

**AIM AVIATION (HBA) LIMITED**  
**A C C O U N T S**  
**FOR THE YEAR ENDED 30TH APRIL 1997**

Registered in England No. 348981



AIM AVIATION (HBA) LIMITEDREPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30TH APRIL 1997INDEX

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**AIM AVIATION (HBA) LIMITED****REPORT OF THE DIRECTORS**

The directors present their report and accounts for the year ended 30th April 1997.

**BUSINESS REVIEW**

The principal activity of the company is that of bonding laminators.

There has been no significant change in this activity during the year and it is not anticipated there will be any significant change during the current financial year.

The turnover and profit before taxation for the year were as follows:-

	1997 £	1996 £
Turnover	£10,182,923 =====	£11,597,128 =====
Profit before taxation	1,208,984	1,531,149
Taxation	(230,924) -----	(342,042) -----
Profit for the year after taxation	£978,060 =====	£1,189,107 =====

**DIVIDENDS**

An interim dividend on the ordinary share capital of £300 per share (1996 - £225) was paid during the year. The directors do not recommend the payment of a final dividend (1996 - £Nil).

The retained profit for the year of £378,060 is added to reserves.

**FIXED ASSETS**

The movement in tangible fixed assets is set out in note 6 to the accounts.

**DIRECTORS AND THEIR INTERESTS**

The directors who have served during the year were:-

J C Smith  
C MacDonald-Hall  
R A Green  
W E Griffiths  
P Seaford

The directors retiring by rotation are Mr J C Smith and Mr C MacDonald-Hall who, being eligible, offer themselves for re-election.

**AIM AVIATION (HBA) LIMITED****REPORT OF THE DIRECTORS****(Continued)**

Mr J C Smith , Mr C MacDonald-Hall, Mr R A Green and Mr W E Griffiths are directors of the ultimate parent undertaking AIM Group PLC. The beneficial interests of those directors in the share capital of the ultimate parent undertaking are shown in that company's report of the remuneration committee.

The other director at the end of the year had the following interests, including family interests, in the ordinary shares of the ultimate parent undertaking:

	Ordinary shares of 10p each		Options on Ordinary shares of 10p each	
	1997	1996	1997	1996
P Seaford	-	5,636	30,000	40,468

During the year Mr P Seaford exercised 10,468 options in the shares of the ultimate parent undertaking under the terms of the AIM Group PLC Executive Share Option Scheme.

**CREDITOR PAYMENT POLICY**

The company's current policy concerning the majority of payments to suppliers is to pay in accordance with negotiated terms.

Creditor days at 30th April 1997 were 52.

**AUDITORS**

A resolution to re-appoint the auditors Rothman Pantall & Co will be proposed at the annual general meeting.

By order of the Board



N P Fenn  
Secretary

31st July 1997

**AIM AVIATION (HBA) LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the result of the company for the year. In preparing those accounts, the directors are required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- iv) prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

**AIM AVIATION (HBA) LIMITED**

**REPORT OF THE AUDITORS**

**To the Members of AIM Aviation (HBA) Limited**

We have audited the accounts on pages 6 to 15 which have been prepared under the historical cost convention.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

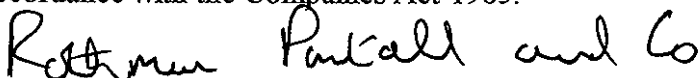
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material mis-statement, 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30th April 1997 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rothman Pantall & Co  
Chartered Accountants and Registered Auditors

4 Prince George Street  
Havant  
Hampshire  
PO9 1BG

31st July 1997

**AIM AVIATION (HBA) LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 30th April 1997**

	Notes	1997 £	1996 £
Turnover	1	10,182,923	11,597,128
Cost of sales		(7,843,438)	(8,906,637)
Gross Profit		2,339,485	2,690,491
Distribution costs		(192,568)	(221,289)
Administrative expenses		(937,933)	(938,053)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1 & 3	1,208,984	1,531,149
Taxation on profit on ordinary activities	4	(230,924)	(342,042)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		978,060	1,189,107
Dividend	5	(600,000)	(450,000)
Retained profit for the year		378,060	739,107
Retained profit brought forward		4,251,663	3,512,556
Retained profit carried forward		£4,629,723	£4,251,663

The company has no recognised gains and losses other than above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

**AIM AVIATION (HBA) LIMITED****BALANCE SHEET AT 30TH APRIL 1997**

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	6	784,675	888,759
<b>CURRENT ASSETS</b>			
Stocks and work in progress	7	1,631,413	2,066,295
Debtors	8	3,340,970	3,965,243
Cash at bank and in hand		807,626	1,000
		<hr/>	<hr/>
		5,780,009	6,032,538
<b>CREDITORS</b>			
Amounts falling due within one year	9	(1,789,157)	(2,511,711)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		3,990,852	3,520,827
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,775,527	4,409,586
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10	(139,804)	(151,923)
		<hr/>	<hr/>
<b>NET ASSETS</b>		<u>£4,635,723</u>	<u>£4,257,663</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	6,000	6,000
Profit and loss account		4,629,723	4,251,663
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>£4,635,723</u>	<u>£4,257,663</u>


 J C Smith

Director

These accounts were approved by the board of directors on 31st July 1997.



**AIM AVIATION (HBA) LIMITED****ACCOUNTING POLICIES****(a) Basis of Accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**(b) Depreciation and Amortisation**

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives as follows:-

Motor vehicles	5 years
Leasehold land and buildings	Amortised over term of lease or to next rent review if appropriate
Plant and machinery	13 years
Furniture, fittings, tools and equipment	Between 4 and 10 years

**(c) Stocks and Work in Progress**

These are valued on a 'first in, first out' basis at the lower of cost and net realisable value. In respect of work in progress and finished goods cost includes all production overheads and the attributable proportion of indirect overhead expenses.

**(d) Long Term Project Costs**

These costs fall into three principal categories: design and development, jigs and tools, and education.

Design and development expenditure arises mainly in the early part of the project and is written off as incurred except where contracts include payment for such costs or when the decision to manufacture has been taken.

Expenditure on jigs and tools is normally incurred only after the decision to manufacture has been taken. Education costs arise early in the production cycle of new projects when skills and expertise are being acquired and unit costs are therefore relatively high. They comprise the excess of such unit production costs over the level of unit costs anticipated at a more advanced stage of the production programme.

Expenditure on long-term project costs is carried forward for amortisation in respect of each project by reference to an appropriate assessment of sales, subject to the status of the project and the overriding concept of financial prudence. The amortisation of these costs is charged in arriving at trading profit.

**AIM AVIATION (HBA) LIMITED****ACCOUNTING POLICIES****(Continued)****(e) Operating Leases**

Operating lease rentals are charged against profits in the year in which they are due.

**(f) Deferred Taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

**(g) Foreign Currencies**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date.

Profits and losses arising on the exchange of foreign currencies are dealt with through the profit and loss account.

**(h) Pensions**

Net pension costs are charged to the profit and loss account so as to spread the cost of pensions over the expected remaining service lives of members.

**AIM AVIATION (HBA) LIMITED****NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 1997****1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover represents amounts invoiced by the company in respect of goods provided during the year excluding value added tax.

Turnover and profit on ordinary activities before taxation are both wholly derived from the company's principal activity of bonding laminators.

The analysis of turnover by geographical area is as follows:-

	1997	1996
	£	£
United Kingdom	9,247,878	10,343,463
Europe	90,966	178,804
USA	819,245	1,065,850
Other	24,834	9,011
	<u>£10,182,923</u>	<u>£11,597,128</u>
	=====	=====

**2. EMPLOYEES**

The average number of people employed by the company (including directors) during the year was as follows:-

	1997	1996
Management and administration	25	27
Production	133	160
Sales	1	1
	—	—
	<u>159</u>	<u>188</u>
	===	===

The aggregate payroll costs were as follows:-

	1997	1996
	£	£
Wages and salaries	2,292,346	2,698,790
Social security costs	225,828	259,252
Other pension costs	27,114	24,862
	<u>£2,545,288</u>	<u>£2,982,904</u>
	=====	=====

**AIM AVIATION (HBA) LIMITED**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 1997  
(Continued)

## 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit before taxation is stated after charging:-

	1997	1996
	£	£
Depreciation of tangible fixed assets	134,416	133,370
Operating leases - land and buildings	292,243	298,582
Auditors' remuneration:		
audit fees	5,150	5,000
other fees	3,400	3,200
Directors' emoluments:		
as executives - salary and benefits	147,063	137,104
	=====	=====

## 4. TAXATION

	1997	1996
	£	£
Taxation based on the profit for the year:		
Corporation tax at 33% (1996 - 33%)	(399,513)	(347,539)
Deferred taxation	12,119	5,497
	-----	-----
	(387,394)	(342,042)
Adjustments in respect of earlier years:		
Corporation tax	156,470	-
	-----	-----
	£(230,924)	£(342,042)
	=====	=====

**AIM AVIATION (HBA) LIMITED**

**NOTES TO THE ACCOUNTS**  
**for the year ended 30TH APRIL 1997**  
**(Continued)**

**5. DIVIDENDS**

	1997	1996
	£	£
Paid:		
Interim of £300 (1996 - £225) per share on 2,000 ordinary shares	£600,000	£450,000
	=====	=====

**6. TANGIBLE FIXED ASSETS**

	<u>Motor vehicles</u>	<u>Short leasehold land and buildings</u>	<u>Plant and machinery</u>	<u>Furniture and fittings</u>	<u>Total</u>
	£	£	£	£	£
Cost					
At 1st May 1996	119,065	6,268	1,373,356	82,507	1,581,196
Additions	45,559	-	10,564	-	56,123
Disposals	(41,518)	-	-	-	(41,518)
	-----	-----	-----	-----	-----
At 30th April 1997	123,106	6,268	1,383,920	82,507	1,595,801
	-----	-----	-----	-----	-----
Depreciation					
At 1st May 1996	37,709	6,268	588,548	59,912	692,437
Charged in year	22,343	-	105,788	6,285	134,416
Disposals	(15,727)	-	-	-	(15,727)
	-----	-----	-----	-----	-----
At 30th April 1997	44,325	6,268	694,336	66,197	811,126
	-----	-----	-----	-----	-----
Net book amount					
At 30th April 1997	£78,781	£ -	£689,584	£16,310	£784,675
	=====	=====	=====	=====	=====
At 30th April 1996	£81,356	£ -	£784,808	£22,595	£888,759
	=====	=====	=====	=====	=====

**7. STOCKS AND WORK IN PROGRESS**

	1997	1996
	£	£
Raw materials and consumables	1,296,532	1,736,125
Work in progress	334,881	330,170
	-----	-----
	£1,631,413	£2,066,295
	=====	=====

**AIM AVIATION (HBA) LIMITED**

**NOTES TO THE ACCOUNTS**  
**for the year ended 30TH APRIL 1997**  
**(Continued)**

**8. DEBTORS**

	1997	1996
	£	£
Trade debtors	2,312,389	2,435,137
Amounts owed by - ultimate parent undertaking	-	158,701
- fellow subsidiary undertakings	782,295	1,255,691
Taxation - corporation tax	154,069	-
Prepayments and accrued income	92,217	115,714
	<hr/>	<hr/>
	<u>£3,340,970</u>	<u>£3,965,243</u>

**9. CREDITORS**

	1997	1996
	£	£
Amounts falling due within one year:		
Bank overdraft	-	783,368
Trade creditors	764,969	992,403
Amounts owed to group companies:		
ultimate parent undertaking	83,299	-
fellow subsidiary undertakings	53,878	55,980
Taxation - corporation tax	399,513	347,539
- social security and other tax	190,697	88,417
Accruals and deferred income	296,801	244,004
	<hr/>	<hr/>
	<u>£1,789,157</u>	<u>£2,511,711</u>

**10. PROVISIONS FOR LIABILITIES AND CHARGES**

	<u>Deferred</u> <u>Taxation</u> £
Balance at 1st May 1996	151,923
Transfer to profit and loss account	(12,119)
	<hr/>
Balance at 30th April 1997	<u>£139,804</u>

There was no unprovided deferred taxation.

**AIM AVIATION (HBA) LIMITED**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 1997  
(Continued)

**11. SHARE CAPITAL**

	1997 £	1996 £
Authorised:		
4,000 6% redeemable participating preference shares of £1 each	4,000	4,000
6,000 ordinary shares of £1 each	6,000	6,000
	<hr/>	<hr/>
	£10,000	£10,000
	<hr/>	<hr/>
Allotted, called-up and fully paid:		
4,000 6% redeemable participating preference shares of £1 each	4,000	4,000
2,000 ordinary shares of £1 each	2,000	2,000
	<hr/>	<hr/>
	£6,000	£6,000
	<hr/>	<hr/>

The 6% redeemable participating preference shares are redeemable at the company's option on 6 months written notice with no premium payable on redemption.

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1997 £	1996 £
Profit on ordinary activities after taxation	978,060	1,189,107
Dividends	(600,000)	(450,000)
	<hr/>	<hr/>
Opening shareholders' funds	378,060 4,257,663	739,107 3,518,556
	<hr/>	<hr/>
Closing shareholders' funds	£4,635,723	£4,257,663
	<hr/>	<hr/>

**AIM AVIATION (HBA) LIMITED**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 1997  
(Continued)

## 13. COMMITMENTS

	1997 £	1996 £
Operating Lease Commitments:		
Commitments under operating leases to pay rentals during the year following the year of these accounts are as follows:-		
Land and Buildings:-		
Expiring within one year	16,000	22,000
Expiring after 5 years	288,332	286,582
	<hr/>	<hr/>
	£304,332	£308,582
	<hr/> <hr/>	<hr/> <hr/>

## 14. PENSIONS

In addition to the government pension scheme, certain senior employees are members of a defined-benefit scheme operated by the ultimate parent undertaking. Payments by the company are charged against profits in the year in which they become payable.

## 15. CONTINGENT LIABILITIES

The company has entered into a joint guarantee and debenture to secure bank borrowings of the ultimate parent undertaking and fellow subsidiary undertakings. At 30th April 1997 the aggregate amount outstanding was £10,407,254 (1996 - £15,997,836).

## 16. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is AIM Group PLC a company incorporated in the United Kingdom.

## 17. PREFERENCE SHARE DIVIDEND

The ultimate parent undertaking has waived its entitlement to receipt of the dividend for all periods to 30th April 1997.

## 18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from disclosure of group transactions on the grounds that its results are included in the consolidated accounts of AIM Group PLC which are publicly available.