

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)**

**A C C O U N T S**

**FOR THE YEAR ENDED 30TH APRIL 2000**

**Registered in England No. 348981**



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COMPANIES HOUSE**

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**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)****REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30TH APRIL 2000****INDEX**

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

The directors present their report and accounts for the year ended 30th April 2000.

**BUSINESS REVIEW**

The Company name was changed on 27 June 2000 from Aim Aviation (HBA) Limited to Aim Composites Limited.

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:-

	2000 £	1999 £
Turnover	£9,568,443 =====	£10,010,309 =====
Profit for the year before taxation	1,012,359	877,104
Taxation	(358,233) -----	(75,351) -----
Profit for the year after taxation	£654,126 =====	£801,753 =====

**DIVIDENDS**

No interim dividend on the ordinary share capital was paid during the year (1999 - nil). A final dividend of £150 per share, (1999 - £150) is proposed.

The retained profit for the year of £354,126 is added to reserves.

**DIRECTORS AND THEIR INTERESTS**

The directors who have served during the year were:-

J C Smith  
C MacDonald-Hall (resigned 10th June 1999)  
W E Griffiths (resigned 31st May 1999)  
R A Green  
P Seaford

The director retiring by rotation is Mr R A Green who, being eligible, offers himself for re-election. Mr J C Smith and Mr R A Green were directors of the ultimate parent undertaking AIM Group PLC at the year end. Their beneficial interests in the share capital of the ultimate parent undertaking are shown in that company's Director's Report.

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

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	
	30th April 2000	30th April 1999	30th April 2000	30th April 1999
P Seaford	5,500	5,500	10,000	10,000

**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.

**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 2000 were 54 (1999 - 52).

**AUDITORS**

The auditors, PricewaterhouseCoopers, have indicated their willingness to be re-appointed and a resolution concerning their re-appointment will be proposed at the next annual general meeting.

By order of the Board

S M Winship  
Secretary  
31st July 2000

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)****REPORT OF THE AUDITORS**

Auditors' report to the members of Aim Composites Limited (formerly Aim Aviation (HBA) Limited)

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

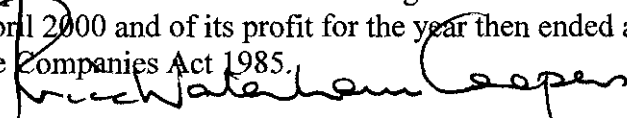
**Basis of audit opinion**

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 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

Southampton  
31st July 2000

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)****PROFIT AND LOSS ACCOUNT  
for the year ended 30th April 2000**

	Notes	2000 £	1999 £
Turnover	1	9,568,443	10,010,309
Cost of sales		(7,470,425)	(7,902,643)
Gross Profit		2,098,018	2,107,666
Distribution costs		(203,529)	(217,418)
Administrative expenses		(896,832)	(1,013,144)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		997,657	877,104
Interest receivable		14,702	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,012,359	877,104
Taxation on profit on ordinary activities	4	(358,233)	(75,351)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		654,126	801,753
Dividend	5	(300,000)	(300,000)
Retained profit for the year	12	354,126	501,753
Retained profit brought forward		6,420,977	5,919,224
Retained profit carried forward		6,775,103	6,420,977

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.

All of the company's activities are in respect of continuing operations.

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)****BALANCE SHEET AT 30TH APRIL 2000**

	Notes	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	6	610,490	646,890
<b>CURRENT ASSETS</b>			
Stocks and work in progress	7	1,391,110	1,884,952
Debtors	8	4,283,429	4,213,313
Cash at bank and in hand		1,849,085	940,504
		<u>7,523,624</u>	<u>7,038,769</u>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(1,275,378)	(1,162,497)
		<u>                    </u>	<u>                    </u>
<b>NET CURRENT ASSETS</b>		6,248,246	5,876,272
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,858,736</u>	<u>6,523,162</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
	10	(77,633)	(96,185)
<b>NET ASSETS</b>		<u>6,781,103</u>	<u>6,426,977</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	6,000	6,000
Profit and loss account		6,775,103	6,420,977
		<u>                    </u>	<u>                    </u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	12	<u>6,781,103</u>	<u>6,426,977</u>
<b>ANALYSIS OF SHAREHOLDERS' FUNDS</b>			
Equity		6,777,103	6,422,977
Non-equity		4,000	4,000
		<u>6,781,103</u>	<u>6,426,977</u>

J C Smith

Director

These accounts were approved by the board of directors on 31st July 2000

**AIM COMPOSITES LIMITED (FORMERLY 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**

Stocks and work in progress are valued on a 'first in, first out' basis at the lower of cost and net realisable value. Provision is made for obsolescence and for slow-moving items

The cost of work in progress and finished goods comprises materials, production labour and production overheads appropriate to the state of manufacture. Long-term contracts are valued at cost, plus attributable profit earned to date, less provision for foreseeable losses.

**(d) Long Term Project Costs**

Expenditure on long-term project costs is written off as incurred and charged in arriving at trading profit, except where contracts allow for recovery of such costs.

**(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.



**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)****ACCOUNTING POLICIES  
(Continued)****(g) Research and development**

Expenditure on research and development is written off as incurred and charged in arriving at trading profit.

**(h) 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.

**(i) 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 COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)****NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 2000****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.

All turnover is supplied from the United Kingdom. The analysis of turnover by geographical destination is as follows:

	2000	1999
	£	£
United Kingdom	7,980,992	8,694,836
Europe	1,165,902	457,282
USA	421,549	822,449
Other	-	35,742
	<u>9,568,443</u>	<u>10,010,309</u>

**2. EMPLOYEES**

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

	2000	1999
Management and administration	27	26
Production	105	118
Sales	2	1
	<u>134</u>	<u>145</u>

The aggregate payroll costs were as follows:-

	2000	1999
	£	£
Wages and salaries	2,222,339	2,392,620
Social security costs	198,330	227,805
Other pension costs	21,248	27,299
	<u>2,441,917</u>	<u>2,647,724</u>

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 2000  
(Continued)

## 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):-

	2000	1999
	£	£
Depreciation of tangible fixed assets	150,300	153,445
Operating leases - land and buildings	271,995	299,305
(Profit)/loss on disposal of tangible fixed assets	(4,026)	1,610
Auditors' remuneration:		
audit fees	6,000	5,500
Directors' emoluments:		
as executives - salary and benefits	89,197	166,939
	=====	=====

Retirement benefits were accruing to three (1999 – four) directors under the Group Final Salary Pension scheme.

## 4. TAXATION

	2000	1999
	£	£
Taxation based on the profit for the year:		
Corporation tax at 30% (1999 - 30%)	312,824	94,279
Deferred taxation (Note 10)	(18,552)	(24,020)
	-----	-----
	294,272	70,259
Adjustments in respect of earlier years:		
Corporation tax	63,961	1,495
Deferred taxation	-	3,597
	-----	-----
	358,233	75,351
	=====	=====

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 2000  
(Continued)

## 5. DIVIDENDS

	2000 £	1999 £
Proposed:		
Final of £150 (1999 - £150) per share on 2,000 ordinary shares	300,000	300,000
	<u>300,000</u>	<u>300,000</u>
	=====	=====

## 6. TANGIBLE FIXED ASSETS

	Motor vehicles £	Short leasehold land and buildings £	Plant and machinery £	Furniture and fittings £	Total £
Cost					
At 1st May 1999	146,746	6,268	1,442,518	81,161	1,676,693
Additions	58,189	-	56,286	12,950	127,425
Disposals	(61,452)	-	-	-	(61,452)
	<u>143,483</u>	<u>6,268</u>	<u>1,498,804</u>	<u>94,111</u>	<u>1,742,666</u>
	-----	-----	-----	-----	-----
Depreciation					
At 1st May 1999	65,826	6,268	902,409	55,300	1,029,803
Charged in year	31,092	-	107,265	11,943	150,300
Disposals	(47,927)	-	-	-	(47,927)
	<u>48,991</u>	<u>6,268</u>	<u>1,009,674</u>	<u>67,243</u>	<u>1,132,176</u>
	-----	-----	-----	-----	-----
Net book amount					
At 30th April 2000	<u>94,492</u>	<u>-</u>	<u>489,130</u>	<u>26,868</u>	<u>610,490</u>
	=====	=====	=====	=====	=====
At 30th April 1999	<u>80,920</u>	<u>-</u>	<u>540,109</u>	<u>25,861</u>	<u>646,890</u>
	=====	=====	=====	=====	=====

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 2000  
(Continued)

## 7. STOCKS AND WORK IN PROGRESS

	2000	1999
	£	£
Raw materials and consumables	1,169,864	1,589,648
Work in progress	221,246	295,304
	<u>1,391,110</u>	<u>1,884,952</u>
	=====	=====

## 8. DEBTORS

	2000	1999
	£	£
Trade debtors	2,298,707	2,323,189
Amounts owed by - ultimate parent undertaking	1,629,308	1,253,799
- fellow subsidiary undertakings	294,063	244,368
Taxation - corporation tax	-	321,006
Prepayments and accrued income	61,351	70,951
	<u>4,283,429</u>	<u>4,213,313</u>
	=====	=====

## 9. CREDITORS

	2000	1999
	£	£
Amounts falling due within one year:		
Trade creditors	750,510	811,001
Amounts owed to fellow subsidiary undertakings	36,353	18,296
Taxation - corporation tax	269,423	115,337
- social security and other tax	101,199	68,990
Accruals and deferred income	117,893	148,873
	<u>1,275,378</u>	<u>1,162,497</u>
	=====	=====

## 10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax liability in respect of accelerated capital allowances

	£
Balance at 1st May 1999	96,185
Transfer to profit and loss account	(18,552)
Balance at 30th April 2000	<u>77,633</u>
	=====

There was no unprovided deferred taxation.

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 2000  
(Continued)

## 11. SHARE CAPITAL

	2000 £	1999 £
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 non-voting. Their rights to participate in profits and in any surplus on a winding-up are limited to 6%.

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

	2000 £	1999 £
Profit on ordinary activities after taxation	654,126	801,753
Dividends	(300,000)	(300,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	354,126	501,753
Opening shareholders' funds	6,426,977	5,925,224
	<hr/>	<hr/>
Closing shareholders' funds	6,781,103	6,426,977
	<hr/>	<hr/>

**AIM COMPOSITES LIMITED (FORMERLY AIM AVIATION (HBA) LIMITED)**

NOTES TO THE ACCOUNTS  
for the year ended 30TH APRIL 2000  
(Continued)

## 13. COMMITMENTS

	2000 £	1999 £
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 after 5 years	249,020	249,020
	<hr/>	<hr/>
	249,020	249,020
	<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. Benefits are accruing to three (1999 – four) directors under this defined benefit scheme. Details of the group scheme are given in the accounts of AIM Group PLC.

## 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 2000 the aggregate amount outstanding was £10,723,336 (1999 - £12,912,216).

There are contingent liabilities in relation to guarantees given by the Company in respect of agreements entered into in the normal course of business.

## 16. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and controlling party is AIM Group PLC which is the parent undertaking of the smallest and largest group to consolidate these accounts. Copies of AIM Group PLC's consolidated accounts can be obtained from the Company Secretary at 16 Carlton Crescent, Southampton, SO15 2ES.

## 17. PREFERENCE SHARE DIVIDEND

The ultimate parent undertaking has waived its entitlement to receipt of the dividend for all periods to 30th April 2000.

## 18. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing group transactions on the grounds that its results are included in the consolidated accounts of AIM Group PLC, which are publicly available.