

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
ADVANCED LOGISTICS FOR AEROSPACE UK LTD

WEDNESDAY



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ADVANCED LOGISTICS FOR AEROSPACE UK LTD

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FOR THE YEAR ENDED 31 DECEMBER 2017

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ADVANCED LOGISTICS FOR AEROSPACE UK LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS:

Mr V Genna
Mr F Scannapieco
Mr G Di Capua

REGISTERED OFFICE:

1 Lyon Road
Walton on Thames
Surrey
KT12 3PU

REGISTERED NUMBER:

02265000 (England and Wales)

AUDITORS:

Lawes & Co UK Limited (Statutory Auditor)
Boyce's Building
Regent Street
Clifton
Bristol
BS8 4HU

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

STRATEGIC REPORT **FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

In order to prepare ALA UK LTD for the upcoming challenges, fiscal year 2017 was impacted by two main changes:

In July we implemented SAP. The company suffered from sales slowdown, especially the first 3 months after go-live.

During the summer, we executed a plan to balance and get on board necessary skills to manage our growth.


The company's level of turnover decreased by 5% when compared with 2016. In the meantime, margins increased from 29% in the previous year to 32% by increasing the distribution activity.

The company continued to invest in stocking fast moving and strategic parts to maintain its level of performance. We are pleased with the strength of the order book going into 2018 and continue to work towards new contracts. While some of them are significantly near to be signed.

PRINCIPAL RISKS AND UNCERTAINTIES

As for many businesses of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are satisfied with the level of trading that has been achieved this year and continue to forecast slow but steady growth over the next year.

ON BEHALF OF THE BOARD:


.....
Mr V Genna - Director

Date: 30/4/2018

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mr V Genna
Mr F Scannapieco

Other changes in directors holding office are as follows:

Mr A Varini - resigned 15 November 2017
Mr R Scaramella - resigned 15 November 2017
Mr G Di Capua - appointed 15 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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;
- 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each 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.

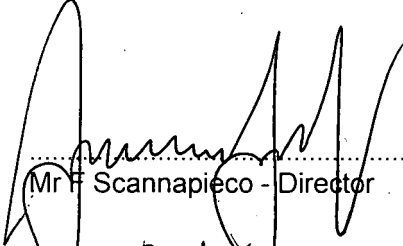
ADVANCED LOGISTICS FOR AEROSPACE UK LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017

AUDITORS

The auditors, Lawes & Co UK Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr F Scannapieco - Director
Date: 30/4/2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ADVANCED LOGISTICS FOR AEROSPACE UK LTD**

Opinion

We have audited the financial statements of Advanced Logistics for Aerospace UK Ltd (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ADVANCED LOGISTICS FOR AEROSPACE UK LTD

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, 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.

Opinion 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

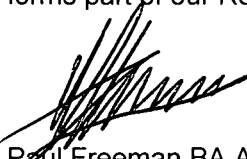
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ADVANCED LOGISTICS FOR AEROSPACE UK LTD

Our 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Paul Freeman BA ACA ACCA (Senior Statutory Auditor)
for and on behalf of Lawes & Co UK Limited (Statutory Auditor)
Boyce's Building
Regent Street
Clifton
Bristol
BS8 4HU

Date: 3/8/8

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31.12.17 £	31.12.16 £
TURNOVER	3	12,626,853	13,334,387
Cost of sales		<u>8,535,219</u>	<u>9,364,880</u>
GROSS PROFIT		4,091,634	3,969,507
Administrative expenses		<u>3,551,211</u>	<u>3,371,450</u>
		540,423	598,057
Other operating income		-	10,110
OPERATING PROFIT	5	540,423	608,167
Exceptional items	6	-	1,150,621
		540,423	(542,454)
Interest receivable and similar income		-	1,796
		540,423	(540,658)
Interest payable and similar expenses	7	<u>165,781</u>	<u>297,275</u>
PROFIT/(LOSS) BEFORE TAXATION		374,642	(837,933)
Tax on profit/(loss)	8	<u>48,737</u>	<u>(3,214)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>325,905</u>	<u>(834,719)</u>

The notes form part of these financial statements

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

Notes	31.12.17 £	31.12.16 £
PROFIT/(LOSS) FOR THE YEAR	325,905	(834,719)
OTHER COMPREHENSIVE INCOME		
Reserves acquired	-	1,288,304
Income tax relating to other comprehensive income	-	-
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	1,288,304
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>325,905</u>	<u>453,585</u>

The notes form part of these financial statements

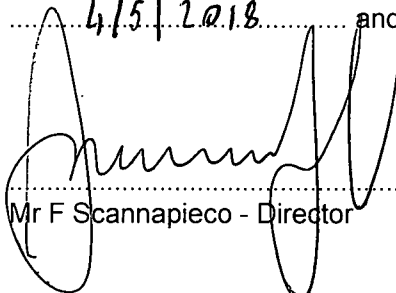


ADVANCED LOGISTICS FOR AEROSPACE UK LTD (REGISTERED NUMBER: 02265000)

BALANCE SHEET
31 DECEMBER 2017

	Notes	31.12.17 £	£	31.12.16 £	£
FIXED ASSETS					
Tangible assets	10		374,873		35,299
CURRENT ASSETS					
Stocks	11	7,263,968		7,082,153	
Debtors	12	4,031,533		3,658,014	
Cash at bank		1,009,858		367,277	
		<u>12,305,359</u>		<u>11,107,444</u>	
CREDITORS					
Amounts falling due within one year	13	6,950,615		3,464,944	
NET CURRENT ASSETS			<u>5,354,744</u>		<u>7,642,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,729,617</u>		<u>7,677,799</u>
CREDITORS					
Amounts falling due after more than one year	14		(440,000)		(2,735,196)
PROVISIONS FOR LIABILITIES	16		(26,119)		(5,010)
NET ASSETS			<u><u>5,263,498</u></u>		<u><u>4,937,593</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		100,000		100,000
Retained earnings	18		5,163,498		4,837,593
SHAREHOLDERS' FUNDS			<u><u>5,263,498</u></u>		<u><u>4,937,593</u></u>

The financial statements were approved by the Board of Directors on 4/5/2018 and were signed on its behalf by:


Mr F Scannapieco - Director

The notes form part of these financial statements

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	100,000	4,467,777	4,567,777
Changes in equity			
Dividends	-	(83,769)	(83,769)
Total comprehensive income	-	453,585	453,585
Balance at 31 December 2016	100,000	4,837,593	4,937,593
Changes in equity			
Total comprehensive income	-	325,905	325,905
Balance at 31 December 2017	100,000	5,163,498	5,263,498

The notes form part of these financial statements



ADVANCED LOGISTICS FOR AEROSPACE UK LTD

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	31.12.17 £	31.12.16 £
Cash flows from operating activities			
Cash generated from operations	1	1,287,630	763,833
Interest paid		(165,781)	(297,275)
Tax paid		-	(47,153)
Net cash from operating activities		<u>1,121,849</u>	<u>419,405</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(480,293)	(22,089)
Sale of tangible fixed assets		1,025	361
Interest received		-	1,796
Net cash from investing activities		<u>(479,268)</u>	<u>(19,932)</u>
Cash flows from financing activities			
Equity dividends paid		-	(83,769)
Net cash from financing activities		<u>-</u>	<u>(83,769)</u>
Increase in cash and cash equivalents		<u>642,581</u>	<u>315,704</u>
Cash and cash equivalents at beginning of year	2	<u>367,277</u>	<u>51,573</u>
Cash and cash equivalents at end of year	2	<u><u>1,009,858</u></u>	<u><u>367,277</u></u>

The notes form part of these financial statements



ADVANCED LOGISTICS FOR AEROSPACE UK LTD

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.17	31.12.16
	£	£
Profit/(loss) before taxation	374,642	(837,933)
Depreciation charges	139,694	23,261
Profit on disposal of fixed assets	-	(361)
Introduced from Aircraft Components	-	1,288,304
Finance costs	165,781	297,275
Finance income	-	(1,796)
	680,117	768,750
Increase in stocks	(181,815)	(1,235,982)
Increase in trade and other debtors	(373,520)	(353,702)
Increase in trade and other creditors	1,162,848	1,584,767
Cash generated from operations	1,287,630	763,833

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	1,009,858	367,277

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	367,277	51,573

The notes form part of these financial statements



ADVANCED LOGISTICS FOR AEROSPACE UK LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

Advanced Logistics for Aerospace UK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Advanced Logistics for Aerospace UK Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Stag Group Limited, 1 Lyon Road, Walton on Thames, Surrey, KT12 3PU.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings & equipment	- 25% on cost
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Investments

Investments are valued at cost less provision for impairment.

Pensions

The company operates a defined contribution pension scheme, and the pension charge represents the amounts paid by the company to the fund in respect of the year.

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Deferred taxation

Full provision is made at current tax rates in respect of any material timing differences that have originated but not reversed at the Balance Sheet date.

3. TURNOVER

The turnover and profit (2016 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.17	31.12.16
	£	£
Sales to Europe, including UK	11,936,516	12,442,796
Sales to North & South America	679,175	865,761
Sales to Far E. & Australasia	11,162	25,830
	<u>12,626,853</u>	<u>13,334,387</u>

4. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	1,543,890	1,239,161
Social security costs	162,090	137,437
Other pension costs	92,870	41,748
	<u>1,798,850</u>	<u>1,418,346</u>

The average number of employees during the year was as follows:

	31.12.17	31.12.16
Sales & administration staff	<u>42</u>	<u>37</u>

	31.12.17	31.12.16
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>



ADVANCED LOGISTICS FOR AEROSPACE UK LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.17	31.12.16
	£	£
Hire of plant and machinery	9,349	4,937
Depreciation - owned assets	139,694	23,261
Profit on disposal of fixed assets	-	(361)
Auditors' remuneration	18,000	18,783
	<u>18,000</u>	<u>18,783</u>

6. EXCEPTIONAL ITEMS

	31.12.17	31.12.16
	£	£
Exceptional items	-	(1,150,621)
	<u>-</u>	<u>(1,150,621)</u>

During the previous year the following exceptional expenses were incurred;

Redundancy costs and termination of consultancy contract fees amounted to £146,708.

Obsolete stock was scrapped in the year at a cost of £476,736.

A provision was made against an insurance claim due to the company of £43,919.

A provision against a loan to Specialist Technologies LLC was made totalling £483,258.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.17	31.12.16
	£	£
Bank interest	97,043	44,303
Foreign exchange (gain)/Loss	68,738	191,581
Loan	-	61,391
	<u>165,781</u>	<u>297,275</u>

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	31.12.17	31.12.16
	£	£
Current tax:		
UK corporation tax	27,628	(3,429)
Deferred tax	21,109	215
Tax on profit/(loss)	<u>48,737</u>	<u>(3,214)</u>

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

8. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.
 The difference is explained below:

	31.12.17	31.12.16
	£	£
Profit/(loss) before tax	<u>374,642</u>	<u>(837,933)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	72,107	(167,587)
Effects of:		
Expenses not deductible for tax purposes	348	1,555
Depreciation for period in excess of capital allowances	(21,637)	(216)
Profit on disposal of Fixed assets	-	(73)
Exceptional item	-	105,435
Group loss relief	-	36,787
Losses carried forward	(23,189)	24,097
Deferred Tax	21,108	215
2015 Overprovision	-	(3,427)
Total tax charge/(credit)	<u>48,737</u>	<u>(3,214)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 December 2017.

	Gross	31.12.16	Net
	£	Tax	£
Reserves acquired	<u>1,288,304</u>	<u>-</u>	<u>1,288,304</u>

9. DIVIDENDS

	31.12.17	31.12.16
	£	£
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>83,769</u>



ADVANCED LOGISTICS FOR AEROSPACE UK LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. TANGIBLE FIXED ASSETS

	Fixtures, fittings & equipment £	Computer equipment £	Totals £
COST			
At 1 January 2017	112,941	57,455	170,396
Additions	-	480,293	480,293
Disposals	(1,025)	-	(1,025)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	111,916	537,748	649,664
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2017	104,967	30,130	135,097
Charge for year	1,522	138,172	139,694
	<hr/>	<hr/>	<hr/>
At 31 December 2017	106,489	168,302	274,791
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2017	5,427	369,446	374,873
	<hr/>	<hr/>	<hr/>
At 31 December 2016	7,974	27,325	35,299
	<hr/>	<hr/>	<hr/>

11. STOCKS

	31.12.17 £	31.12.16 £
Stocks	7,263,968	7,082,153
	<hr/>	<hr/>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Trade debtors	2,013,833	1,785,109
Other debtors	1,985,878	1,865,164
Prepayments	31,822	7,741
	<hr/>	<hr/>
	4,031,533	3,658,014
	<hr/>	<hr/>

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Bank loans and overdrafts (see note 15)	210,000	-
Trade creditors	1,225,053	1,558,073
Tax	27,628	-
Social security and other taxes	40,393	35,613
VAT	237,876	61,222
Factoring Company	530,456	544,281
Other creditors	4,217,631	921,436
Accrued expenses	461,578	344,319
	<u>6,950,615</u>	<u>3,464,944</u>

The company's parent company, STAG Group Limited, has a loan from Barclays bank which is secured by an unlimited guarantee by Advanced Logistics for Aerospace (UK) Ltd dated 25 August 2016.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.17 £	31.12.16 £
Bank loans (see note 15)	440,000	-
Other creditors	-	2,735,196
	<u>440,000</u>	<u>2,735,196</u>

15. LOANS

An analysis of the maturity of loans is given below:

	31.12.17 £	31.12.16 £
Amounts falling due within one year or on demand:		
Bank loan	<u>210,000</u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>220,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loan due in 2 to 5 years	<u>220,000</u>	<u>-</u>

ADVANCED LOGISTICS FOR AEROSPACE UK LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. PROVISIONS FOR LIABILITIES

	31.12.17	31.12.16
	£	£
Deferred tax	<u>26,119</u>	<u>5,010</u>
		Deferred tax
		£
Balance at 1 January 2017		5,010
Provided during year		21,109
Capital allowances in excess of depreciation		
		<u>26,119</u>
Balance at 31 December 2017		

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.17	31.12.16
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

18. RESERVES

	Retained earnings
	£
At 1 January 2017	4,837,593
Profit for the year	325,905
	<u>5,163,498</u>
At 31 December 2017	



ADVANCED LOGISTICS FOR AEROSPACE UK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
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19. RELATED PARTY DISCLOSURES

The company pays a commercial rent of £115,000 per annum to the Specialist Technologies Pension Scheme. During the previous year the parent company was sold and all links with the pension scheme were severed.

During the year the company traded with SpecTech France SAS (STF), a fully owned subsidiary of STAG Group Limited. Management charges to and purchases from STF during the year amounted to £282,130 and £46,892 respectively (2016 £373,422 and £285,541). At the balance sheet date, STF was owed £50,218 by the company (2016 STF owed the company £160,580).

During the year the company paid management fees to STAG Group Limited of £Nil (2016 £980,605) which included fees for key management personnel services. During the year the company paid dividends of £Nil (2016 £83,769) to STAG Group Limited. At the year end the company was owed £1,952,914 (2016 £1,673,442) by STAG Group Limited.

During the year the company traded with SpecTech Aerospace LLC (SAL), wholly owned subsidiary of STAG Group Limited. Sales to and purchases from SAL for the year amounted to £Nil and £Nil respectively (2016 £Nil and £634). At the 31 December 2017 SAL was owed £1,384 by the company (2016 £483,258 but a 100% provision has been included against this amount).

In June 2016 the parent company, STAG Group Limited, was purchased by Advanced Logistics for Aerospace SPA (ALAS). At the balance sheet date loans from ALAS to the company and still to be repaid amounted to £4,203,503 (2016 £3,647,894).

20. ULTIMATE CONTROLLING PARTY

Advanced Logistics for Aerospace SPA, a company registered in Italy, is the ultimate parent company as it holds 100% of the share capital in STAG Group Limited which in turn owns 100% of the share capital in Advanced Logistics for Aerospace (UK) Ltd.

There is no ultimate controlling party.