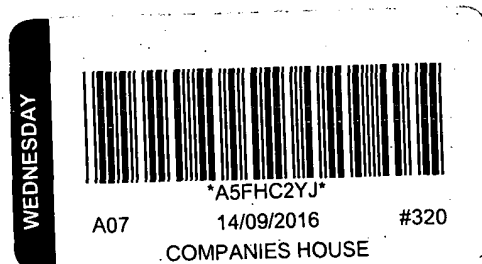


AIM Composites Limited

Registered No. 348981

Annual Report for the period ended 31 December 2015



AIM Composites Limited
Annual Report
for the period ended 31 December 2015

Contents	Page
Strategic Report	1
Directors' Report	3
Independent auditors' report to the members of AIM Composites Limited	6
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

AIM Composites Limited
Strategic Report
for the period ended 31 December 2015

The Directors present their strategic report on the company for the period ended 31 December 2015.

Results

The turnover and profit for the financial period (year) were as follows:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Turnover	9,658	16,061
Profit on ordinary activities before taxation	240	512
Tax on profit on ordinary activities	33	(53)
Profit for the financial period/year	273	459

Business review and key performance indicators

The principal activity of the Company is the build to print manufacture of lightweight composite panels and mouldings supplying both group companies and third party customers, as well as composite-related test, repair and distribution services.

The business has experienced a reduction in sales largely due to the timing of customer orders. By managing costs to align with the lower sales, the company has remained profitable.

The directors of AIM Aviation Holdings Limited (the Company's ultimate UK parent undertaking) manage the Group's operations centrally. For this reason, the company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group as a whole, which includes the company, is discussed on pages 2 to 4 of the AIM Aviation Holdings Limited financial statements which do not form part of this report.

The financial statements relate to the period from 1 May 2015 to 31 Dec 2015; this short period has been adopted to align all members of the Group to the year end of a new ultimate parent company prior to acquisition. The comparative balances relate to the year to 30 Apr 2015 and are therefore not directly comparable.

Events after the end of the reporting period

On 5 May 2016 the entire share capital of the company's ultimate UK parent undertaking, AIM Aviation Holdings Limited, was acquired by AVICADE Systems UK Limited, a subsidiary of AVIC International, a multinational aerospace group headquartered in Beijing, China.

Transition to FRS102

The Company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 14.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Company, which include commercial relationships, environmental, financial, credit, foreign exchange, liquidity, interest rate and information technology are discussed on pages 3 and 4 of AIM Aviation Holdings Limited's financial statements which do not form part of this report.

AIM Composites Limited
Strategic Report (continued)
for the period ended 31 December 2015

Position of the company at the year end

The Company has net assets at 31 Dec 2015 of £467k (30 Apr 2015: £194k).

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A J Leitch'.

A J Leitch
Director
10 Aug 2016

AIM Composites Limited
Directors' Report
for the period ended 31 December 2015

The directors present their report and audited Financial Statements of the Company for the period ended 31 December 2015.

Future developments

No changes to the Company's activities are planned in the foreseeable future.

On 5 May 2016 the entire share capital of the company's ultimate UK parent undertaking, AIM Aviation Holdings Limited, was acquired by AVICADE Systems UK Limited, a subsidiary of AVIC International, a multinational aerospace group headquartered in Beijing, China.

Dividends

The directors authorised the payment of a final dividend for the period of nil or nil per share (30 Apr 2015: nil or nil per share).

Research and development

The Company pursues a continuing programme of research and development to maintain its position amongst the leaders in the design and manufacture of interior equipment for the aerospace and related industries.

Directors

The directors who have served during the period and up to the date of signing the financial statements were:

M J Edwards
A J Leitch
A Brown

M J Edwards and A J Leitch are directors of the ultimate UK parent undertaking AIM Aviation Holdings Limited at the period end.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial risks

The Company is a wholly owned subsidiary of AIM Aviation Holdings Limited which manages its financial risks centrally. The most important components of financial risk impacting the company are Currency risk, liquidity risk, credit risk and price risk.

The Company is exposed to currency risk in respect of transactions with overseas entities. The principal currencies to which the Company is exposed are the Euro and the US Dollar. The Group's policy is to hedge a proportion of this exposure, for up to fifteen months, by using foreign exchange forward contracts against its anticipated and known sales and purchases.

Credit risk is the risk that a customer will be unable to pay amounts in full when due. Mitigation of risk is by the setting and monitoring of credit limits.

Financial risks (continued)

Liquidity risk is the risk that cash may not be available to pay obligations when due, particularly due to the reliance on a small number of customers. Mitigation of risk is by availability of Group funds and external bank facilities.

The Company is also subject to materials price risk as a result of its operations. Mitigation of risk is by multiple-sourcing, bulk buying and intra-group purchasing.

Employees

The Company recognises its obligations towards disabled persons and applications from them for employment are given full and fair consideration. Training and career progression are available for the disabled, as for any other member of staff. Whenever possible every endeavour is made to assist existing employees who have become disabled to continue their employment.

Consultations and participation take place through trade union and representative employee committee channels and through briefing meetings and discussions with employees. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

Going concern

Following the acquisition of the company's ultimate UK parent undertaking, AIM Aviation Holdings Limited, by AVICADE Systems UK Limited, the Directors believe that the AVICADE Systems UK Limited group has adequate resources to continue in operational existence for the foreseeable future. The Directors have received written confirmation that AVICADE Systems UK Limited intends to support the company for at least one year after these financial statements are prepared.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and 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 the law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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;
- state whether applicable UK Accounting Standards including FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

AIM Composites Limited

Directors' Report (continued)

for the period ended 31 December 2015

Statement of directors' responsibilities (continued)

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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved:

- a) as far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b) the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



A J Leitch

Director

10 Aug 2016

Report on the financial statements

Our opinion

In our opinion, AIM Composites Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the 8 month period (the "period") 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.

What we have audited

The financial statements, included within the Annual Report for the period ended 31 December 2015 (the "Annual Report"), comprise;

- the Balance Sheet as at 31 December 2015;
- the Profit and Loss Account for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
12 Aug 2016

AIM Composites Limited
Profit and Loss Account
for the period ended 31 December 2015

	Note	8 month period ended 31 Dec 2015 £'000	Year ended 30 Apr 2015 £'000
Turnover	2	9,658	16,061
Cost of Sales		(8,342)	(13,672)
Gross Profit		1,316	2,389
Distribution costs		(131)	(200)
Administrative expenses		(945)	(1,677)
Operating profit	3	240	512
Profit on ordinary activities before taxation		240	512
Tax on profit on ordinary activities	5	33	(53)
Profit for the financial period		273	459

The Company has no recognised gains and losses other than above and therefore no separate statement of comprehensive income has been presented.

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

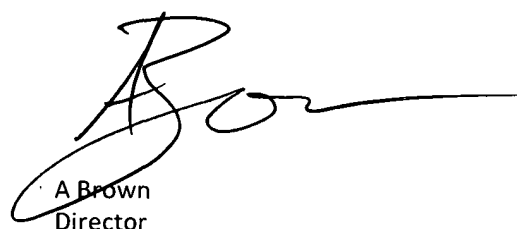
All activities reflected above relate to continuing operations.

AIM Composites Limited
Balance Sheet
as at 31 December 2015

	Note	As at 31 Dec 2015 £'000	As at 30 Apr 2015 £'000
Fixed assets			
Intangible assets	6	159	108
Tangible assets	7	2,022	1,515
		2,181	1,623
Current assets			
Inventories	8	2,797	2,799
Debtors	9	2,314	2,347
Cash at bank and in hand		161	811
		5,272	5,957
Creditors: Amounts falling due within one year	10	(6,796)	(7,163)
Net current liabilities		(1,524)	(1,206)
Total assets less current liabilities		657	417
Provisions for other liabilities	11	(190)	(223)
Net assets		467	194
Capital and reserves			
Called up share capital	12	6	6
Retained earnings		461	188
Total Equity		467	194

Registered in England No. 348981

The financial statements on pages 8 to 21 were approved by the board of directors on 10 August 2016 and signed on its behalf by:



A Brown
 Director

AIM Composites Limited
Statement of Changes in Equity
for the period ended 31 December 2015

	Called-up share capital	Retained earnings	Total Equity
	£'000	£'000	£'000
Balance at 1 May 2014	6	(271)	(265)
Profit for the year	-	459	459
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	459	459
Total transactions with owners, recognised directly in equity	-	-	-
Balance at 30 Apr 2015	6	188	194
Balance at 1 May 2015	6	188	194
Profit for the period	-	273	273
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	273	273
Total transactions with owners, recognised directly in equity	-	-	-
Balance at 31 Dec 2015	6	461	467

Retained earnings represents accumulated comprehensive income for the period and prior year.

1 Summary of significant accounting policies

General Information

AIM Composites Limited is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Jecco House, Boscombe Grove Road, Bournemouth, Dorset, BH1 4PD, UK.

The principal activity of the Company is the build to print manufacture of lightweight composite panels and mouldings supplying both group companies and third party customers, as well as composite-related test, repair and distribution services.

Statement of compliance

The financial statements of AIM Composites Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of Accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, except for the differences arising on transition to FRS102 as disclosed in note 14, are set out below.

The Company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 14. Where the application of FRS 102 required a change in presentation or classification, comparative amounts have been reclassified unless impracticable.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions under FRS 102:

(i) from preparing a statement of cash flow, on the basis that it is a qualifying entity, and its ultimate parent company, AIM Aviation Holdings Limited, includes the Company's cash flows in its own consolidated financial statements (FRS102 paragraph 3.17(d) and section 7);

(ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7; and

(iii) certain financial instrument disclosures (FRS 102 paragraph 11.39 to 11.48, 12.26 to 12.29).

Going Concern

Following the acquisition of the company's ultimate UK parent undertaking, AIM Aviation Holdings Limited, by AVICADE Systems UK Limited, the Directors believe that the AVICADE Systems UK Limited group has adequate resources to continue in operational existence for the foreseeable future. The Directors have received written confirmation that AVICADE Systems UK Limited intends to support the company for at least one year after these financial statements are prepared.

Turnover

Turnover is measured at the fair value of the right to consideration and is recognised when the legal title and the risks and rewards of ownership have been passed to the customer, the company retains no continuing involvement or control over the goods, the amount of revenues can be measured reliably, and it is probable that the future economic benefits will flow to the entity. Turnover for services is recognised as the services are rendered. Turnover excludes value added tax and other sales taxes.

Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis.

1 Summary of significant accounting policies (continued)

Tangible Assets and Depreciation

Tangible Assets are stated at cost less accumulated depreciation and accumulated impairment losses. The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. Any impairment in value is charged as applicable to the profit and loss account.

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

Leasehold land and buildings	Amortised over term of lease
Plant and machinery	Between 4 and 13 years
Motor Vehicles	Between 4 and 13 years
Furniture and fittings	Between 4 and 13 years
Computer Equipment	4 years

Inventories

Inventories 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 contract work in progress is stated at total cost incurred net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account.

Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and deposited with banks with maturity of less than or equal to 3 months.

Leasing

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

Research and Development

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

Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax is recognised on all timing differences, on a non-discounted basis, where the transaction or events that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on the sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

1 Summary of significant accounting policies (continued)

Foreign Currency Translation

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date. Foreign currency gains and losses resulting from the settlement of transactions and from the translation of period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Employee Benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

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.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Differences between contributions payable and actually paid are shown as either accruals or prepayments in the balance sheet.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Impairment of Non Financial Assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial Instruments

Basic financial assets, including trade and other receivables, cash and bank balances and loan notes, are initially recognised at transaction price and subsequently at amortised cost. At the end of each accounting period these assets are assessed for objective evidence of impairment, and loss arising being recognised in the profit or loss. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to another party.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price and subsequently at amortised cost. Financial liabilities are derecognised when the liability is extinguished; that is when the contractual obligation is discharged, cancelled or expires.

Critical accounting judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgement and estimates have been made include:

(i) Valuation of work in progress in Inventory

Work in progress is valued using the percentage of costs method based on management's best estimate of the expected total hours to complete a project; the estimated total hours and expected recoverability of the balance are reviewed regularly, and any adjustments to revenue recognised and WiP valuation are made in the period in which they are identified.

Notes to the financial statements (continued)*for the period ended 31 December 2015***1 Summary of significant accounting policies (continued)****Critical accounting judgements and estimates (continued)**

ii) Provisions

Provision is made for obsolete and slow-moving inventory, based on the management's best estimate of the likely recovery value of the inventory through future sale.

Provision is made for doubtful debt where the directors believe that there is a material risk that a debt may not be recovered.

2 Turnover

All turnover is supplied from the United Kingdom and comprises only one class of business. The analysis of turnover by geographical destination is as follows:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
United Kingdom	9,014	15,211
Rest of Europe	280	551
USA	56	114
Africa	41	71
Asia	23	42
Middle East	15	56
Other	229	16
Total	9,658	16,061

3 Operating Profit

Operating profit is stated after (crediting)/charging:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Staff Costs	3,864	6,140
Depreciation	124	250
Amortisation	39	
Profit on disposal of tangible fixed assets	-	(6)
Operating lease charges	214	321
Impairment of trade receivables	(2)	-
Impairment of inventory	80	-
Foreign exchange gains on trade receivables	-	(6)
Audit fees payable to the company's auditors	10	12

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditors for 'Other services' as this information is included in the consolidated financial statements of AIM Aviation Holdings Limited.

4 Employees and directors

The average monthly number of full time equivalent employees (including executive directors) by activity employed during the period (year) was as follows:

	8 month period ended 31 Dec 15 Number	Year ended 30 Apr 15 Number
Management, administration and sales	32	29
Production	125	131
Total	157	160

The aggregate payroll costs were as follows:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Wages and salaries	3,470	5,525
Social security costs	293	469
Other pension costs (Note 15)	101	146
Total	3,864	6,140

The directors' emoluments were as follows:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Aggregate emoluments as executives	42	57
Pension contributions	1	1
Total	43	58

The highest paid director's emoluments were as follows:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Aggregate emoluments	42	57
Pension contributions	1	1
Total	43	58

There were benefits accruing to one (30 Apr 2015: one) director under a money purchase scheme at the period (year) end.

In addition to the above emoluments, two (year to 30 Apr 2015: two) of the company's directors were remunerated by a fellow group undertaking.

AIM Composites Limited
Notes to the financial statements (continued)
for the period ended 31 December 2015

5 Tax on profit on ordinary activities

(a) Tax expense included in profit or loss

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Current tax		
- UK Corporation tax on profit/(loss) for the financial period (year)	-	-
- Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax		
- Adjustments in respect of prior periods	(87)	-
- Impact of changes in tax rate	7	-
- Origination and reversal of timing differences	47	53
Total deferred tax (Note 11)	(33)	53
Tax on profit on ordinary activities	(33)	53

(b) Reconciliation of tax charge

The tax rate for the period is lower (year ended 30 Apr 2015: lower) than the standard effective rate of corporation tax in the UK for the period ended 31 Dec 2015 of 20% (year ended 30 Apr 2015: 20.92%). The differences are explained below:

	8 month period ended 31 Dec 15 £'000	Year ended 30 Apr 15 £'000
Profit on ordinary activities before taxation	240	512
Applying standard rate of UK corporation tax of 20% (year ended 30 Apr 2015: 20.92%)	48	107
Effects of:		
- Expenses not deductible for tax purposes	-	-
- Income not taxable	-	-
- Fixed assets and other timing differences	-	-
- Pension contributions	-	-
- Group relief claimed for nil consideration	(1)	(54)
- Impact of changes in tax rate	7	-
- Adjustments in respect of prior periods	(87)	-
Tax charge for the period/(year)	(33)	53

(c) Tax rate changes

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 Apr 2015.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2014 on 15 July 2015. These reduce the main rate to 19% from 1 Apr 2017 and to 18% from 1 Apr 2020. The deferred tax assets and liabilities reflect these rates. A decrease to 17% with effect from 1 April 2020 was also announced in the 2016 UK Budget. These further reductions had not been substantively enacted at the balance sheet date and their effects are therefore not included in these financial statements.

6 Intangible assets

	Computer software £'000
At 1 May 2015	
Cost	228
Accumulated amortisation	(120)
Net book amount	108
Period ended 31 Dec 2015	
Opening net book amount	108
Additions	90
Amortisation	(39)
Closing net book amount	159
At 31 Dec 2015	
Cost	318
Accumulated amortisation	(159)
Net book amount	159

The software intangible assets include the company's Inventory management system which was created by an external development firm for the company's specific requirements. The asset is carried at £27k (30 Apr 2015: £40k) and has a remaining amortisation period of 1.3 years (30 Apr 2015: 2 years). There are no other individually material intangible assets.

7 Tangible assets

	Assets under construction £'000	Motor Vehicles £'000	Plant and Machinery £'000	Fixtures and Fittings £'000	Computer Equipment £'000	Total £'000
At 1 May 2015						
Cost	-	72	3,042	68	112	3,294
Accumulated depreciation	-	(54)	(1,595)	(26)	(104)	(1,779)
Net book amount	-	18	1,447	42	8	1,515
Period ended 31 Dec 2015						
Opening net book amount	-	18	1,447	42	8	1,515
Additions	359	-	262	9	1	631
Depreciation	-	(7)	(109)	(4)	(4)	(124)
Disposals	-	-	-	-	-	-
Closing net book amount	359	11	1,600	47	5	2,022
At 31 Dec 2015						
Cost	359	72	3,304	77	113	3,925
Accumulated depreciation	-	(61)	(1,704)	(30)	(108)	(1,903)
Net book amount	359	11	1,600	47	5	2,022

AIM Composites Limited
Notes to the financial statements (continued)
for the period ended 31 December 2015

8 Inventories

	31 Dec 2015	30 Apr 2015
	£'000	£'000
Raw materials and consumables	1,210	1,039
Work in progress	1,377	1,370
Finished Goods	210	390
Total	2,797	2,799

The directors believe that the carrying values of the inventories are not materially different from their replacement cost.

Inventories are stated after provisions for impairment of £117k (30 Apr 2015: £229k).

9 Debtors

	31 Dec 2015	30 Apr 2015
	£'000	£'000
Trade debtors	1,251	1,665
Amounts owed by group undertakings	916	532
Prepayments and accrued income	147	150
Total	2,314	2,347

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £22k (30 Apr 2015: £24k).

10 Creditors : amounts falling due within one year

	31 Dec 2015	30 Apr 2015
	£'000	£'000
Trade creditors	1,215	907
Amount owed to group undertakings	5,297	5,625
Taxation and social security	102	110
Other creditors	126	415
Accruals and deferred income	56	106
Total	6,796	7,163

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11 Provisions for other liabilities

	Dilapidations £'000	Deferred tax £'000	Total £'000
At 1 May 2015	65	158	223
Amounts utilised	-	(33)	(33)
At 31 Dec 2015	65	125	190

A directors' interim assessment of dilapidation liability was carried out in Dec 2015 and as a consequence of this the provision of £65k was not changed.

The provision for deferred tax is in relation to accelerated capital allowances.

12 Called up share capital

Allotted and fully paid	31 Dec 2015 £'000	30 Apr 2015 £'000
4,000 (30 Apr 2015: 4,000) 6% redeemable participating preference shares of £1 (30 Apr 2015:£1) each	4	4
2,000 (30 Apr 2015: 2,000) Ordinary Shares of £1 (30 Apr 2015: £1) each	2	2
	6	6

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*.

13 Capital and other commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	31 Dec 2015 £'000	30 Apr 2015 £'000
Not later than one year	27	27
Later than one year and not later than five years	25	43
Later than five years	-	-

14 Transition to FRS 102

This is the first period that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 30 Apr 2015. The date of transition to FRS 102 was 1 May 2014. Changes in accounting policies have not caused any material differences in the profit for the financial year ended 30 Apr 2015 and the total equity as at 1 May 2014 and 30 Apr 2015 between UK GAAP as previously reported and FRS 102.

There are no material transition adjustments which affect profit for the financial period/year. An adjustment has arisen which has had no effect on net equity or profit and loss account but which has affected the presentation of these items on the balance sheet. Computer software, with a net book value of £108k at 1 May 2015, has been reclassified from tangible to intangible assets as required under FRS 102. This has no effect on the company's net assets nor on the profit for the year, except that the previous depreciation charge is now described as amortisation.

15 Post-employment benefits

The company operates a defined contribution scheme available to all permanent employees. The cost of contributions to the scheme in the period amounts to £101k (year to 30 Apr 2015: £146k).

At the period end £21k contributions were accrued in the financial statements (30 Apr 2015: £20k).

16 Contingent liabilities

Debt facilities have been entered into by AIM Aviation Finance Limited (a fellow group undertaking) which are secured by fixed and floating charges over all assets of AIM Composites Limited and the other subsidiaries in the group.

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

17 Dividends

The ultimate UK parent undertaking has waived its entitlement to a preference share dividend for the period to 31 Dec 2015 and the year to 30 Apr 2015.

18 Related party disclosures

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

19 Events after the end of the reporting period

On 5 May 2016 the entire share capital of the company's UK ultimate parent company, AIM Aviation Holdings Limited, was acquired by AVICADE Systems Limited, a subsidiary of the AVIC group of companies.

20 Controlling Parties

The immediate parent undertaking is AIM Newco (No.2) Limited.

The ultimate UK parent undertaking and controlling party at 31 Dec 2015 is AIM Aviation Holdings Limited, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of the AIM Aviation Holdings Limited consolidated financial statements can be obtained from the Company at Jecco House, Boscombe Grove Road, Bournemouth, Dorset, BH1 4PD.

The ultimate parent undertaking at 31 Dec 2015 is TCP AIM Holdings GP LLC, a company incorporated in Delaware, USA. The Company's ultimate controlling party is TowerBrook Investors III, L.P.