

**AIM Composites Limited**

**Registered No. 348981**

**Annual Report for the year ended 31 December 2018**

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AIM Composites Limited  
**Annual Report**  
*for the year ended 31 December 2018*

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AIM Composites Limited  
**Strategic Report**  
*for the year ended 31 December 2018*

The Directors present their Strategic Report on the Company for the year ended 31 December 2018.

**Results**

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

	Year ended 31 Dec 2018 £'000	Year ended 31 Dec 2017 £'000
Turnover	15,875	22,409
Profit before taxation	161	1,945
Tax on profit	121	(64)
<b>Profit for the financial year</b>	<b>282</b>	<b>1,881</b>

**Business review and key performance indicators**

The principal activity of the Company was 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. On 9 November 2018, the Company successfully disposed of the trade and assets of the business to AIM Altitude UK Limited, a fellow Group company (see note 17). The Company ceased trading on this date.

The Directors of AIM Altitude 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 4 and 5 of the AIM Altitude Limited financial statements which do not form part of this report.

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties were integrated with the principal risks of the Group and were not managed separately. Prior to the transfer of the trade and assets of the business to AIM Altitude UK Limited the principal risks and uncertainties of the Company, which included commercial relationships, environmental, financial, credit, foreign exchange, liquidity, interest rate and information technology are discussed on page 5 of AIM Altitude Limited's financial statements which do not form part of this report.

**Position of the company at the year end**

The Company has net assets at 31 December 2018 of £8,243k (31 December 2017: £7,961k).

On behalf of the Board

*M. A. Stoddart*

M Stoddart

Director

20 June 2019

AIM Composites Limited

**Directors' Report**

*for the year ended 31 December 2018*

The Directors present their report and audited Financial Statements of the Company for the year ended 31 December 2018.

**Future developments**

The Company no longer trades and is not expected to in the foreseeable future.

**Dividends**

The Directors do not propose a dividend payment for the year (year ended 31 December 2017: £nil).

No interim dividend was paid in the year (year ended 31 December 2017: £nil).

**Research and development**

Since the transfer of the trade and assets of the business to AIM Altitude UK Limited in 2018, the Company no longer invests in research and development activity.

**Directors**

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

M Stoddart

A Brown

R Bower

R Bower and M Stoddart were directors of the ultimate UK parent undertaking AIM Altitude Limited at the year 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 year and is currently in force.

**Financial risks**

The Company is a wholly owned subsidiary of AIM Altitude Limited which managed its financial risks centrally during 2018. The most important components of financial risk impacting the Company were currency risk, liquidity risk, credit risk and price risk which are discussed on pages 6 and 7 of the AIM Altitude Limited's financial statements which does not form part of this report.

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves 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



M Stoddart

Director

20 June 2019

## ***Independent auditors' report to the members of Aim Composites Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Aim Composites Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2018; the profit or loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

**Independent auditors' report to the members of AIM Composites Limited (continued)**  
*for the year ended 31 December 2018*

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

***Use of this report***

This report, including the opinions, has been prepared for and only for the 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.

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**Other required reporting**

**Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Michael Jones (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton

21 June 2019

AIM Composites Limited  
**Profit and Loss Account**  
*for the year ended 31 December 2018*

		Year ended 31 Dec 2018 <sup>1</sup> Discontinued operations £'000	Year ended 31 Dec 2017 Discontinued operations £'000
	Note		
Turnover	2	15,875	22,409
Cost of sales		(14,338)	(18,650)
<b>Gross profit</b>		<b>1,537</b>	<b>3,759</b>
Distribution costs		(284)	(264)
Administrative expenses		(1,092)	(1,550)
<b>Operating profit</b>	3	<b>161</b>	<b>1,945</b>
<b>Profit before taxation</b>		<b>161</b>	<b>1,945</b>
Tax on profit	5	121	(64)
<b>Profit for the financial year</b>		<b>282</b>	<b>1,881</b>

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

All activities reflected above relate to discontinued operations following the transfer of the trade and assets of the business to AIM Altitude UK Limited, a fellow Group company.

<sup>1</sup>The year ended 31 December 2018 contains 10 months of trading up to 9 November 2018, when the trade and assets were sold to AIM Altitude UK Limited.

AIM Composites Limited  
**Balance Sheet**  
as at 31 December 2018

		As at 31 Dec 2018	As at 31 Dec 2017
	Note	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	6	-	84
Tangible assets	7	-	1,923
		-	<b>2,007</b>
<b>Current assets</b>			
Inventories	8	-	4,578
Debtors	9	8,899	5,099
Cash at bank and in hand		137	260
		<b>9,036</b>	<b>9,937</b>
Creditors: Amounts falling due within one year	10	(793)	(3,797)
<b>Net current assets</b>		<b>8,243</b>	<b>6,140</b>
<b>Total assets less current liabilities</b>		<b>8,243</b>	<b>8,147</b>
Provisions for liabilities	11	-	(186)
<b>Net assets</b>		<b>8,243</b>	<b>7,961</b>
<b>Capital and reserves</b>			
Called up share capital	12	5,528	5,528
Retained earnings		2,715	2,433
<b>Total equity</b>		<b>8,243</b>	<b>7,961</b>

Registered in England No. 348981

The financial statements on pages 6 to 19 were approved by the Board of Directors on 20 June 2019 and signed on its behalf by:



M Stoddart  
Director

AIM Composites Limited  
**Statement of Changes in Equity**  
for the year ended 31 December 2018

	Called-up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
<b>Balance at 1 January 2017</b>	<b>5,528</b>	<b>552</b>	<b>6,080</b>
Profit for the financial year	-	1,881	1,881
Total comprehensive income for the year	-	1,881	1,881
<b>Balance at 31 December 2017</b>	<b>5,528</b>	<b>2,433</b>	<b>7,961</b>
<b>Balance at 1 January 2018</b>	<b>5,528</b>	<b>2,433</b>	<b>7,961</b>
Profit for the financial year	-	282	282
Total comprehensive income for the year	-	282	282
<b>Balance at 31 December 2018</b>	<b>5,528</b>	<b>2,715</b>	<b>8,243</b>

## **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 1 Viscount Road, Aviation Business Park, Bournemouth International Airport, Hurn, Christchurch, England, BH23 6BU.

The Company no longer trades. The trade and assets were sold to AIM Altitude UK Limited on 9 November 2018.

### **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 year, are set out below.

### **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 UK parent company, AIM Altitude Limited, includes the Company's cash flows in its own consolidated financial statements (FRS 102 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**

After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### **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.

## **1 Summary of significant accounting policies (continued)**

### **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.

### **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:

Plant and machinery	Between 4 and 13 years
Fixtures 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.

### **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.

### **Lease Costs**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases and sub-leases are charged to the income statement on a straight-line basis over the period of the lease.

### **Research and Development**

Research and development expenditure not meeting the conditions for capitalisation is written off in the profit and loss account in the period in which it is incurred.

### **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 year end.

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

## **1 Summary of significant accounting policies (continued)**

### **Taxation (continued)**

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### **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 annual bonus arrangements, paid holiday arrangements and a defined contribution pension plan.

#### **(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 debtors, and cash at bank and in hand, 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.

## 1 Summary of significant accounting policies (continued)

### Financial Instruments (continued)

Basic financial liabilities, including creditors, 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

Following the sale of the trade and assets to AIM Altitude UK Limited the Company ceased to trade, so management do not consider there to be any critical accounting judgements and estimates.

## 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:

	Year ended 31 Dec 2018 <sup>1</sup>	Year ended 31 Dec 2017
	£'000	£'000
United Kingdom	14,049	19,315
Rest of Europe	489	1,244
USA	908	266
New Zealand	36	92
Asia	77	124
Other	316	1,368
<b>Total</b>	<b>15,875</b>	<b>22,409</b>

<sup>1</sup>The year ended 31 December 2018 contains 10 months of trading up to 9 November 2018, when the trade and assets were sold to AIM Altitude UK Limited.

## 3 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 31 Dec 2018 <sup>1</sup>	Year ended 31 Dec 2017
	£'000	£'000
Staff costs	4,436	5,352
Depreciation	226	242
Amortisation	36	57
Operating lease charges	263	328
Impairment of trade receivables	4	15
Impairment of inventory	-	33
Foreign exchange (gains)/losses on trade receivables and payables	(6)	25
Audit fees payable to the Company's auditors	-	27

<sup>1</sup>The year ended 31 December 2018 contains 10 months of trading up to 9 November 2018, when the trade and assets were sold to AIM Altitude UK Limited.

### 3 Operating profit (continued)

The Company's audit fees of £27k were borne by a fellow Group subsidiary undertaking (2017: audit fee of £27k was borne by AIM Composites Limited). In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditors for 'Other services' and 'Tax services' as this information is included in the consolidated financial statements of AIM Altitude Limited.

### 4 Employees and Directors

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

	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	Number	Number
Management, administration and sales	26	29
Production	100	117
<b>Total</b>	<b>126</b>	<b>146</b>

The aggregate payroll costs were as follows:

		Year ended 31 Dec 2018 <sup>1</sup>	Year ended 31 Dec 2017
	Note	£'000	£'000
Wages and salaries		3,898	4,710
Social security costs		411	498
Other pension costs	14	127	144
<b>Total</b>		<b>4,436</b>	<b>5,352</b>

The Directors' emoluments were as follows:

		Year ended 31 Dec 2018 <sup>1</sup>	Year ended 31 Dec 2017
		£'000	£'000
Aggregate emoluments as executives		63	69
Pension contributions		2	2
<b>Total</b>		<b>65</b>	<b>71</b>

<sup>1</sup>The year ended 31 December 2018 contains 10 months of trading up to 9 November 2018, when the trade and assets were sold to AIM Altitude UK Limited.

There were no benefits accruing to the Directors (31 Dec 2017: three) under a money purchase scheme at the year end.

In addition to the above emoluments, two (year ended 31 December 2017: four) of the Company's Directors were remunerated by fellow group undertakings. It is not possible to make a meaningful allocation of their remuneration between companies within the AIM Altitude Limited Group and accordingly no amounts of remuneration are disclosed in this Company. The emoluments of directors are disclosed in full in the financial statements of AIM Altitude Limited.

AIM Composites Limited  
**Notes to the financial statements (continued)**  
*for the year ended 31 December 2018*

**5 Tax on profit**

(a) Tax (credit)/charge included in profit or loss

	Note	Year ended 31 Dec 2018 <sup>1</sup> £'000	Year ended 31 Dec 2017 £'000
<b>Current tax</b>			
- UK Corporation tax on profit for the financial year		-	-
- Adjustments in respect of prior periods		-	(5)
<b>Total current tax</b>		-	(5)
<b>Deferred tax</b>			
- Origination and reversal of timing differences		(201)	(1)
- Adjustments in respect of prior periods		80	70
<b>Total deferred tax</b>	11	(121)	69
<b>Tax on profit</b>		(121)	64

(b) Reconciliation of tax (credit)/charge

The following table reconciles the theoretical income tax expense to the reported tax (income)/expense:

	Year ended 31 Dec 2018 <sup>1</sup> £'000	Year ended 31 Dec 2017 £'000
Profit before taxation	161	1,945
Applying standard rate of UK corporation tax of 19% (year ended 31 Dec 2017: 19.25%)	31	374
Effects of:		
- Expenses not deductible for tax purposes	-	67
- Income not taxable	(4)	(16)
- Fixed assets differences	(33)	-
- Group relief claimed for nil consideration	(195)	(426)
- Adjustments in respect of prior periods	80	65
<b>Tax charge/(credit) for the year</b>	<b>(121)</b>	<b>64</b>

(c) Tax rate changes

Reductions to the UK corporation tax rates were enacted in the Finance Act 2015 and 2016. These reduce the corporation tax main rate to 19% for the years starting 1 April 2018 and 1 April 2019, and to 17% from 1 April 2020. The deferred tax assets and liabilities reflect the 17% rate as this is the rate for the period in which the directors expect the deferred taxes will be utilised.

<sup>1</sup>The year ended 31 December 2018 contains 10 months of trading up to 9 November 2018, when the trade and assets were sold to AIM Altitude UK Limited.

AIM Composites Limited  
**Notes to the financial statements (continued)**  
for the year ended 31 December 2018

**6 Intangible assets**

	Computer software £'000
<b>At 1 January 2018</b>	
Cost	380
Accumulated amortisation	(296)
<b>Net book amount</b>	<b>84</b>
<b>Year ended 31 December 2018</b>	
Opening net book amount	84
Additions	6
Disposals	(54)
Amortisation	(36)
<b>Closing net book amount</b>	<b>-</b>
<b>At 31 December 2018</b>	
Cost	-
Accumulated amortisation	-
<b>Net book amount</b>	<b>-</b>

There are no individually material intangible software assets.

**7 Tangible assets**

	Plant and Machinery £'000	Fixtures and Fittings £'000	Computer Equipment £'000	Total £'000
<b>At 1 January 2018</b>				
Cost	3,997	122	139	4,258
Accumulated depreciation	(2,180)	(34)	(121)	(2,335)
<b>Net book amount</b>	<b>1,817</b>	<b>88</b>	<b>18</b>	<b>1,923</b>
<b>Year ended 31 December 2018</b>				
Opening net book amount	1,817	88	18	1,923
Additions	233	8	-	241
Depreciation	(208)	(12)	(6)	(226)
Disposals	(1,842)	(84)	(12)	(1,938)
<i>Disposals (cost)</i>	<i>(4,230)</i>	<i>(130)</i>	<i>(139)</i>	<i>(4,499)</i>
<i>Disposals (depreciation)</i>	<i>2,388</i>	<i>46</i>	<i>127</i>	<i>2,561</i>
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2018</b>				
Cost	-	-	-	-
Accumulated depreciation	-	-	-	-
<b>Net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

AIM Composites Limited  
**Notes to the financial statements (continued)**  
*for the year ended 31 December 2018*

**8 Inventories**

	31 Dec 2018	31 Dec 2017
	£'000	£'000
Raw materials and consumables	-	1,569
Work in progress	-	2,479
Finished goods and goods for resale	-	530
<b>Total</b>	<b>-</b>	<b>4,578</b>

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 £nil (31 December 2017: £172k).

**9 Debtors**

	31 Dec 2018	31 Dec 2017
	£'000	£'000
Trade debtors	-	4,596
Amounts owed by group undertakings	8,899	373
Other debtors	-	19
Corporation tax	-	5
Prepayments and accrued income	-	106
<b>Total</b>	<b>8,899</b>	<b>5,099</b>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

Trade debtors are stated after provisions for impairment of £nil (31 December 2017: £1k).

**10 Creditors: amounts falling due within one year**

	31 Dec 2018	31 Dec 2017
	£'000	£'000
Trade creditors	-	1,211
Amounts owed to group undertakings	790	2,045
Taxation and social security	-	202
Other creditors	3	171
Accruals and deferred income	-	168
<b>Total</b>	<b>793</b>	<b>3,797</b>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

AIM Composites Limited  
**Notes to the financial statements (continued)**  
*for the year ended 31 December 2018*

**11 Provisions for liabilities**

	Dilapidations £'000	Deferred tax £'000	Total £'000
At 1 Jan 2018	65	121	186
Dealt with in profit or loss	-	(121)	(121)
Unused amounts reversed to the profit and loss account	(31)	-	(31)
Amounts utilised	(34)	-	(34)
<b>At 31 Dec 2018</b>	-	-	-

**12 Called up share capital**

Allotted and fully paid	31 Dec 2018 £'000	31 Dec 2017 £'000
5,523,772 (31 Dec 2017: 5,523,722) A Ordinary Shares of £1 (31 Dec 2017: £1) each	5,524	5,524
4,000 (31 Dec 2017: 4,000) 6% redeemable participating Preference Shares of £1 (31 Dec 2017: £1) each	4	4
	<b>5,528</b>	<b>5,528</b>

The redeemable preference shares are non-voting shares and entitle the holder to a fixed cumulative preferential dividend at the rate of 6% per annum on any capital in priority to other classes of shares.

**13 Capital and other commitments**

	31 Dec 2018 £'000	31 Dec 2017 £'000
Contracts for future capital expenditure not provided in the financial statements – Property, plant and equipment	-	-

The Company had the following future minimum lease payments under non-cancellable operating leases at the following year end:

	31 Dec 2018 £'000	31 Dec 2017 £'000
Not later than one year	-	48
Later than one year and not later than five years	-	146
Later than five years	-	-
<b>Total</b>	<b>-</b>	<b>194</b>

**14 Post-employment benefits**

The Company operated a defined contribution scheme which was available to all permanent employees before the transfer of trade and assets to AIM Altitude UK Limited. The cost of contributions to the scheme in the year amounts to £127k (year to 31 Dec 2017: £144k).

At the year end £nil of contributions were accrued in the financial statements (31 Dec 2017: £20k).

## 15 Contingent liabilities

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 Dividends

The Directors do not propose a dividend payment for the year (year ended 31 December 2017: £nil).

## 17 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.

Unless otherwise stated, the registered address is 1 Viscount Road, Aviation Business Park, Bournemouth International Airport, Hurn, Christchurch, England, BH23 6BU.

These companies are as follows:

Company name	UK Registered number
AIM Aviation Holdings Limited	8662775
AIM Aviation Finance Limited <sup>3,4</sup>	8665182
AIM Aviation Limited	7275471
AIM Altitude UK Limited	1004276
AIM Aviation (Henshalls) Limited	362026
Altitude Aerospace Interiors Limited <sup>1</sup>	(New Zealand)
AIM Aviation Inc <sup>2</sup>	(USA)

1. Registered address is Isitt House, 1 Leonard Isitt Drive, Mangere, Auckland, New Zealand.

2. Incorporated in Delaware, USA.

3. Company is in liquidation.

4. Registered address is 1 More London Place, London, SE1 2AF, UK.

## 18 Controlling Parties

The immediate and ultimate UK parent undertaking and controlling party at 31 December 2018 is AIM Altitude Limited, which is the parent undertaking of the smallest group to consolidate these financial statements. Copies of the AIM Altitude Limited consolidated financial statements can be obtained from the Company at 1 Viscount Road, Aviation Business Park, Bournemouth International Airport, Hurn, Christchurch, England, BH23 6BU.

The ultimate parent undertaking and ultimate controlling party at 31 December 2018 is the State-owned Assets Supervision and Administration Commission of the State Council of the People's Republic of China, which is the largest group to consolidate these financial statements.

## 19 Disposal of businesses

On 9 November 2018, the Company sold its trade and assets to AIM Altitude UK Limited. The consideration was equal to the carrying amount of the net assets disposed of, therefore there was no profit or loss on disposal.

### Effect of disposal

The disposal had the following effect on the Company's assets and liabilities:

	2018 £'000
Property, plant and equipment	1,935
Intangible assets	54
Trade and other receivables	3,181
Inventories	6,483
Trade and other payables	(2,777)
<b>Net assets disposed</b>	<b>8,876</b>

The date of disposal is the date the trade and assets were sold by the Company.