

Company Registration No. 6707516

Ontic Engineering & Manufacturing UK Limited

Report and Financial Statements

31 December 2012

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Ontic Engineering & Manufacturing UK Limited

Report and financial statements 2012

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Ontic Engineering & Manufacturing UK Limited

Report and financial statements 2012

Officers and professional advisers

Directors

Iain Simm	(resigned 8 February 2013)
Margaret Billson	(resigned 23 January 2013)
Anthony Bristlin	(resigned 9 February 2012)
Gareth Hall	(appointed 1 January 2012)
Michael Waters	(appointed 8 February 2013)
Mark Stubbs	(appointed 8 February 2013)

Registered Office

3rd Floor
105 Wigmore Street
London
W1U 1QY

Bankers

HSBC Bank plc
14 Bradford Road
Cleckheaton
West Yorkshire
BD19 3JR

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Ontic Engineering & Manufacturing UK Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2012

Results

The company's turnover for the year amounted to £32,998,762 (2011 £23,251,069) and the profit after taxation was £3,003,441 (2011 £2,700,196)

Principal activities

The principal activities of the company are the manufacture of legacy parts for the aviation industry worldwide

The main business consists of fuel gauging systems (acquired in May 2011) and a second class of business relating to oxygen products (acquired under license in 2008) is also operated

The directors consider the results of the business to be in line with expectations

Business review

In May 2011 the company acquired the fuel gauging and fuel measurement systems business of GE Aviation Systems Limited for £37m

In the period from May 2011 the business generated £23,251,069 sales and £2,700,196 operating profit In 2012 the business generated £32,998,762 sales and £3,553,441 operating profit

This is in line with management's expectations The acquisition was financed by capital provided by BBA Aviation plc

To support the acquisition the company subsequently established a manufacturing facility in Cheltenham

The business has received UK CAA/EASA Part 145 repair station / UK CAA/EASA Part 21G Manufacturing/ISO 9001 2008 and AS9100 Rev C/9100 2009 certification from BSI

In order to maximise the efficiency of the business, the company made decision in early 2013 to relocate the oxygen business in the Slough facility to join the fuels business in Cheltenham

The company ended the year in a sound financial position with £239,358 (2011 £3,137,708) cash and £6,125,686 (2011 £3,122,244) net assets The lower cash position has been caused by extensive capital investment in the fuels business facility in Cheltenham

Principal risk and uncertainties

The key risk facing the company is further deterioration in the global economy resulting in airlines or airframe manufacturers either reducing their flight schedules and production or ceasing to trade

Future prospects

The directors consider the results for the year ended to 31 December 2012 to be satisfactory and expect that the present level of activity will increase in the foreseeable future through new licenses An additional license has been secured from Curtis Wright in early 2013 and has now transitioned

Ontic Engineering & Manufacturing UK Limited

Directors' report (continued)

Going concern

The company is profitable with net assets and net current assets and is expected to continue to generate positive cash flows on its own account for the foreseeable future. It has a strong portfolio of geographically diverse customers across its businesses and expects to grow rapidly in the coming years as new licenses are acquired. The company participates in the group's centralised treasury arrangements and so may access the banking arrangements of its parent and fellow subsidiaries should further liquidity become necessary to finance its on-going operations and future development.

The directors, having assessed the responses of the directors of the company's parent BBA Aviation plc to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the BBA Aviation plc to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of BBA Aviation plc, the company's directors have a reasonable expectation that the company has adequate resources to continue in existence undertaking the principal business activity outlined above for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Employee involvement

The company recognises the value of the involvement of its employees and continues the practice of keeping them informed of matters affecting them as employees and factors affecting the company's performance. During the year regular meetings were held with employees.

Directors

The directors who held office throughout the year, and subsequently except as noted were

Ian Simm	(resigned 8 February 2013)
Margaret Billson	(resigned 23 January 2013)
Anthony Bristlin	(resigned 9 February 2012)
Gareth Hall	(appointed 1 January 2012)

Financial risk management

The company is exposed to credit risk and currency risk. The company has agreed with group treasury a policy to provide forward dollar contracts and believe that this mitigates the majority of the currency risk.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

To ensure the liquidity of on-going operations and future developments the company when necessary can access the cash facility of the ultimate parent company, BBA Aviation plc.

Ontic Engineering & Manufacturing UK Limited

Directors' report (continued)

Statement on information given to the auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



Gareth Hall
Director

September 2013

Ontic Engineering & Manufacturing UK Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 elected to prepare 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, 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 to 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.

Independent auditor's report to the members of Ontic Engineering & Manufacturing UK Limited

We have audited the financial statements of Ontic Engineering & Manufacturing UK Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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.

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 annual 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 31 December 2012 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.

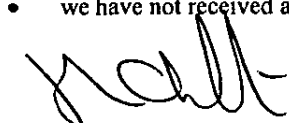
Opinion on other matter prescribed by the Companies Act 2006

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.



John Charlton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

30 September 2013

Ontic Engineering & Manufacturing UK Limited

Profit and loss account For the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover		32,998,762	23,251,069
Cost of sales		(18,550,608)	(12,488,228)
Gross profit		<u>14,448,154</u>	<u>10,762,841</u>
Other operating expenses		(9,594,094)	(8,017,529)
Operating profit		<u>4,854,060</u>	<u>2,745,312</u>
Interest received		-	11,596
Interest paid		(1,300,619)	(839,012)
Profit on ordinary activities before taxation	2	<u>3,553,441</u>	<u>1,917,896</u>
Taxation	5, 11	(550,000)	782,300
Profit for the financial year	14	<u><u>3,003,441</u></u>	<u><u>2,700,196</u></u>

All results derive from continuing operations

There were no recognised gains or losses in the current or prior year other than those reflected above. Accordingly no statement of total recognised gains and losses has been presented.

The accompanying notes are an integral part of this profit and loss account.

Ontic Engineering & Manufacturing UK Limited

Balance sheet At 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	6	2,913,546	2,826,767
Goodwill	6	33,825,643	35,691,244
Tangible assets	7	4,491,551	1,589,710
		<u>41,230,740</u>	<u>40,107,721</u>
Current assets			
Stocks	8	8,122,244	6,356,386
Debtors - due within one year	9	8,316,354	3,152,925
Cash at bank and in hand		239,358	3,137,708
		<u>16,677,954</u>	<u>12,647,019</u>
Creditors: amounts falling due within one year	10	<u>(11,111,508)</u>	<u>(8,148,496)</u>
Net current assets		<u>5,566,446</u>	<u>4,498,523</u>
Total assets less current liabilities		<u>46,797,186</u>	<u>44,606,244</u>
Creditors: amounts falling due after more than one year	12	<u>(40,671,500)</u>	<u>(41,484,000)</u>
Net assets		<u>6,125,686</u>	<u>3,122,244</u>
Capital and reserves			
Called up share capital	13,14	1	1
Profit and loss account brought forward	14	3,122,244	422,048
Profit and loss - current year	14	3,003,441	2,700,196
Shareholders' funds		<u>6,125,686</u>	<u>3,122,244</u>

The accompanying notes form an integral part of this balance sheet

The financial statements of Ontic Engineering & Manufacturing UK Limited (registered number 6707516) were approved by the Board of Directors on September 2013

Signed on behalf of the Board of Directors



Gareth Hall
Director

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

1. Accounting policies

Accounting convention

The principal accounting policies are summarised below and have been applied consistently throughout the current and preceding year

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law. In preparing the financial statements, the directors have adopted the going concern basis as explained in the Directors' Report.

The company has taken advantage of the exemption under FRS 1 (revised) from preparing a cash flow statement as it is a wholly-owned subsidiary of a parent which prepares a group cash flow statement in its publically available financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost and net of depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful economic life as follows:

Assets under the course of construction - depreciation starts when asset is brought to use

Leasehold improvements	- 10 years
Computer equipment	- 3 years
Machinery, plant and equipment	- 10 years
Motor vehicles	- 4 years

Intangible assets

The oxygen licence that was acquired from Kidde Graviner for £3,097,826 is considered to have a useful economic life of 20 years. The amortisation started in April 2010.

In May 2011 the company acquired the fuel gauging and fuel measurement systems business of GE Aviation Systems Limited for £37m. Goodwill arising on acquisition amounted to £37m.

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

Foreign currencies

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction (or, where appropriate, at the rate of exchange in a related forward exchange contract). Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end (or, where appropriate, at the rate of exchange in a related forward exchange contract). Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, and represent amounts receivable for goods supplied and services provided by the company.

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. Raw materials - purchase cost on a first-in, first-out basis, including transport costs. Work-in-progress - cost of direct materials and labour, plus a reasonable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred on completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

The tax charge on the profit or loss for the year comprises current tax.

Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax for the company is provided in the consolidated group financial accounts on a full provision basis, providing for timing differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not provided on timing differences arising from the sale or revaluation of fixed assets unless, at the balance sheet date, a binding commitment to sell the asset has been entered into and it is unlikely that any gain will qualify for rollover relief.

Deferred tax is calculated using the enacted or substantively enacted rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited on the profit or loss account, except when it relates to items credited or charged directly to equity in which case the deferred tax is also dealt with in equity.

In accordance with FRS 19, deferred tax assets are recognised only to the extent that it is regarded that it is more likely than not that future taxable profits will be available against which the assets can be utilised.

Leases

Operating leases - the rental payments are charged to the profit and loss account on a straight-line basis over the lives of the leases.

Pensions

Payments to defined contribution retirement schemes are charged as an expense as they fall due.

Related party transactions

Under FRS 8, the company is exempt from disclosing related party transactions with other group companies as 100% of the voting rights are controlled within the group and the ultimate parent company, BBA Aviation plc, has prepared consolidated financial statements which include the results of the company for the period and are available to the public.

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2012 £	2011 £
Auditor's remuneration		
fee payable for the audit of the company's financial statements	33,754	15,000
Operating lease rentals – other	277,720	193,696
Depreciation of tangible fixed assets	217,457	68,147
Amortization of intangible assets	191,417	154,891
Amortization of goodwill	1,865,601	1,630,724
Foreign exchange (gains)/losses	(232,511)	386,486
	<u> </u>	<u> </u>

3. Directors' remuneration

The remuneration of directors is as follows

	2012 £	2011 £
Emoluments	244,616	-
Company contributions to money purchase schemes	14,725	-
	<u> </u>	<u> </u>
	259,341	-
	<u> </u>	<u> </u>

The majority of the Board of Directors are not directly remunerated by the company and are instead remunerated by the ultimate parent company BBA Aviation PLC

4. Staff costs

	2012 £	2011 £
Wages and salaries	4,528,498	1,198,689
Social security costs	375,950	178,185
Other pension costs	102,940	16,239
	<u> </u>	<u> </u>
	5,007,388	1,393,113
	<u> </u>	<u> </u>

The number of employees as at 31 December 2012 was as follows

	2012 No.	2011 No.
Production	48	3
Distribution	5	6
Administration	45	26
	<u> </u>	<u> </u>
	98	35
	<u> </u>	<u> </u>

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

5. Taxation

	2012	2011
	£	£
United Kingdom corporation tax at 24.5% (2011: 26.5%) based on the profit for the period	-	-
Total current tax charge	-	-
Deferred tax		
Origination and reversal of timing differences (note 11)	(550,000)	782,300
	<u>(550,000)</u>	<u>782,300</u>

Factors affecting the current tax charge

	2012	2011
	£	£
Tax at the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	870,593	508,242
Permanent differences	14,524	56,124
Capital allowances in excess of depreciation	(69,706)	(16,008)
Other timing differences	(432,276)	813,850
Tax losses claimed for no payment	(383,135)	(1,362,208)
	<u>-</u>	<u>-</u>

The tax charge of the company in future periods is expected to be affected most significantly by the availability of group relief for nil consideration and the incurrance of expenses for which there is no tax relief available

The 2012 Finance Act introduced a reduction in the main rate of corporation tax from 26% to 24% effective from 1 April 2012. Accordingly a hybrid rate of current tax of 24.5% has been applied for the year ended 31 December 2012.

The Finance Act also provided that the rate of corporation tax would decrease to 23% with effect from 1 April 2013. This was substantively enacted on 3 July 2012 and has been taken into account when measuring the deferred tax assets and liabilities at 31 December 2012.

The 2013 Finance Act introduced further reduction of 2% to 21% from 1 April 2014 and a further 1% reduction to 20% from 1 April 2015. However these tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements.

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

6. Intangible fixed assets

Cost	Goodwill £	Licences £	Total £
At 1 January 2012	37,321,968	3,097,826	40,419,794
Transfers between asset categories	-	77,818	77,818
Additions	-	200,378	200,378
	<u>37,321,968</u>	<u>3,376,022</u>	<u>40,697,990</u>
At 31 December 2012			
Amortisation			
At 1 January 2012	1,630,724	271,059	1,901,783
Charge for the year	1,865,601	191,417	2,057,015
	<u>3,496,325</u>	<u>462,476</u>	<u>3,958,799</u>
At 31 December 2012			
Net book value			
At 31 December 2011	<u>35,691,244</u>	<u>2,826,767</u>	<u>38,518,011</u>
At 31 December 2012	<u>33,825,643</u>	<u>2,913,546</u>	<u>36,739,191</u>

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts For the year ended 31 December 2012

7. Tangible fixed assets

	Leasehold improvement £	Machinery, plant and equipment £	Motor vehicles £	Computer equipment £	Building £	Assets under the course of construction £	Total £
Cost							
At 1 January 2012	249,913	187,893	23,000	129,086	-	840,959	1,430,851
Additions	-	-	13,480	5,299	-	3,478,352	3,497,131
Transfer between asset categories	66,427	235,415	-	151,544	3,753,107	(4,284,311)	(77,818)
Acquisitions	-	-	-	-	-	-	-
At 31 December 2012	316,340	423,308	36,480	285,929	3,753,107	35,000	4,850,164
Depreciation							
At 1 January 2012	58,049	30,210	11,500	41,382	-	-	141,141
Charge for the year	28,219	35,696	8,558	44,129	100,873	-	217,475
At 31 December 2012	86,268	65,906	20,058	85,511	100,873	-	358,616
Net book value							
At 31 December 2011	191,864	157,683	11,500	87,704	-	840,959	1,289,710
At 31 December 2012	230,072	357,402	16,422	200,418	3,652,234	35,000	4,491,548

8. Stock and work in progress

	2012 £	2011 £
Finished goods	7,146,333	3,426,835
Work in progress	975,911	2,929,550
	<u>8,122,244</u>	<u>6,356,385</u>

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

9. Debtors

	2012 £	2011 £
Trade debtors	6,021,581	312,894
Amounts owed by group undertakings	707,453	31,107
Other debtors	422,712	1,805,538
VAT	816,445	55,983
Prepayments and accrued income	122,162	171,403
Deferred taxation	226,000	776,000
	<u>8,316,354</u>	<u>3,152,925</u>

10. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	5,505,579	462,323
Amounts owed to group undertakings	939,995	668,730
Other tax and social security costs	116,714	64,590
Accruals and deferred income	4,549,220	6,652,853
	<u>11,111,508</u>	<u>7,848,496</u>

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts For the year ended 31 December 2012

11. Deferred tax

A deferred taxation asset is provided in the financial statement as follows

	£
Balance as at 31 December 2011	776,000
Prior year adjustment	(18,000)
Change in tax rate	(30,000)
Deferred tax credit in year	(502,000)
Balance as at 31 December 2012	226,000

Under Financial Reporting Standard Number 19, deferred taxation is provided in full on certain timing differences. The company does not discount the provision.

The deferred taxation credit was mainly the result of the tax effect of timing differences as follows

Asset/(liability)

	2012		2011	
	Provided £	Unprovided £	Provided £	Unprovided £
Arising from accelerated capital allowances	(74,000)	-	22,000	-
Arising from other timing differences	300,000	-	(798,000)	-
	<u>226,000</u>	<u>-</u>	<u>776,000</u>	<u>-</u>

12. Creditors: amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	<u>(40,671,500)</u>	<u>(41,484,000)</u>

There are two loan agreements in place with BBA Aviation PLC

- 1) The £4m loan agreement expires on the 30 September 2014 and is interest free. All amounts are treated as long term creditors as there is no obligation to repay any of these loans over the next 12 months.
- 2) The £37.5m loan agreement is subject to interest payments, starting on 31 December 2012.

All amounts are treated as long term creditors as there is no intention to repay any of these loans over the next 12 months.

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

13. Called up share capital

	2012 £	2011 £
Authorised		
1,000 ordinary shares of £1 00 each	1,000	1,000
Called-up, allotted and fully paid		
1 ordinary shares of £1 00	1	1

14 Reconciliation of movement in shareholder's funds and movements on reserves

	Share capital £	Profit and loss account £
Balance at 1 January 2012	1	3,122,244
Profit for the year	-	3,003,441
Balance at 31 December 2012	1	6,125,685

15. Pension schemes

The Company operates a stakeholder pension contribution schemes for which the pension cost charge for the year amounted to £102,980 (2011 £16,239) There is an outstanding contribution of £24,566 as at the balance sheet date (2011 £12,140)

16. Other financial commitments

Annual commitments under non-cancellable operating leases are as follows

	2012 Other £	2011 Other £
Expiry date		
- within one year	178,500	-
- between two and five years	-	178,500
-after five years	215,000	215,000
	393,500	393,500

Ontic Engineering & Manufacturing UK Limited

Notes to the accounts

For the year ended 31 December 2012

17. Derivatives not included at fair value

The company has derivatives, which are not included at fair value in the accounts. The company has outstanding commitments under forward exchange rate contracts of £32,709,877 (2011 £23,806,452). These contracts had a fair value of £967,117 liability (2011 £396,093 asset).

The company uses the derivatives to hedge its exposure to changes in foreign currency exchange rates. The fair values are based on the market values of the equivalent instruments at the balance sheet date.

18. Parent undertaking and controlling party

The company's immediate parent undertaking is APPH Limited. The ultimate controlling parent company is BBA Aviation plc.

The parent undertaking of the largest and smallest group which includes the company and for which group financial statements are prepared is BBA Aviation plc, a company incorporated in the United Kingdom and registered in England and Wales.

Copies of the group financial statements of BBA Aviation plc are available from 3rd Floor, 105 Wigmore Street, London W1U 1QY.

19. Related party transactions

With regards to any transactions with other members of the BBA Aviation plc group, the company has taken advantage of the exemption available in Financial Reporting Standard No. 8 not to disclose such transactions.