

Company Registration No. 03897611 (England and Wales)

REGISTRAR'S
COPY

PRIME AIR EUROPE LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 OCTOBER 2011

TUESDAY



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COMPANIES HOUSE

PRIME AIR EUROPE LIMITED

COMPANY INFORMATION

Directors

B M Cohen
T S Irwin

Secretary

E R Letendre

Company number

03897611

Registered office

HW
30 Camp Road
Farnborough
Hampshire
GU14 6EW

Auditors

HW
30 Camp Road
Farnborough
Hampshire
GU14 6EW

Business address

Unit 12
Portland Business Centre
Manor House
Datchet
SL3 9EG



PRIME AIR EUROPE LIMITED

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PRIME AIR EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2011

The directors present their report and financial statements for the year ended 31 October 2011

Principal activities and review of the business

The principal activities of the company continued to be the provision of marketing consultancy services to the worldwide airline industry and the sale of aircraft spare parts

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 November 2010

B M Cohen

T S Irwin

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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

PRIME AIR EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)


FOR THE YEAR ENDED 31 OCTOBER 2011

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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

X 
B M Cohen, Director
Dated 23/7/2012

PRIME AIR EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PRIME AIR EUROPE LIMITED

We have audited the financial statements of Prime Air Europe Limited for the year ended 31 October 2011 set out on pages 5 to 14. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 October 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

PRIME AIR EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF PRIME AIR EUROPE LIMITED

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



Roslyn McFarlane (Senior Statutory Auditor)
for and on behalf of HW

31 July 2012

Chartered Accountants
Statutory Auditor

30 Camp Road
Farnborough
Hampshire
GU14 6EW

PRIME AIR EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2011

	Notes	2011 \$	2010 \$
Turnover	2	10,247,696	7,077,124
Cost of sales		(8,638,984)	(5,676,785)
Gross profit		1,608,712	1,400,339
Distribution costs		(153,001)	(108,871)
Administrative expenses		(871,569)	(729,291)
Operating profit	3	584,142	562,177
Interest payable and similar charges	4	(1,168)	(228)
Profit on ordinary activities before taxation		582,974	561,949
Tax on profit on ordinary activities	5	(171,298)	(154,377)
Profit for the year	13	411,676	407,572

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

There are no recognised gains and losses other than those passing through the profit and loss account

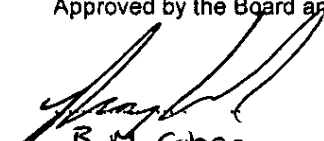
PRIME AIR EUROPE LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2011

		2011		2010 as restated	
	Notes	\$	\$	\$	\$
Fixed assets					
Tangible assets	7		17,682		32,126
Current assets					
Stocks	8	596,587		456,927	
Debtors	9	1,080,236		1,207,199	
Cash at bank and in hand		973,719		388,042	
		<u>2,650,542</u>		<u>2,052,168</u>	
Creditors amounts falling due within one year	10	<u>(1,022,755)</u>		<u>(850,501)</u>	
Net current assets			<u>1,627,787</u>		<u>1,201,667</u>
Total assets less current liabilities			<u><u>1,645,469</u></u>		<u><u>1,233,793</u></u>
Capital and reserves					
Called up share capital	12		660		660
Profit and loss account	13		1,644,809		1,233,133
Shareholders' funds	14		<u><u>1,645,469</u></u>		<u><u>1,233,793</u></u>

Approved by the Board and authorised for issue on 23/7/2012


B M Cohen
Director

Company Registration No 03897611

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts
Turnover is recognised in the accounts at the date of despatch

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	33% straight line
Fixtures, fittings & equipment	25% - 33% straight line on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Stock

Stock is valued at the lower of cost and net realisable value after making necessary provisions for obsolete and slow moving stock

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.9 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

2 Turnover

Geographical market

	Turnover	
	2011	2010
	\$	\$
Australia and New Zealand	-	38,450
Africa	157,019	35,350
Asia and Middle East	669,220	242,959
United Kingdom	2,425,004	1,883,806
Rest of Europe	4,309,684	2,372,316
United States of America and Canada	2,571,256	2,489,378
South America	-	14,865
South East Asia	70,750	-
Far East	44,763	-
	<u>10,247,696</u>	<u>7,077,124</u>

3 Operating profit

	2011	2010
	\$	\$
Operating profit is stated after charging		
Depreciation of tangible assets	22,256	24,093
Loss on foreign exchange transactions	20,091	2,014
Operating lease rentals	37,490	36,281
and after crediting		
Profit on foreign exchange transactions	-	(1,207)

Auditors' remuneration

Audit fees	6,707	4,801
Taxation, VAT and non audit accounts work	9,871	2,280
	<u>16,578</u>	<u>7,081</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

4	Interest payable	2011	2010
		\$	\$
	On bank loans and overdrafts	362	228
	On overdue tax	806	-
		<u>1,168</u>	<u>228</u>
5	Taxation	2011	2010
		\$	\$
	Domestic current year tax		
	U K corporation tax	162,705	163,280
	Adjustment for prior years	7,580	(7,504)
		<u>170,285</u>	<u>155,776</u>
	Foreign corporation tax		
	Foreign corporation tax	1,013	(1,399)
		<u>171,298</u>	<u>154,377</u>
	Current tax charge		
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>582,974</u>	<u>561,949</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26 00% (2010 - 28 00%)	<u>151,573</u>	<u>157,346</u>
	Effects of		
	Non deductible expenses	2,286	6,150
	Depreciation add back	5,787	6,746
	Capital allowances	(2,056)	(6,714)
	Pension contributions	98	(248)
	Foreign tax	1,013	-
	Adjustments to previous periods	7,580	(7,504)
	Other tax adjustments	5,017	(1,399)
		<u>19,725</u>	<u>(2,969)</u>
	Current tax charge for the year	<u>171,298</u>	<u>154,377</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

6	Dividends	2011 \$	2010 as restated \$
	Dividends on equity shares:		
	Ordinary final paid	-	500,000

7	Tangible fixed assets	Computer equipment \$	Fixtures, fittings & equipment \$	Total \$
	Cost			
	At 1 November 2010	55,357	27,004	82,361
	Additions	7,812	-	7,812
	At 31 October 2011	63,169	27,004	90,173
	Depreciation			
	At 1 November 2010	36,236	13,999	50,235
	Charge for the year	14,857	7,399	22,256
	At 31 October 2011	51,093	21,398	72,491
	Net book value			
	At 31 October 2011	12,076	5,606	17,682
	At 31 October 2010	19,121	13,005	32,126

8	Stocks	2011 \$	2010 \$
	Finished goods and goods for resale	596,587	456,927

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

9 Debtors	2011	2010 as restated
	\$	\$
Trade debtors	1,063,894	1,158,715
Amounts owed by parent and fellow subsidiary undertakings	2,650	43,690
Other debtors	3,530	3,600
Prepayments and accrued income	10,162	1,194
	<u>1,080,236</u>	<u>1,207,199</u>

10 Creditors: amounts falling due within one year	2011	2010
	\$	\$
Trade creditors	115,670	560,912
Amounts owed to parent and fellow subsidiary undertakings	585,538	11,962
Corporation tax	157,734	155,994
Other creditors	14,847	117
Accruals and deferred income	148,966	121,516
	<u>1,022,755</u>	<u>850,501</u>

11 Pension and other post-retirement benefit 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.

	2011	2010
	\$	\$
Contributions payable by the company for the year	<u>-</u>	<u>1,845</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

12 Share capital	2011 \$	2010 \$
Allotted, called up and fully paid		
200 Ordinary shares of £1 each	330	330
200 Ordinary 'A' shares of £1 each	330	330
	<u>660</u>	<u>660</u>

The Ordinary and Ordinary A shares rank par passu in all respects

13 Statement of movements on profit and loss account

	Profit and loss account \$
Balance at 1 November 2010 as previously reported	1,733,133
Prior year adjustment	<u>(500,000)</u>
Balance at 1 November 2010 as restated	1,233,133
Profit for the year	<u>411,676</u>
Balance at 31 October 2011	<u>1,644,809</u>

A prior year adjustment has been made in relation to a dividend not accounted for in the year ended 31 October 2010

14 Reconciliation of movements in shareholders' funds	2011 \$	2010 as restated \$
Profit for the financial year	411,676	407,572
Opening shareholders' funds	<u>1,233,793</u>	<u>826,221</u>
Closing shareholders' funds	<u>1,645,469</u>	<u>1,233,793</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

15 Financial commitments

At 31 October 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2012

	Land and buildings	
	2011	2010
	\$	\$
Operating leases which expire		
Between two and five years	37,807	37,150

16 Directors' remuneration

	2011	2010
	\$	\$
Remuneration for qualifying services	-	47,749
Company pension contributions to defined contribution schemes	-	1,845
	-	49,594

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2010 - 1)

17 Employees

Number of employees

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

	2011	2010
	Number	Number
Sales	6	5

Employment costs

	2011	2010
	\$	\$
Wages and salaries	357,898	313,014
Social security costs	54,048	37,502
Other pension costs	-	1,845
	411,946	352,361

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2011

18 Control

The immediate parent company is Prime Air LLC, a company incorporated in the United States of America

The ultimate parent company is Heico Corporation, a company incorporated in the United States of America

Consolidated accounts for Heico Corporation, are available from 3000 Taft Street, Hollywood, Florida 33021, United States of America

19 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group