

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 2012

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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 2012

The directors present their report and financial statements for the year ended 31 October 2012

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 2011

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 2012

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


B M Cohen
Director
Dated 7/18/13

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 2012 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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 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.

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

26 July 2013

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 2012

	Notes	2012 \$	2011 \$
Turnover	2	7,068,269	10,247,696
Cost of sales		(5,510,712)	(8,638,984)
Gross profit		1,557,557	1,608,712
Distribution costs		(137,392)	(153,001)
Administrative expenses		(858,109)	(871,569)
Operating profit	3	562,056	584,142
Interest payable and similar charges	4	(1,679)	(1,168)
Profit on ordinary activities before taxation		560,377	582,974
Tax on profit on ordinary activities	5	(147,753)	(171,298)
Profit for the year	12	412,624	411,676

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

PRIME AIR EUROPE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2012

	Notes	2012 \$	2011 \$
Profit for the financial year		412,624	411,676
Prior year adjustment	12	-	(500,000)
Total gains and losses recognised since last financial statements		<u>412,624</u>	<u>(88,324)</u>

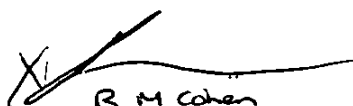
PRIME AIR EUROPE LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2012

	Notes	2012 \$	\$	2011 \$	\$
Fixed assets					
Tangible assets	7		7,716		17,682
Current assets					
Stocks	8	732,031		596,587	
Debtors	9	1,167,677		1,080,236	
Cash at bank and in hand		496,660		973,719	
		<u>2,396,368</u>		<u>2,650,542</u>	
Creditors: amounts falling due within one year	10	<u>(845,991)</u>		<u>(1,022,755)</u>	
Net current assets			<u>1,550,377</u>		<u>1,627,787</u>
Total assets less current liabilities			<u>1,558,093</u>		<u>1,645,469</u>
Capital and reserves					
Called up share capital	11		660		660
Profit and loss account	12		<u>1,557,433</u>		<u>1,644,809</u>
Shareholders' funds	13		<u>1,558,093</u>		<u>1,645,469</u>

Approved by the Board and authorised for issue on 7/18/13


B M Cohen
Director

Company Registration No 03897611

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2012

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 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

1.8 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 2012

2 Turnover

Geographical market

	Turnover	
	2012	2011
	\$	\$
Australia and New Zealand	181,800	-
Africa	38,322	157,019
Asia and Middle East	192,356	669,220
United Kingdom	1,978,716	2,425,004
Rest of Europe	1,405,186	4,309,684
North America	3,070,859	2,571,256
South East Asia	201,030	70,750
Far East	-	44,763
	<u>7,068,269</u>	<u>10,247,696</u>

3 Operating profit

	2012	2011
	\$	\$
Operating profit is stated after charging		
Depreciation of tangible assets	13,465	22,256
Loss on foreign exchange transactions	12,978	20,091
Operating lease rentals	<u>37,322</u>	<u>37,490</u>

Auditors' remuneration

Audit fees	6,759	6,707
Taxation, VAT and non audit accounts work	<u>7,647</u>	<u>9,871</u>
	<u>14,406</u>	<u>16,578</u>

4 Interest payable

	2012	2011
	\$	\$
On bank loans and overdrafts	154	362
On overdue tax	<u>1,525</u>	<u>806</u>
	<u>1,679</u>	<u>1,168</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

5	Taxation	2012 \$	2011 \$
	Domestic current year tax		
	U K corporation tax	142,329	162,705
	Adjustment for prior years	4,873	7,580
		<u>147,202</u>	<u>170,285</u>
	Foreign corporation tax		
	Foreign corporation tax	551	1,013
		<u>147,753</u>	<u>171,298</u>
	Current tax charge		
		<u>147,753</u>	<u>171,298</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>560,377</u>	<u>582,974</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	<u>134,490</u>	<u>151,573</u>
	Effects of		
	Non deductible expenses	1,733	2,286
	Depreciation add back	3,232	5,787
	Capital allowances	(1,589)	(2,056)
	Pension contributions	-	98
	Foreign tax	551	1,013
	Adjustments to previous periods	4,873	7,580
	Other tax adjustments	4,463	5,017
		<u>13,263</u>	<u>19,725</u>
	Current tax charge for the year	<u>147,753</u>	<u>171,298</u>
6	Dividends	2012 \$	2011 \$
	Ordinary interim paid	<u>500,000</u>	<u>-</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

7 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	\$	\$	\$
Cost			
At 1 November 2011	63,169	27,004	90,173
Additions	3,499	-	3,499
At 31 October 2012	66,668	27,004	93,672
Depreciation			
At 1 November 2011	51,093	21,398	72,491
Charge for the year	9,677	3,788	13,465
At 31 October 2012	60,770	25,186	85,956
Net book value			
At 31 October 2012	5,898	1,818	7,716
At 31 October 2011	12,076	5,606	17,682

8 Stocks

	2012	2011
	\$	\$
Finished goods and goods for resale	732,031	596,587

9 Debtors

	2012	2011
	\$	\$
Trade debtors	938,430	1,063,894
Amounts owed by parent and fellow subsidiary undertakings	205,062	2,650
Other debtors	13,516	3,530
Prepayments and accrued income	10,669	10,162
	1,167,677	1,080,236

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2012

10 Creditors, amounts falling due within one year	2012 \$	2011 \$
Trade creditors	625,181	115,670
Amounts owed to parent and fellow subsidiary undertakings	7,890	585,538
Corporation tax	70,452	157,734
Other taxes and social security costs	2,731	-
Other creditors	1,144	14,847
Accruals and deferred income	138,593	148,966
	<u>845,991</u>	<u>1,022,755</u>

11 Share capital	2012 \$	2011 \$
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 pari passu in all respects

12 Statement of movements on profit and loss account	Profit and loss account \$
Balance at 1 November 2011	1,644,809
Profit for the year	412,624
Dividends paid	(500,000)
Balance at 31 October 2012	<u>1,557,433</u>

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2012

13 Reconciliation of movements in shareholders' funds	2012 \$	2011 \$
Profit for the financial year	412,624	411,676
Dividends	(500,000)	-
Net (depletion in)/addition to shareholders' funds	(87,376)	411,676
Opening shareholders' funds	1,645,469	1,233,793
Closing shareholders' funds	1,558,093	1,645,469

14 Financial commitments

At 31 October 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2013

	Land and buildings	
	2012 \$	2011 \$
Operating leases which expire Between two and five years	37,723	37,807

15 Employees

Number of employees

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

	2012 Number	2011 Number
Sales	5	5
Warehouse	1	1
	6	6

Employment costs	2012 \$	2011 \$
Wages and salaries	376,403	357,898
Social security costs	61,266	54,048
	437,669	411,946

PRIME AIR EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2012**

16 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

17 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