

REGISTRAR'S
COPY

Company Registration No. 3897611 (England and Wales)

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 31 OCTOBER 2008

WEDNESDAY



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**PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
COMPANY INFORMATION**

Directors	K J Trowbridge B M Cohen T S Irwin
Secretary	E R Letendre
Company number	3897611
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
(FORMERLY AVISOURCE LIMITED)
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**PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
DIRECTORS' REPORT**

FOR THE PERIOD ENDED 31 OCTOBER 2008

The directors present their report and financial statements for the period ended 31 October 2008.

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.

On 21 November 2007 the company was sold to Prime Air LLC, a company incorporated in the United States of America.

On 14 October 2009 the company passed a resolution to change its name to Prime Air Europe Limited from Avisource Limited.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors have held office since 21 November 2007:

K J Trowbridge
B M Cohen
T S Irwin

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 October 2008	21 November 2007
K J Trowbridge	-	200
B M Cohen	-	-
T S Irwin	-	-

	Ordinary 'A' shares of £1 each	
	31 October 2008	21 November 2007
K J Trowbridge	-	200
B M Cohen	-	-
T S Irwin	-	-

	Ordinary 'B' shares of £1 each	
	31 October 2008	21 November 2007
K J Trowbridge	-	-
B M Cohen	-	-
T S Irwin	-	-

**PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
DIRECTORS' REPORT (CONTINUED)**

FOR THE PERIOD ENDED 31 OCTOBER 2008

Statement of directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

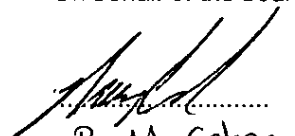
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


B M Cohen - Director

Dated: 23/10/09

**PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
INDEPENDENT AUDITORS' REPORT**

TO THE SHAREHOLDERS OF PRIME AIR EUROPE LIMITED

We have audited the financial statements of Prime Air Europe Limited for the period ended 31 October 2008 set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF PRIME AIR EUROPE LIMITED**

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 October 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



HW

28 October 2009

**Chartered Accountants
Registered Auditor**

30 Camp Road
Farnborough
Hampshire
GU14 6EW

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 OCTOBER 2008

		Period ended 31 October 2008 £	Period ended 20 November 2007 £
	Notes		
Turnover	2	4,086,774	1,951,293
Cost of sales		(3,113,424)	(1,453,170)
Gross profit		973,350	498,123
Distribution costs		(58,927)	(41,914)
Administrative expenses		(553,275)	(379,739)
Operating profit	3	361,148	76,470
Other interest receivable and similar income	4	134	376
Interest payable and similar charges	5	(7,695)	(2,469)
Profit on ordinary activities before taxation		353,587	74,377
Tax on profit on ordinary activities	6	(105,892)	(14,078)
Profit for the period	15	247,695	60,299

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

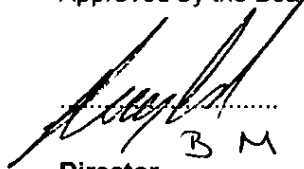
There are no recognised gains and losses other than those passing through the profit and loss account.

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
BALANCE SHEET

AS AT 31 OCTOBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	8	24,091		12,819	
Investments	9	573		573	
		<u>24,664</u>		<u>13,392</u>	
Current assets					
Stocks	10	514,402		328,736	
Debtors	11	769,571		629,330	
Cash at bank and in hand		241,554		46,976	
		<u>1,525,527</u>		<u>1,005,042</u>	
Creditors: amounts falling due within one year	12	<u>(881,139)</u>		<u>(597,077)</u>	
Net current assets			<u>644,388</u>		<u>407,965</u>
Total assets less current liabilities			<u>669,052</u>		<u>421,357</u>
Capital and reserves					
Called up share capital	14	400		400	
Profit and loss account	15	668,652		420,957	
Shareholders' funds	16	<u>669,052</u>		<u>421,357</u>	

Approved by the Board and authorised for issue on 23/10/09.....


 B M Cohen
 Director

Company Registration No. 3897611

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 OCTOBER 2008

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 invoice.

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 on cost
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 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

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

1.8 Pensions

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

1.9 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.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

1 Accounting policies

(continued)

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Prime Air LLC, a company incorporated in the United States of America. The ultimate parent company of Prime Air LLC is Heico Corporation and Heico Corporation prepares consolidated accounts incorporating Prime Air LLC.

1.12 Dividends

Dividends are accounted for in accordance with FRS 21 Events after the balance sheet date, and are recognised only when paid as a movement in the reserves within the accounts.

2 Turnover

Geographical market

	Turnover	
	2008	2007
	£	£
Australia and New Zealand	122,606	58,540
Africa	122,600	58,538
Asia	408,677	195,129
Europe	1,430,371	682,952
United Kingdom	858,223	409,772
United States of America	1,144,297	546,362
	<u>4,086,774</u>	<u>1,951,293</u>

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

3	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	12,552	9,442
	Loss on foreign exchange transactions	-	28,015
	Operating lease rentals	34,388	18,517
	and after crediting:		
	Profit on foreign exchange transactions	(54,344)	-
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	3,205	-
	Taxation and other non audit accounts work carried out by the company's auditor	4,295	-
		7,500	-
4	Investment income	2008	2007
		£	£
	Bank interest	134	376
		134	376
5	Interest payable	2008	2007
		£	£
	On amounts payable to group companies	75	-
	On bank loans and overdrafts	7,605	2,400
	On overdue tax	15	-
	Other interest	-	69
		7,695	2,469

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

6	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	105,892	16,161
	Current tax charge	105,892	16,161
	Deferred tax		
	Deferred tax charge/credit current year	-	(2,083)
		105,892	14,078
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	353,587	74,377
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 20.00%)	99,004	14,875
	Effects of:		
	Depreciation add back	3,514	1,888
	Capital allowances	(2,265)	(728)
	Other tax adjustments	5,639	126
		6,888	1,286
	Current tax charge	105,892	16,161
7	Dividends	2008	2007
		£	£
	Ordinary interim paid	-	44,000

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

8 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 21 November 2007	31,581	33,367	64,948
Additions	23,824	-	23,824
Disposals	(31,582)	(28,357)	(59,939)
At 31 October 2008	23,823	5,010	28,833
Depreciation			
At 21 November 2007	31,581	20,548	52,129
On disposals	(31,582)	(28,357)	(59,939)
Charge for the period	3,888	8,664	12,552
At 31 October 2008	3,887	855	4,742
Net book value			
At 31 October 2008	19,936	4,155	24,091
At 20 November 2007	-	12,819	12,819

9 Fixed asset investments

	Unlisted investments
	£
Cost	
At 21 November 2007 & at 31 October 2008	573
Net book value	
At 31 October 2008	573
At 20 November 2007	573

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

10 Stocks	2008	2007
	£	£
Raw materials and consumables	-	4,280
Finished goods and goods for resale	514,402	324,456
	<u>514,402</u>	<u>328,736</u>
11 Debtors	2008	2007
	£	£
Trade debtors	747,861	591,668
Amounts owed by parent and fellow subsidiary undertakings	388	-
Corporation tax	819	-
Other debtors	15,544	21,652
Prepayments and accrued income	4,959	16,010
	<u>769,571</u>	<u>629,330</u>
12 Creditors: amounts falling due within one year	2008	2007
	£	£
Trade creditors	441,349	370,384
Amounts owed to parent and fellow subsidiary undertakings	241,631	-
Corporation tax	105,892	70,726
Other taxes and social security costs	10,849	50,005
Other creditors	8,434	20,265
Accruals and deferred income	72,984	85,697
	<u>881,139</u>	<u>597,077</u>

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

13 Pension costs

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. Contributions totalling £366 (2007- £nil) were payable to the fund at the year end and are included in creditors.

	2008	2007
	£	£
Contributions payable by the company for the period	4,280	2,000

14 Share capital

	2008	2007
	£	£
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
100,000 Ordinary 'A' shares of £1 each	100,000	100,000
100,000 Ordinary 'B' shares of £1 each	100,000	100,000
	<u>1,200,000</u>	<u>1,200,000</u>
 Allotted, called up and fully paid		
200 Ordinary shares of £1 each	200	200
200 Ordinary 'A' shares of £1 each	200	200
	<u>400</u>	<u>400</u>

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 21 November 2007	420,957
Profit for the period	247,695
	<u>668,652</u>
Balance at 31 October 2008	<u>668,652</u>

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

16 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the financial period	247,695	60,299
Dividends	-	(44,000)
Net addition to shareholders' funds	247,695	16,299
Opening shareholders' funds	421,357	405,058
Closing shareholders' funds	669,052	421,357

17 Financial commitments

At 31 October 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 October 2009:

	Land and buildings	
	2008	2007
	£	£
Operating leases which expire:		
Between two and five years	22,000	22,000

18 Directors' emoluments	2008	2007
	£	£
Emoluments for qualifying services	132,288	6,933
Company pension contributions to money purchase schemes	4,055	2,000
	136,343	8,933

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 2).

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

19 Transactions with directors

The following directors had interest free loans during the period. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2008	2007	in period
	£	£	£
K J Trowbridge	-	272	272

The movement in the period relates to the repayment of the loan to the company by the director K J Trowbridge.

20 Employees

Number of employees

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

	2008	2007
	Number	Number
Total	7	7

Employment costs

	2008	2007
	£	£
Wages and salaries (including social security costs)	315,351	233,538
Other pension costs	4,280	2,000
	319,631	235,538

21 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.

PRIME AIR EUROPE LIMITED
(FORMERLY AVISOURCE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 OCTOBER 2008

22 Related party transactions

Heico Corporation and Prime Air LLC are considered to be related parties as they are the company's ultimate parent and immediate parent respectively.

The following companies are considered related parties by virtue of being members of within the Heico Corporation group. Heico Aerospace Corporation is considered to be a related party as it is a direct subsidiary of Heico Corporation. Jet Avion Corporation is considered to be related as the company is a subsidiary of Heico Parts Group, who is a direct subsidiary of Heico Corporation. Prime Air Europe Limited, Northwings Accessories Corporation and Inertial Airline Services Inc. are considered to be related parties as the companies are subsidiaries of Heico Repairs Group, who is a direct subsidiary of Heico Corporation.

Included in debtors at the period end is an amount of £388 (2007 - £nil) owed by Jet Avion Corporation. The movement relates to inter company invoices raised of £16,076, repayments of £16,076 and consulting fees paid on behalf of the company of £388.

Included in creditors at the period end is an amount of £42,437 (2007 - £nil) owed to Heico Aerospace Corporation. The movement during the period relates to intercompany invoices raised of £3,205, unrealised gains/losses on foreign exchange of £37,719 and purchase of a computer on behalf of Avisource Limited of £1,513.

Included in creditors at the period end is an amount of £44,684 (2007 - £nil) owed to Prime Air LLC. The movement during the period relates to sales invoices raised of £233,319 (2007 - £nil) and receipts of £142,416 (2007 - £nil), purchase invoices of £137,297 (2007 - £nil) and payments of £9,632 (2007 - £nil), accountancy fees of £4,000 (2007 - £nil) and unrealised gains/losses on foreign exchange of £3,921 (2007 - £nil).

Included in creditors at the period end is an amount of £147,136 (2007 - £146,063) owed to Heico Aerospace Corporation. The net movement during the period relates to expenditure incurred on behalf of Heico Aerospace Corporation.

Included in creditors at the period end is an amount of £243 (2007 - £nil) owed to Northwings Accessories Corporation. The movement during the period relates to intercompany invoices raised and paid of £15,797, unrealised gains/losses on foreign exchange of £69 and expenses paid on behalf of the company of £312.

Included in creditors at the period end is an amount of £7,132 owed to Inertial Airline Services Inc (2007 - £nil). The movement during the period relates to intercompany invoices raised and paid of £19,517, unrealised gains/losses on foreign exchange of £626 and sales invoices raised of £6,506.

23 Comparatives

The comparatives relate to the period from 1 April 2007 to 20 November 2007.