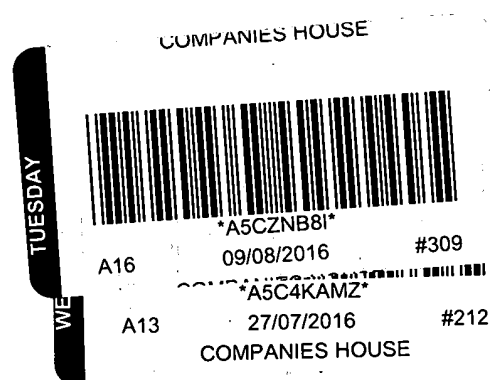


Company registration number: 01857310

Wesco Aircraft Europe Limited
Annual report and financial statements
for the year ended 30 September 2015



Wesco Aircraft Europe Limited

Company information

Directors

J Dobrucki
A Phennah (appointed 14 January 2016)
J Holland (appointed 14 January 2015)
A Murray (appointed 14 January 2015)
G Hann (resigned 14 January 2015)
R Snyder (resigned 14 January 2015)
G Capell (resigned 2 October 2015)

Company secretary

J Holland

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 2015

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Wesco Aircraft Europe Limited

Strategic report for the year ended 30 September 2015

The directors present their strategic report on the company for the year ended 30 September 2015.

The business of Wesco Aircraft Europe Limited continued to be primarily the supply of fasteners to the aircraft industry. The directors consider the results for the year satisfactory and are confident about future prospects. Principal risks and uncertainties affecting the company are threefold:

1. Commercial Aerospace Market

Over the past three years, major airlines have ordered new aircraft at a robust pace, aided by strong profits and increasing passenger volumes. At the same time, volatile fuel prices have led to greater demand for fuel-efficient models and new engine options for existing aircraft designs. As a result, large commercial OEMs have reported increased deliveries and unprecedented backlog levels. The rise of emerging markets has added to this growth at a stronger pace than seen historically. Business aviation has lagged the larger commercial market, reflecting a deeper downturn in the recession. Production levels remain well below their pre-recession peak, though this has been offset somewhat by stronger demand for large, more expensive aircraft.

2. Military Aerospace Market

Military build-rates have declined recently (and may continue to decline going forward), negatively impacting this portion of our business. We believe the diversity of the military aircraft programs we support can help mitigate the impact of program delays, changes or cancellations. Increased sales to other active programs that directly benefit from such changes also help moderate build-rate declines. In addition, we believe the services we provide the Joint Strike Fighter program will benefit our future business as production increases.

3. Aftermarket

Demand benefits from many of the same trends as those in OEM channels, but is also impacted by requirements to maintain aging aircraft and the cost of fuel, which can lead to greater utilization of existing planes. Demand in the military aftermarket is further driven by changes in overall fleet size and the level of U.S. military activity overseas.

The company employs strategies to limit these risks. This includes monitoring the company's investment in products and pricing accordingly, regular assessments of customers' current and planned requirements and continuous involvement in vendors' production scheduling and backlog management.

In the year 2015, the company revised its methodology for excess and obsolete inventory provisioning to align with a shift in management philosophy, which resulted in an increase in the inventory provision of £6.7 million. The change in philosophy reflects the evolution of Wesco's business model from a distributor servicing fluctuating demand to primarily an integrated supply chain service provider servicing demand through long-term contracts and focused forecast consumption. The company recorded the non-cash adjustment in cost of sales.

The key performance indicators measured by the company show that overall sales were £115 million to £179 million in 2014/15 reflecting the transfer of the Canadian business to a new legal entity in the

Wesco Aircraft Europe Limited

Strategic report for the year ended 30 September 2015 (continued)

group - £27 million and the Alenia/Boeing contract being taken in-house by Boeing reducing revenue by £32 million. Increasing competition also forced gross profit margins down from 26.9% to 23.7% a drop of 3.2% in the year.

The operating profit for the full year was £13.1 million with total net assets at 30 September 2015 of £133.2 million.

Approved by the board and signed on their behalf by:

J Dobrucki
Director
22 July 2016



Wesco Aircraft Europe Limited

Directors' report for the year ended 30 September 2015

The directors present their directors' report and the audited financial statements of the company for the year ended 30 September 2015.

Branches outside the UK

The company operates four branches in France, Italy, Germany and India.

Future developments

The company remains financially strong and has the infrastructure to continue its growth with the medium to long term outlook for the aircraft industry remaining exceptionally 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. The investment in an e-Commerce web based platform has yet to yield its full potential.

OEMs and their sub assembly manufacturers continue to outsource critical supply chain functions and legacy programs expand through new locations and SKUs. The aerospace cycle shows build rates increasing on full OEM order books leading to new attractive aftermarket opportunities as major aircraft platforms are introduced. Whilst the military is experiencing budget pressures this focusses contractors and suppliers on greater efficiency which presents an opportunity to generate supply chain efficiencies and outsourcing. Furthermore the globalisation of the Industry is bringing opportunities in growing global market which Wesco can capitalise on by bringing together it's hardware and chemical offerings.

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 rate, 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.

Liquidity risk

The company manages liquidity risk by ensuring sufficient funds are available for at least the next 12 months.

Wesco Aircraft Europe Limited

Directors' report for the year ended 30 September 2015 (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.

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.

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.

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 8. The directors do not recommend payment of an ordinary dividend (2014: £nil). It is proposed that the profit for the financial year of £11.1 million (2014: £25.3 million) be taken to reserves.

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.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Political donations

The company made no political donations.

Wesco Aircraft Europe Limited

Directors' report for the year ended 30 September 2015 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

Approved by the board and signed on their behalf by:

J Dobrucki
Director
22 July 2016



Wesco Aircraft Europe Limited

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

Report on the financial statements

Our opinion

In our opinion, Wesco Aircraft Europe Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2015 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.
-

What we have audited

The financial statements, included within the Annual Report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 30 September 2015;
- the profit and loss account for the year then ended;
- the statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Wesco Aircraft Europe Limited

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements. We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Randal Casson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

22 July 2016

Wesco Aircraft Europe Limited

Profit and loss account for the year ended 30 September 2015

	Note	2015 £'000	2014 £'000
Turnover	2	114,980	179,113
Cost of sales		(87,673)	(130,980)
Gross profit		27,307	48,133
Administrative expenses		(14,222)	(17,263)
Operating profit	3	13,085	30,870
Profit on disposal of fixed assets	22	-	1,801
Impairment of investments	12	-	(887)
Net interest receivable/(payable)	8	135	(956)
Profit on ordinary activities before taxation		13,220	30,828
Tax on profit on ordinary activities	9	(2,126)	(5,514)
Profit for the financial year	19	11,094	25,314

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

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

Statement of total recognised gains and losses for the year ended 30 September 2015

	2015 £'000	2014 £'000
Profit for the financial year	11,094	25,314
Impact of foreign exchange	-	(4,735)
Total recognised gains and losses for the financial year	11,094	20,579

Wesco Aircraft Europe Limited

Balance sheet as at 30 September 2015

	Note	2015 £'000	2014 £'000
Assets			
Tangible fixed assets	10	512	733
Investments	11	-	-
		512	733
Current assets			
Stocks	12	55,377	58,039
Debtors	13	84,802	69,134
Cash at bank and in hand		2,192	19,233
		142,371	146,406
Creditors: amounts falling due within one year	14	(10,073)	(25,516)
Net Current assets		132,298	120,890
Net Assets falling due in more than one		411	-
Total assets less liabilities		133,221	121,623
Capital and reserves			
Called up share capital	17	20	20
Share premium account	18	37,611	37,611
Profit and loss account	18	95,590	83,992
Total shareholders' funds	19	133,221	121,623

The financial statements on pages 8 to 26 were approved by the board of directors on 22 July 2016 and were signed on its behalf by:



J Dobrucki
Director

Company registration number: 01857310

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015

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. In accordance with section 401 of the Companies Act 2006 no consolidated financial statements are presented.

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 financial statements. Consequently, in accordance with FRS 1 (revised 1996), no cash flow statement has been included within these financial statements.

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 historic purchase cost less accumulated depreciation. 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. 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
Computer hardware	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 2015 (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.

Intangible assets

Purchased goodwill is measured as the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit and loss over the period in which the assets acquired are expected to be realised. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in the statement of total recognised gains and losses.

Impairment reviews are undertaken when there has been an indication of potential impairment. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Purchased goodwill is amortised using the straight-line method over an estimated useful life of 20 years.

Investments

Fixed asset investments are stated at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

1 Accounting policies (continued)

Share based payments

The ultimate parent company operates a number of equity-settled, share-based compensation plans. 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.

2 Turnover

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

	2015 £'000	2014 £'000
United Kingdom	29,167	33,865
Europe	60,498	102,677
North America	17,363	36,664
Rest of the world	7,952	5,907
	114,980	179,113

3 Operating profit

	2015 £'000	2014 £'000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	322	563
Amortisation of intangible assets	-	2,058
Loss / (gain) on foreign exchange transactions	4,671	(3,662)
Operating lease rentals		
- plant and machinery	112	102
- other assets	211	208
Fees payable to the company's auditors for the audit of the company's financial statements	58	58

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

4 Employee information

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

By activity	2015 Number	2014 Number
Administration	98	97
Sales	66	68
Warehouse	50	46
	214	211

5 Employee costs

	2015 £'000	2014 £'000
Wages and salaries	6,937	5,977
Social security costs	751	701
Other pension costs	660	594
Cost of employee share scheme (note 7)	505	421
	8,853	7,693

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

6 Directors' emoluments

	2015 £'000	2014 £'000
Aggregate emoluments for qualifying services	585	357
Company pension contributions to money purchase schemes	24	41
	609	398

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to two (2014: two). The number of directors who exercised share options amounted to nil (2014: nil).

Highest paid director	2015 £'000	2014 £'000
Emoluments for qualifying services	452	232
Company pension contributions to money purchase schemes	15	26
	467	258

7 Share-based payments

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 flotation 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; 9 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 2015 (continued)

7 Share-based payments (continued)

	17-May-2007	31-Aug-2008	30-Jun-2008	02-Aug-2011	24-Oct-2012	01-Oct-2013	01-Oct-2014
Share price at grant date	n/a	n/a	n/a	\$15.00	\$15.00	\$20.87	\$16.76
Exercise price (USD)	\$4.12	\$5.16	\$5.16	\$15.00	\$13.49	\$20.87	\$16.76
Number of employees	5	1	1	12	10	10	9
Shares under option	629,514	29,511	22,500	53,100	39,750	43,600	54,100
Vesting period (years)	4.4	4.8	4.8	3.2	2.9	3.0	3.0
Expected volatility	48.3%	51.5%	50.8%	46.0%	46.5%	45.0%	39.5%
Option life (years)	10	10	10	10	10	10	10
Expected life (years)	6.2	6.5	6.5	6.0	6.0	6.0	6.0
Risk-free interest rate	4.58%	2.76%	3.51%	2.23%	1.04%	1.72%	1.90%
Fair value per option (USD)	\$2.19	\$2.49	\$2.50	\$6.91	\$6.08	\$9.36	\$6.83

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.

The weighted average fair value of options granted in the year was \$6.83 (2014: \$9.36).

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

	2015		2014	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 October	151,711	\$11.06	215,767	\$6.38
Granted	54,100	\$16.76	42,400	\$20.87
Failed to vest	-11,000	\$17.66	-900	\$13.49
Exercised	-2,250	\$13.49	-105,556	\$5.41
Outstanding at 30 September	192,561	\$12.26	151,711	\$11.06
Exercisable at 30 September	111,319	\$10.32	111,319	\$8.29

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

7 Share-based payments (continued)

Range Of Exercise Prices	Weighted Ave Exercise Price	2015			2014			
		No Shares	Weighted Ave Remaining Life:		Weighted Ave Exercise Price	No Shares	Weighted Ave Remaining Life	
			Expected	Contractual				
								Expected
\$0.00-\$5.00	4.12	67,399	0.6	2.9	4.12	67,399	0.9	3.9
\$5.01-\$10.00	5.16	7,237	0.3	3.3	5.16	7,237	0.5	4.3
\$10.01-\$15.00	13.75	29,725	2.9	6.9	13.76	34,675	4.0	8.1
\$10.01-\$15.00	18.55	88,200	4.4	8.4	20.87	42,400	5.0	9.0

The weighted average share price during the year for options exercised over the year was \$14.93 (2014: \$21.53). The total charge for the year relating to employee share-based payment plans was £305,009 (2014: £218,000), all of which related to equity-settled share-based payment transactions. After deferred tax, the total charge was £255,970 (2014: £212,000).

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 restricted stock units charge to the profit and loss account for the year is £199,618 (2014: £203,000). After deferred tax, the total charge was £201,509 (2014: £193,000).

The following table summarises restricted stock units activity during the year:

	2015		2014	
	Restricted Stock Units	Weighted Average Fair Value	Restricted Stock Units	Weighted Average Fair Value
Outstanding at 1 October	16,657	\$ 18.07	17,256	\$ 13.78
Granted	17,600	\$ 16.76	16,400	\$ 20.87
Forfeited	-3,867	\$ 17.13	(3,450)	\$ 15.94
Vested	-15,289	\$ 16.85	(13,549)	\$ 16.53
Outstanding at 30 September	15,101	\$ 18.02	16,657	\$ 18.07

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

8 Net interest (receivable)/ payable

	2015 £'000	2014 £'000
On bank loans and overdrafts	23	18
Other interest (receivable)/payable	(158)	938
	(135)	956

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

9 Tax on profit on ordinary activities

	2015 £'000	2014 £'000
Current tax		
UK corporation tax on profits of the year	2,401	5,737
Adjustments in respect of previous years	(121)	(224)
Total current tax	2,280	5,514
Deferred tax		
Origination and reversal of timing differences	(154)	(77)
Tax on profit on ordinary activities	2,126	5,437

The tax assessed for the year is lower (2014: lower) than the standard effective rate of corporation tax in the UK of 20.5% (2014: 22%). The differences are explained below:

Factors affecting tax charge for the year

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	13,220	30,828
Profit on ordinary activities multiplied by standard rate in the UK 20.5% (2014: 22%)	2,710	6,782
Effects of:		
Expenses not deductible for tax purposes	5	199
Income not taxable for tax purposes	-	(1,206)
Capital allowances lower than depreciation	25	58
Higher tax rates on overseas earnings	-	224
Share options	104	(256)
Group Relief	(443)	(53)
Adjustments in respect of previous years	(121)	(234)
Current tax charge	2,280	5,514

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

9 Tax on profit on ordinary activities (continued)

Factors affecting current and future tax charges

Legislation to reduce the standard rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from April 2020 was included in the Summer Finance Bill of 2015. This rate was not enacted at the balance sheet date and so deferred tax has been provided at the enacted rate of 20% in these accounts.

10 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2014	1,350	1,359	711	58	3,478
Additions	-	15	65	31	111
Disposals	(22)	(40)	(24)	(9)	(95)
Impact of foreign exchange	-	-	-	-	-
At 30 September 2015	1,328	1,334	752	80	3,493
Accumulated depreciation					
At 1 October 2014	1,009	1,185	510	41	2,745
Charge for the year	78	106	133	5	322
Disposals	(20)	(40)	(25)	-	(85)
Impact of foreign exchange	-	-	-	-	-
At 30 September 2015	1,067	1,251	618	46	2,982
Net book value					
At 30 September 2015	261	83	134	34	512
At 30 September 2014	341	174	201	17	733

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Notes to the financial statements for the year ended 30 September 2015 (continued)

11 Fixed asset investments

Shares in group undertakings	2015 £'000	2014 £'000
Cost and net book value	-	-

The directors believe that the carrying value of the investments are supported by their underlying net assets.

The company holds share capital in the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Interfast Europe Limited	England and Wales	Ordinary	100
Interfast USA Inc.	Delaware, USA	Ordinary	100

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Notes to the financial statements for the year ended 30 September 2015 (continued)

12 Stocks

	2015 £'000	2014 £'000
Finished goods and goods for resale	55,377	58,039

The replacement cost of stocks may vary from that included in the financial statements on a weighted average cost basis. However, owing to the nature of the items in question, the directors do not consider that it would be possible to disclose a materially reliable replacement cost valuation for the Company's entire stockholding.

13 Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	21,405	42,968
Amounts owed by parent and fellow subsidiary undertakings	62,140	24,979
Corporation tax repayable	464	-
Deferred tax asset (note 16)	41	298
Overseas sales tax recoverable	303	240
Prepayments and accrued income	449	649
	84,802	69,135

14 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	5,893	11,034
Amounts owed to parent and fellow subsidiary undertakings	1,158	1,039
Loan note to fellow subsidiary undertakings	779	721
Other taxation and social security costs	695	12,040
Accruals and deferred income	1,548	683
	10,073	25,516

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Notes to the financial statements for the year ended 30 September 2015 (continued)

14 Creditors: amounts falling due within one year (continued)

Amounts due to parent and fellow subsidiary undertakings are unsecured and repayable on demand.

At the end of the year there was one loan note outstanding with Wesco SF LLC, a fellow subsidiary undertaking, of £779,300 inclusive of accrued interest (2014: £721,574) issued on the 30 September 2015.

This was a deep discounted note issued by the company to Flintbrook, who subsequently transferred this note to Wesco SF LLC. It is discounted at a rate of 8.0% for 10 years with £1,557,823 repayable in 2024.

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

15 Deferred tax

Deferred tax comprises:	2015 £'000	2014 £'000
Decelerated capital allowances	(168)	(143)
Short term timing differences	(284)	(155)
	(452)	(298)
Balance at 1 October	(298)	(221)
Profit and loss account (note 9)	(154)	(77)
Deferred tax asset at 30 September	(452)	(298)

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

16 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 £56,048 (2014: £57,829) was accrued and included within creditors.

	2015 £'000	2014 £'000
Contributions payable by the company for the year	595	594

17 Called up share capital

	2015 £'000	2014 £'000
Allotted and fully paid		
2015: 20,001 (2014: 20,001) ordinary shares of £1 each	20	20

18 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 October 2014	37,611	83,992
Adjustment in respect of employee share schemes	-	504
Profit for the financial year	-	11,094
At 30 September 2015	37,611	95,590

Wesco Aircraft Europe Limited

Notes to the financial statements for the year ended 30 September 2015 (continued)

19 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit for the financial year	11,094	25,314
Currency translation differences	-	(4,735)
Adjustment in respect of employee share schemes	504	421
Opening shareholders' funds	121,623	100,623
Closing shareholders' funds	133,221	121,623

20 Financial commitments

At 30 September 2015 the company was committed to making the following annual payments under non-cancellable operating leases:

	Land and buildings 2015 £'000	Other 2015 £'000	Land and buildings 2014 £'000	Other 2014 £'000
Operating leases which expire:				
Within one year	-	11	20	25
Between two to five years	-	65	-	61
In over five years	209	-	219	-
	209	76	239	86

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Notes to the financial statements for the year ended 30 September 2015 (continued)

21 Disposals

There were no disposals in the year ended 30 September 2015. Disposals made in the year ended 30 September 2014 are set out below.

On the 2 September 2014 the company made an intercompany sale of its Canadian activities to a Wesco Canada Inc, owned by Wesco Aircraft Holdings Inc:

	2014 £'000
Intangible assets	43,435
Tangible assets	2,031
Stock	18,133
Debtors	6,602
Cash	2,334
Creditors	2,229
Net assets disposed	74,764
Consideration	76,566
Profit on disposal	1,802

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 £119,397 (2014: £113,085). At the balance sheet date there was no balance outstanding (2014: £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 smallest and largest group of undertakings to consolidate these financial statements at 30 September 2015. The consolidated financial statements of Wesco Aircraft Holdings, Inc are available from Wesco Aircraft Hardware, Global Headquarters, 27727 Avenue Scott, Valencia, CA 91355, USA.