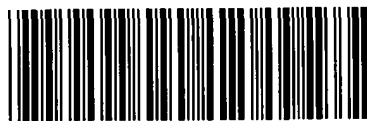


REGISTERED NUMBER: 02265000 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
ADVANCED LOGISTICS FOR AEROSPACE(UK) LTD

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FOR THE YEAR ENDED 31 DECEMBER 2019

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ADVANCED LOGISTICS FOR AEROSPACE(UK)LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

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
Boyce's Building
40-42 Regent Street
Clifton
Bristol
BS8 4HU

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The Company's level of turnover increased by 18% compared with 2018. A contributing factor to this success was based on good organic growth with certain strategic customers and a very strong Quarter 4.

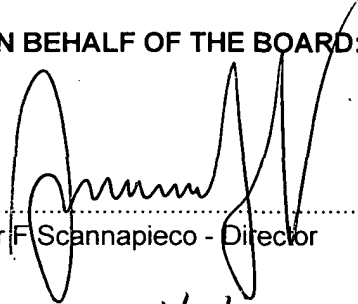
New orders booked for the year was exceptionally strong at over £24m. Almost half of this was for a new contract which is all deliverable in 2020. The company continued to invest in stocking fast moving and strategic parts to maintain its level of performance.

Despite the increased turnover, the company managed to reduce its overheads compared with 2018. The company is very positive going into 2020 with a full order book that will yield significant growth and continue to work towards further new contracts, regions and markets.

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 F Scannapieco - Director

Date: 01/11/20

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

An interim dividend of 19.65 per share was paid on 31 December 2019. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2019 will be £1,965,025.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Mr V Genna
Mr F Scannapieco
Mr G Di Capua

Other changes in directors holding office are as follows:

Mr A Varini - resigned 30 October 2019

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

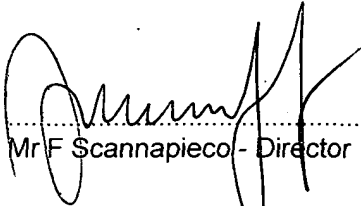
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
Mr F Scannapieco - Director

Date: 01/11/20

**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 2019 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 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.

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, except to the extent otherwise explicitly stated in our report, 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 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.

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

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 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.

Auditors' responsibilities for the audit of the financial statements

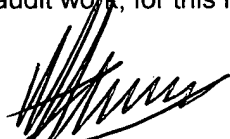
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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

Use of our 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 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.



Paul Freeman BA FCA FCCA (Senior Statutory Auditor)
for and on behalf of Lawes & Co UK Limited
Boyce's Building
40-42 Regent Street
Clifton
Bristol
BS8 4HU

Date: 24/11/20

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

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		13,178,002	10,797,627
Cost of sales		<u>9,839,718</u>	<u>7,101,806</u>
GROSS PROFIT		3,338,284	3,695,821
Administrative expenses		<u>2,635,841</u>	<u>2,813,247</u>
OPERATING PROFIT	4	702,443	882,574
Exceptional items	5	<u>-</u>	<u>25,077</u>
		702,443	857,497
Interest receivable and similar income		<u>-</u>	<u>2,871</u>
		702,443	860,368
Interest payable and similar expenses	6	<u>(201,688)</u>	<u>338,327</u>
PROFIT BEFORE TAXATION		904,131	522,041
Tax on profit	7	<u>120,183</u>	<u>99,465</u>
PROFIT FOR THE FINANCIAL YEAR		<u>783,948</u>	<u>422,576</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
PROFIT FOR THE YEAR		783,948	422,576
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>783,948</u>	<u>422,576</u>

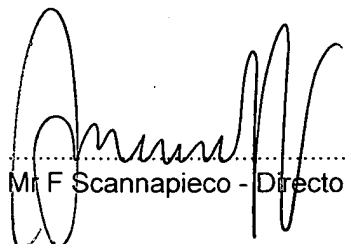
The notes form part of these financial statements

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

BALANCE SHEET
31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Tangible assets	9	119,784	239,303
CURRENT ASSETS			
Stocks	10	7,492,252	7,583,493
Debtors	11	2,667,843	4,931,445
Cash at bank		245,414	90,428
		<u>10,405,509</u>	<u>12,605,366</u>
CREDITORS			
Amounts falling due within one year	12	6,020,296	6,928,203
NET CURRENT ASSETS		<u>4,385,213</u>	<u>5,677,163</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,504,997</u>	<u>5,916,466</u>
CREDITORS			
Amounts falling due after more than one year	13	-	(220,000)
PROVISIONS FOR LIABILITIES	15	-	(10,392)
NET ASSETS		<u><u>4,504,997</u></u>	<u><u>5,686,074</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Retained earnings	17	4,404,997	5,586,074
SHAREHOLDERS' FUNDS		<u><u>4,504,997</u></u>	<u><u>5,686,074</u></u>

The financial statements were approved by the Board of Directors on 01/11/20 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 (REGISTERED NUMBER: 02265000)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	100,000	5,163,498	5,263,498
Changes in equity			
Total comprehensive income	-	422,576	422,576
Balance at 31 December 2018	100,000	5,586,074	5,686,074
Changes in equity			
Dividends	-	(1,965,025)	(1,965,025)
Total comprehensive income	-	783,948	783,948
Balance at 31 December 2019	100,000	4,404,997	4,504,997

The notes form part of these financial statements

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	1,995,239	(556,346)
Interest paid		201,688	(338,327)
Tax paid		(72,030)	(27,628)
Net cash from operating activities		<u>2,124,897</u>	<u>(922,301)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,886)	-
Interest received		-	2,871
Net cash from investing activities		<u>(4,886)</u>	<u>2,871</u>
Cash flows from financing activities			
Equity dividends paid		(1,965,025)	-
Net cash from financing activities		<u>(1,965,025)</u>	<u>-</u>
Increase/(decrease) in cash and cash equivalents		<u>154,986</u>	<u>(919,430)</u>
Cash and cash equivalents at beginning of year	2	<u>90,428</u>	<u>1,009,858</u>
Cash and cash equivalents at end of year	2	<u><u>245,414</u></u>	<u><u>90,428</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.19	31.12.18
	£	£
Profit before taxation	904,131	522,041
Depreciation charges	124,405	135,570
Finance costs	(201,688)	338,327
Finance income	-	(2,871)
	826,848	993,067
Decrease/(increase) in stocks	91,241	(319,525)
Decrease/(increase) in trade and other debtors	2,271,172	(899,912)
Decrease in trade and other creditors	(1,194,022)	(329,976)
Cash generated from operations	1,995,239	(556,346)

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 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	245,414	90,428

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	90,428	1,009,858

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank	90,428	154,986	245,414
	<u>90,428</u>	<u>154,986</u>	<u>245,414</u>
Debt			
Debts falling due within 1 year	(219,994)	(3,603)	(223,597)
Debts falling due after 1 year	(220,000)	220,000	-
	<u>(439,994)</u>	<u>216,397</u>	<u>(223,597)</u>
Total	<u>(349,566)</u>	<u>371,383</u>	<u>21,817</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

3. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	1,269,289	1,416,276
Social security costs	132,593	144,323
Other pension costs	154,903	116,843
	<u>1,556,785</u>	<u>1,677,442</u>

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

	31.12.19	31.12.18
Sales & administration staff	<u>41</u>	<u>41</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Hire of plant and machinery	16,359	12,942
Depreciation - owned assets	124,405	135,570
Auditors' remuneration	<u>26,500</u>	<u>21,500</u>

5. EXCEPTIONAL ITEMS

	31.12.19	31.12.18
	£	£
Exceptional items	<u>-</u>	<u>(25,077)</u>

During the previous year the following exceptional expenses were incurred;

Ex-gratia payments £6,899
 Redundancy payments £18,178

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.19	31.12.18
	£	£
Bank interest	11,116	17,089
Customs & Excise interest	-	3,236
Other Interest	49,735	85,296
Foreign exchange (gain)/Loss	(262,539)	232,706
	<u>(201,688)</u>	<u>338,327</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	138,145	115,192
Deferred tax	(17,962)	(15,727)
Tax on profit	<u>120,183</u>	<u>99,465</u>

Reconciliation of total tax charge 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:

	31.12.19	31.12.18
	£	£
Profit before tax	<u>904,131</u>	<u>522,041</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	171,785	99,188
Effects of:		
Expenses not deductible for tax purposes	243	428
Depreciation for period in excess of capital allowances assets	11,179	18,058
Group loss relief	(1,900)	(2,482)
Deferred Tax	(17,963)	(15,727)
R&D claim re 2018	(43,161)	-
Total tax charge	<u>120,183</u>	<u>99,465</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. DIVIDENDS

	31.12.19 £	31.12.18 £
Ordinary shares of £1 each		
Interim	1,965,025	-

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings & equipment £	Computer equipment £	Totals £
COST			
At 1 January 2019	99,646	537,748	637,394
Additions	4,886	-	4,886
At 31 December 2019	104,532	537,748	642,280
DEPRECIATION			
At 1 January 2019	98,598	299,493	398,091
Charge for year	1,817	122,588	124,405
At 31 December 2019	100,415	422,081	522,496
NET BOOK VALUE			
At 31 December 2019	4,117	115,667	119,784
At 31 December 2018	1,048	238,255	239,303

10. STOCKS

	31.12.19 £	31.12.18 £
Stocks	7,492,252	7,583,493

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade debtors	2,048,878	2,383,897
Other debtors	575,890	2,513,160
Deferred tax asset	7,570	-
Prepayments	35,505	34,388
	2,667,843	4,931,445

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19	31.12.18
	£	£
Bank loans and overdrafts (see note 14)	223,597	219,994
Trade creditors	1,983,231	1,052,745
Tax	181,307	115,192
Social security and other taxes	54,424	34,303
VAT	144,162	186,964
Factoring Company	1,369,551	1,202,368
Other creditors	1,756,141	3,702,956
Accrued expenses	307,883	413,681
	<u>6,020,296</u>	<u>6,928,203</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.

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

	31.12.19	31.12.18
	£	£
Bank loans (see note 14)	-	220,000
	<u>-</u>	<u>220,000</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.19	31.12.18
	£	£
Amounts falling due within one year or on demand:		
Bank loan	<u>223,597</u>	<u>219,994</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>220,000</u>

15. PROVISIONS FOR LIABILITIES

	31.12.18
	£
Deferred tax	<u>10,392</u>

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

15. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2019	10,392
Provided during year	<u>(17,962)</u>
Balance at 31 December 2019	<u><u>(7,570)</u></u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.19	31.12.18
Number:	Class:	Nominal value:	£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

17. RESERVES

	Retained earnings £
At 1 January 2019	5,586,074
Profit for the year	783,948
Dividends	<u>(1,965,025)</u>
At 31 December 2019	<u><u>4,404,997</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

18. RELATED PARTY DISCLOSURES

During the year, the company traded with SpecTech France SAS (STF), a fully owned subsidiary of STAG Group Limited. Sales to and purchases from STF during the year amounted to £64,635.09 and £150,857 respectively (2018 £84,336 and £97,464). At the balance sheet date, STF owed the company £490,138 (2018 -£491,406).

During the year, the company advanced £Nil (2018 £12,111) to STAG Group Limited. At the year end, the company was owed £Nil (2018 £1,965,025) by STAG Group Limited.

The parent company, STAG Group Limited, is wholly owned by Advanced Logistics for Aerospace SPA (ALAS). During the year, sales to and purchases from ALAS were £262,099 and £550,109 respectively (2018 £138,713 and £460,573). At the balance sheet date, loans from ALAS to the company and still to be repaid amounted to £1,727,970 (2018 £3,655,781).

During the year, the company traded with Advanced Logistics for Aerospace North America (ALA NA), a fully owned subsidiary of ALAS. Sales to and purchases from ALA NA during the year amounted to £83,941 and £28,620 respectively. At the balance sheet date ALA NA owed the company £83,709 (2018 £41,381).

During the year ALAS purchased 95% of Westbury Electronic Services INC (WES). Sales to and purchase from WES were £Nil and £112 respectively. At the balance sheet date, the company owed WES £758.

19. 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.