoverable	1,305	353
Prepayments and accrued income	362	421
Deferred tax asset (note 16)	396	121
	16,380	10,852

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

15 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Bank loans and overdrafts	-	2,867
Trade creditors	7,285	5,211
Amounts owed to parent and fellow subsidiary undertakings	7,215	3,256
Loan note to fellow subsidiary undertaking	7,578	7,576
Corporation tax	656	560
Other taxes and social security costs	436	587
Accruals and deferred income	1,708	1017
	24,878	21,076

The bank overdraft is secured by a fixed and floating charge over all company assets

Amounts due to parent and fellow subsidiary undertakings are unsecured and repayable on demand. In 2011 the loan note was charged at a fixed interest rate of 5.69% resulting in an interest charge of £432,000.

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

16 Deferred tax

	2011	2010
	£'000	£'000
Deferred tax comprises		
Decelerated capital allowances	(89)	(121)
Short Term Timing Differences	(307)	-
	(396)	(121)
Balance at 1 October	(121)	(155)
Profit and loss account (note 10)	(275)	34
Deferred tax asset at 30 September	(396)	(121)

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

17 Pension commitments

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, of which £32,000 (2010 £1,000) was accrued and included within creditors.

	2011 £'000	2010 £'000
Contributions payable by the company for the year	280	147

18 Called up share capital

	2011 £'000	2010 £'000
Authorised		
100,000 ordinary shares of £1 each	100	100
Allotted and fully paid		
20,000 ordinary shares of £1 each	20	20

19 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 October 2010	3,130	29,761
Adjustment in respect of employee share schemes	-	91
Profit for the financial year	-	4,586
At 30 September 2011	3,130	34,438

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

20 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	4,586	4,013
Adjustment in respect of employee share schemes	91	-
Opening shareholders' funds	32,911	28,898
Closing shareholders' funds	37,588	32,911

21 Financial commitments

At 30 September 2011 the company was committed to making the following annual payments under non-cancellable operating leases

	Land and buildings 2011 £'000	Other 2011 £'000	Land and buildings 2010 £'000	Other 2010 £'000
Operating leases which expire				
Within one year	-	11	-	4
Between two to five years	59	85	59	72
In over five years	102	-	102	-
	161	96	161	76

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2011 (continued)

22 Related party transactions

The company has taken advantage of the exemption under paragraph 3 of FRS 8 from disclosure of transactions with group undertakings

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

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. Rent payable to the Trust for the year amounted to £102,000 (2010 £102,000). At the balance sheet date £5,000 was outstanding at the balance sheet date (2010 £nil).

23 Ultimate parent undertaking and ultimate controlling party

The immediate parent undertaking is Flintbrook Limited. The ultimate parent undertaking and controlling party is Wesco Aircraft Holdings, Inc., a company incorporated in the United States of America.

Wesco Aircraft Holdings Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2011. The consolidated financial statements of Wesco Aircraft Holdings, Inc are available from Wesco Aircraft Hardware, Global Headquarters, 27727 Avenue Scott, Valencia, CA 91355, USA.