

Company Registration No. 02691211 (England and Wales)

**UAV ENGINES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**



# UAV ENGINES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr S Sarid Mr N Yarden Mr E Sayag Mr R Applegate	(Appointed 15 July 2016)
<b>Secretary</b>	Mr C J Biddulph	
<b>Company number</b>	02691211	
<b>Registered office</b>	Lynn Lane Shenstone Lichfield Staffordshire WS14 0EA	
<b>Auditor</b>	Edwards 34 High Street Aldridge Walsall West Midlands WS9 8LZ	
<b>Business address</b>	Lynn Lane Shenstone Lichfield Staffordshire WS14 0EA	

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# UAV ENGINES LIMITED

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# UAV ENGINES LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present the strategic report for the year ended 31 December 2016.

#### **Fair review of the business**

As anticipated by the directors, the company reported an increase in turnover for the year ended 31 December 2016. With this increase in activity and continued close control over costs, the company was again able to improve the gross profit margin to 28%, an increase of 2%, and was also able to report an operating profit of £761,824. This was in line with the expectations of management.

The results for the year and the financial position at the year end reflect current market conditions with many governments actively spending in all the company's market sectors in light of current global affairs. The company moves into 2017 with a healthy order-book and more than adequate liquidity.

#### **Principal risks and uncertainties**

The level of conflict in the world does have a bearing on the company's market activity, however the company has, over the years, developed strong after-sales spares and support business. This, together with its highly respected research and development capability, the company has great confidence in its ability to react positively and profitably to all market conditions.

#### **Research and development**

The company continues to commit significant resource and time to the development of new engines and product enhancements that reinforce the competitive edge of the company's range of engines. R&D spend for 2017 will remain at similar levels to 2016.

#### **Key performance indicators**

Key performance indicators are used to measure and evaluate company performance against targets and monitor various activities throughout the company. The main key performance indicators employed by the company are:

- Turnover levels (by product and market)
- Profit levels (gross and net)
- Staff productivity
- Cash flows

On behalf of the board



Mr E Sayag

Director

5 May 2017

# UAV ENGINES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present their annual report and financial statements for the year ended 31 December 2016.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S Sarid

Mr N Yarden

Mr E Sayag

Mr R Applegate

(Appointed 15 July 2016)

#### Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Financial instruments

The company finances its operations through retained profits and the use of operational bank accounts.

The company makes use of financial instruments principally through its operational bank accounts and group loans. The directors' objectives are to retain sufficient liquid funds to enable the company to meet its day to day requirements as they fall due and to maximise returns on surplus funds. The directors also seek to minimise the company's exposure to foreign exchange movements through the operation of foreign currency bank accounts.

The company's funds are held primarily in short term deposit accounts. The directors believe that this gives them the flexibility to release cash resources at short notice and allows them to take advantage of changing conditions in finance markets as they arise.

#### Auditor

In accordance with the company's articles, a resolution proposing that Edwards be reappointed as auditors of the company will be put at a General Meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

On behalf of the board



Mr E Sayag

Director

5 May 2017

# **UAV ENGINES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2016**

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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;
- 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.

# **UAV ENGINES LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UAV ENGINES LIMITED**

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We have audited the financial statements of UAV Engines Limited for the year ended 31 December 2016 set out on pages 6 to 16. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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.

### **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 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.

### **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 2016 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, 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, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

# UAV ENGINES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF UAV ENGINES LIMITED

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### 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.



**Paul Tonks BSc (Econ) FCA (Senior Statutory Auditor)**  
for and on behalf of Edwards

12 May 2017

**Chartered Accountants**  
**Statutory Auditor**

34 High Street  
Aldridge  
Walsall  
West Midlands  
WS9 8LZ

# UAV ENGINES LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	8,280,613	5,574,275
Cost of sales		(5,976,373)	(4,119,149)
<b>Gross profit</b>		<b>2,304,240</b>	<b>1,455,126</b>
Administrative expenses		(1,542,416)	(1,374,543)
<b>Operating profit</b>	4	<b>761,824</b>	<b>80,583</b>
Interest receivable and similar income	6	88,367	90,024
<b>Profit before taxation</b>		<b>850,191</b>	<b>170,607</b>
Taxation	7	(190,457)	15,266
<b>Profit for the financial year</b>		<b>659,734</b>	<b>185,873</b>
Retained earnings at 1 January		6,170,729	5,984,856
Retained earnings at 31 December		6,830,463	6,170,729

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# UAV ENGINES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	8		321,455		418,171
<b>Current assets</b>					
Stocks	9	1,817,539		2,695,396	
Debtors	10	3,287,439		3,817,760	
Cash at bank and in hand		2,771,482		1,072,054	
		<u>7,876,460</u>		<u>7,585,210</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,054,952)</u>		<u>(1,520,152)</u>	
<b>Net current assets</b>			<u>6,821,508</u>		<u>6,065,058</u>
<b>Total assets less current liabilities</b>			<u>7,142,963</u>		<u>6,483,229</u>
<b>Capital and reserves</b>					
Called up share capital	13	312,500		312,500	
Profit and loss reserves		<u>6,830,463</u>		<u>6,170,729</u>	
<b>Total equity</b>			<u>7,142,963</u>		<u>6,483,229</u>

The financial statements were approved by the board of directors and authorised for issue on 5 May 2017 and are signed on its behalf by:



Mr E Sayag  
Director

Company Registration No. 02691211

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

#### **Company information**

UAV Engines Limited is a company limited by shares incorporated in England and Wales. The registered office is Lynn Lane, Shenstone, Lichfield, Staffordshire, WS14 0EA.

The principal activity of the company continued to be that of the design, manufacture and sale of high performance rotary engines for unmanned air vehicles.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and disclosure of related party transactions and balances.

The financial statements of the company are consolidated in the financial statements Elbit Systems Limited. These consolidated financial statements are available from its website; [www.elbitsystems.com](http://www.elbitsystems.com).

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the customer.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.4 Research and development expenditure

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the lease term
Plant and machinery	10 - 20% straight line
Fixtures, fittings & equipment	10% straight line
Computer equipment	33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.6 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

##### 1.7 Stocks

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### *Basic financial assets*

Short term trade debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, less any impairment.

##### *Basic financial liabilities*

Short term trade creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

### 3 Turnover and other revenue

Turnover is wholly attributable to the company's principal activity. Segmental analysis of turnover has not been given because the directors consider that such disclosure would be seriously prejudicial to the commercial interest of the company.

### 4 Operating profit

2016

2015

£

£

Operating profit for the year is stated after charging/(crediting):

Research and development costs	249,614	155,915
Fees payable to the company's auditors for the audit of the company's annual accounts	14,300	13,900
Depreciation of owned tangible fixed assets	213,865	231,409
Cost of stocks recognised as an expense	3,925,292	2,309,995
Operating lease charges	100,191	100,767

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 5 Employees

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

	2016 Number	2015 Number
Administration	5	4
Manufacturing	26	25
	<u>31</u>	<u>29</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,107,157	1,004,924
Social security costs	121,867	115,883
Pension costs	63,740	41,069
	<u>1,292,764</u>	<u>1,161,876</u>

#### 6 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	1,494	4,797
Other interest income	86,873	85,227
	<u>88,367</u>	<u>90,024</u>

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 7 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	193,969	61,060
Adjustments in respect of prior periods	(3,512)	(71,726)
Total current tax	190,457	(10,666)
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(14,600)
Adjustment in respect of prior periods	-	10,000
Total deferred tax	-	(4,600)
Total tax charge/(credit)	190,457	(15,266)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	850,191	170,607
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	170,038	34,548
Tax effect of expenses that are not deductible in determining taxable profit	1,590	785
Adjustments in respect of prior years	(3,512)	(71,726)
Deferred tax credit	-	(4,600)
Depreciation in excess of capital allowances	22,341	25,727
Taxation for the year	190,457	(15,266)

Factors that may affect future tax charges:

The Finance (No 2) Act 2015, which was passed on 18 November 2015, provided that the main UK corporation tax rate will be reduced to 19% from 1 April 2017 and to 17% from 1 April 2020.

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 8 Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2016	902,579	1,148,617	158,493	841,384	3,051,073
Additions	11,522	-	-	105,627	117,149
At 31 December 2016	914,101	1,148,617	158,493	947,011	3,168,222
<b>Depreciation and impairment</b>					
At 1 January 2016	832,655	951,387	135,046	713,814	2,632,902
Depreciation charged in the year	14,922	79,106	10,068	109,769	213,865
At 31 December 2016	847,577	1,030,493	145,114	823,583	2,846,767
<b>Carrying amount</b>					
At 31 December 2016	66,524	118,124	13,379	123,428	321,455
At 31 December 2015	69,924	197,230	23,447	127,570	418,171

### 9 Stocks

	2016 £	2015 £
Raw materials and consumables	1,550,541	2,417,110
Work in progress	266,998	278,286
	1,817,539	2,695,396

### 10 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,533,801	1,979,843
Amount due from parent and group undertakings	1,495,795	1,690,543
Other debtors	94,692	65,189
Prepayments and accrued income	163,151	82,185
	3,287,439	3,817,760

Trade debtors disclosed above are measured at amortised cost.

# UAV ENGINES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	326,894	325,228
Amounts due to parent and group undertakings	58,259	2,880
Corporation tax	160,273	48,654
Other taxation and social security	41,313	37,434
Other creditors	240,840	717,044
Accruals and deferred income	227,373	388,912
	<u>1,054,952</u>	<u>1,520,152</u>

### 12 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>63,740</u>	<u>41,069</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The amount included in other creditors at 31 December 2016 arising from the company's obligations in respect of its defined contribution scheme is £5,811 (2015: £1,444).

### 13 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
312,500 Ordinary shares of £1 each	<u>312,500</u>	<u>312,500</u>

### 14 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	105,777	112,015
Between two and five years	288,562	380,912
	<u>394,339</u>	<u>492,927</u>

# **UAV ENGINES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2016***

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### **15 Controlling party**

The company is a subsidiary undertaking of Elbit Systems Limited, a company incorporated in Israel, which is the ultimate parent undertaking and controlling party.

Elbit Systems Limited is the largest and smallest group for which group financial statements are prepared. The group financial statements of this group are available to the public and may be obtained from [www.elbitsystems.com](http://www.elbitsystems.com).