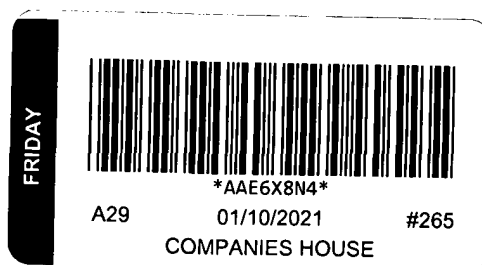


AIM Composites Limited

Registered No. 00348981

Annual report and financial statements
for the year ended 31 December 2020



AIM Composites Limited
Annual report and financial statements
for the year ended 31 December 2020

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Directors' Report

The Directors present their report and audited Financial Statements of the Company for the year ended 31 December 2020.

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 2019: £nil).

No interim dividend was paid in the year (year ended 31 December 2019: £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, unless otherwise stated, were:

M Stoddart

A Brown (Resigned 30 April 2020)

R Bower (Resigned 30 April 2020)

L Fan (Appointed 1 May 2020)

J Dai (Appointed 1 May 2020)

M Stoddart and J Dai 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.

Going concern

The Directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements. Further information is included in the Notes to the financial statements (page 12).

Directors' Report (continued)

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 Directors are 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, Mazars LLP, were appointed in the year ending 31 December 2020. Mazars LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

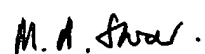
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Directors' Report (continued)

Small Companies note

In preparing this report, the Directors have taken advantage of the small Companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



Mark Stoddart

Director

Aug 6, 2021

Independent auditor's report to the members of AIM Composites Limited

Opinion

We have audited the financial statements of AIM Composites Limited (the 'Company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of AIM Composites Limited (continued)

Other information (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the Directors 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.

Independent auditor's report to the members of AIM Composites Limited (continued)

Auditor's 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 auditor's 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the Directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

AIM Composites Limited
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Independent auditor's report to the members of AIM Composites Limited (continued)

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.


Lesley Fox (Aug 6, 2021 23:39 GMT+1)

Lesley Fox (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor,
Merck House,
Seldown Lane
Poole
BH15 1TW

Date Aug 6, 2021

Profit and Loss Account for the year ended 31 December 2020

	Year ended 31 Dec 2020 £'000	Year ended 31 Dec 2019 £'000
Administrative expenses	-	(25)
Operating profit/(loss)	-	(25)
Profit/(loss) before taxation	-	(25)
Tax on profit/(loss)	1	-
Profit/(loss) for the financial year	1	(25)

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, in 2018.

Balance Sheet as at 31 December 2020

	Note	As at 31 Dec 2020 £'000	As at 31 Dec 2019 £'000
Current assets			
Debtors	3	8,817	8,814
Cash at bank and in hand		16	28
		8,833	8,842
Creditors: Amounts falling due within one year	4	(614)	(624)
Net current assets		8,219	8,218
Total assets less current liabilities		8,219	8,218
Net assets		8,219	8,218
Capital and reserves			
Called up share capital	5	5,528	5,528
Retained earnings		2,691	2,690
Total equity		8,219	8,218

Registered in England No. 00348981

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small Companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements on pages 10 to 15 were approved by the Board of Directors on Aug 6, 2021 and signed on its behalf by:

M. A. Stoddart

M Stoddart

Director

Notes to the financial statements for the year ended 31 December 2020

1 Summary of significant accounting policies

General Information

AIM Composites Limited, Company number 00348981, is a private Company limited by shares and is incorporated and domiciled in England and Wales. 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.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Going Concern

The Directors have formed a judgement, at the time of approving these financial statements, that there is a reasonable expectation that the Company will have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

As the Company no longer trades but forms part of the wider AIM Group, the Company's ability to continue as a going concern is linked to the performance of the Group. In making an assessment as to whether the going concern principle should be adopted, the Directors have considered the position of the wider Group.

The impact of COVID-19, which started to have an impact on the Group's operations in March 2020, has affected the Group's employees, customers and suppliers. Group revenue, profitability and cash flow in 2020 was significantly lower than 2019 levels and a recovery to pre-COVID-19 levels is not expected in 2021. The Group does not have any credit facilities and has been supported by its shareholder which has provided loans of £10.5m in 2020 and £7.5m in 2021 to provide additional liquidity.

A forecast model has been prepared to assess the most likely impact on the Group's revenue, profit and cash flow out to 2025, taking into account cost saving and other efficiency measures implemented or planned. The output from this model covering the period to 31 August 2022 has been used to assess whether the going concern principle should continue to be adopted. The model has been subject to stress testing to understand plausible downside scenarios.

The base case and downside risk models indicate that further shareholder support is required and this information has been shared with the Group's shareholder. The Group's shareholder has indicated that bank facilities are in place to provide further financial support for the base case or downside scenario and that funds would be available as required. Furthermore the Group's shareholder has confirmed that existing shareholder loans would not need to be repaid within 12 months of the date these financial statements were approved.

Based on the statements above the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Notes to the financial statements for the year ended 31 December 2020

1 Summary of significant accounting policies (continued)

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.

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.

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.

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.

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.

Notes to the financial statements for the year ended 31 December 2020 (continued)

2 Employee and Directors

The monthly average number of full time equivalent employees (including Executive Directors) by activity employed during the year was nil (2019: nil).

The Directors were remunerated by another Group Company and did not receive any remuneration in respect of their services to the Company in the current year (year ended 31 December 2019: £nil). 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.

3 Debtors

	31 Dec 2020 £'000	31 Dec 2019 £'000
Amounts owed by Group undertakings	8,817	8,814
Total	8,817	8,814

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

4 Creditors: Amounts falling due within one year

	31 Dec 2020 £'000	31 Dec 2019 £'000
Amounts owed to Group undertakings	614	624
Total	614	624

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

5 Called up share capital

Allotted and fully paid	31 Dec 2020 £'000	31 Dec 2019 £'000
5,523,772 (31 Dec 2019: 5,523,722) A Ordinary Shares of £1 (31 Dec 2019: £1) each	5,524	5,524
4,000 (31 Dec 2019: 4,000) 6% redeemable participating Preference Shares of £1 (31 Dec 2019: £1) each	4	4
	5,528	5,528

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.

Notes to the financial statements for the year ended 31 December 2020 (continued)

6 Dividends

No final dividend was approved in the year (year ended 31 December 2019: £nil).

No interim dividend was paid in the year (year ended 31 December 2019: £nil).

7 Related party transactions

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

8 Controlling Parties

The immediate parent undertaking and controlling party at 31 December 2020 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 2020 is Aviation Industry Corporation of China, Limited. This is the largest Group to consolidate these financial statements.