

# Adare International Limited

Directors' report and  
financial statements

**Year ended 31 October 2015**

*Registered number: 1610897*

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# Adare International Limited

## Directors' report and financial statements

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# Adare International Limited

## Directors and other information

### Directors

R. Whiteside  
S. Ueckermann  
K. Herbert (retired 8 September 2015)  
C. Parsons (appointed 11 September 2015)

### Secretary

Marrons Consultancies Limited

### Registered office

Meridian Business Park  
Leicester  
LE19 1WY

### Auditor

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### Bankers

HSBC Bank plc  
City Branch  
33 Park Row  
Leeds  
LS1 1LD

### Solicitors

Shakespeares Solicitors  
Meridian Business Park  
Leicester  
LE19 1WY

### Registered number

1610897

# Adare International Limited

## Strategic report

The Strategic report for the company for the year ended 31 October 2015 is set out below.

### **Principal activity and review of the development of the business**

The company has one class of business being print management and marketing goods outsourcing, data services, creative design, and storage & logistics services.

The directors believe that the company continues to be well placed to meet the opportunities that may arise in the future having successfully established operations across Europe in recent years and established new businesses in South America during 2014. The multinational client base has remained strong with new clients being added and growth in existing contracts. The directors believe that the company has performed satisfactorily in the year with turnover decreasing by 5.5% to £88.5m (2014: £93.7m) and profit on ordinary activities before taxation at £0.7m (2014: £1.3m (as restated)). As explained in note 29, during the year the company identified a historic issue in relation to the over-recovery of overseas VAT. The results of prior periods have been restated to reflect the recognition of this liability in the correct period. (See note 29 for further detail.)

Three of the key performance indicators (“KPIs”) used by the directors to monitor the performance of the business are sales and profitability reports, monitoring of cash levels and careful management of aged debtors. These KPIs are reviewed and managed on an ongoing basis by the directors and management team. Furthermore, the directors believe the company continues to be well placed to meet the opportunities that may arise in the future.

### **Risks and uncertainties**

The directors consider that the principal risks and uncertainties facing the company are as follows:

#### *Economic risk*

As with many businesses, the on-going difficulties in the Euro Zone and potential recessionary conditions in Europe is the main concern. The directors continuously review the company’s risk against this background and make sourcing, cost-related and other decisions very much with this in mind.

#### *Competition risk*

The directors of the company manage competition risk through close attention to customer service levels, differentiation of our service proposition and technology enhancements.

#### *Financial risk*

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and other financial risk.

# Adare International Limited

## Strategic report *(continued)*

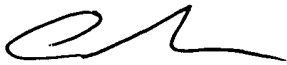
### **Key performance indicators**

Key performance indicators which are focused on by management include:

- sales/gross profit reports analysed by division, salesperson and product;
- daily cash/bank reports;
- monthly management accounts showing divisional trading results, detailed overhead expenses, balance sheet and cash flow reports;
- monthly variance reports analysing sales, gross profit, expenses and cash flow variances; and
- monthly aged debtor reports analysed by division.

Each of these indicators is monitored by management against trading and cash flow budgets which are prepared every six months. The indicators are also monitored against prior periods. Half yearly product reviews with principal suppliers are attended by management.

On behalf of the board



C. Parsons  
*Director*

23 May 2016

# Adare International Limited

## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 October 2015.

### Results and dividends

The loss for the year after taxation, attributable to shareholders amounted to £0.1m (*2014 profit: £1.0m*). The directors do not recommend the payment of a dividend in respect of the financial year (*2014: £Nil*).

### Employees

The directors give special attention to the health and safety of their employees and endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is provided. Consultation with employees and good industrial relations are actively promoted through comprehensive and agreed procedures.

### Post balance sheet events

Subsequent to the year end, the Group refinanced its existing debt, resulting in the availability of additional borrowings and working capital facilities for which the company is a guarantor.

No other significant events affecting the company have occurred since the balance sheet date which require disclosure in, or adjustment to, these financial statements.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act, 2006, the auditor will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

On behalf of the board



C. Parsons  
Director

23 May 2016

# Adare International Limited

## Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



C. Parsons  
*Director*



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent auditor's report to the members of Adare International Limited

We have audited the financial statements of Adare International Limited for the year ended 31 October 2015 set out on pages 8 to 24 which comprise the statement of accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

### Opinions and conclusions arising from our audit

#### *1 Our opinion on the financial statements is unmodified*

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### *2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below*

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### *3 We have nothing to report in respect of matters on which we are required to report by exception*

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.

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





# Adare International Limited

## Statement of accounting policies (*continued*)

### **Basis of our report, responsibilities and restrictions on use**

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

**Tom McEvoy (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
*Chartered Accountants*  
*1 Stokes Place*  
*St. Stephen's Green*  
*Dublin 2*  
*Ireland*

23 May 2016

# Adare International Limited

## Profit and loss account

for the year ended 31 October 2015

	Note	2015 £'000	2014 (as restated - note 29) £'000
<b>Turnover</b> – continuing operations	2	<b>88,484</b>	93,680
Operating costs (including exceptional costs of £535,000 (2014: £815,000))	3	<b>(88,383)</b>	(92,637)
<b>Operating profit</b> – continuing operations	4	<b>101</b>	1,043
Interest receivable	5	<b>1,087</b>	854
Interest payable and similar charges	6	<b>(511)</b>	(597)
<b>Profit on ordinary activities before taxation</b>		<b>677</b>	1,300
Taxation on profit on ordinary activities	10	<b>(734)</b>	(324)
<b>(Loss)/profit retained for the financial year</b>	20	<b>(57)</b>	976

On behalf of the board



C. Parsons  
Director

# Adare International Limited

## Balance sheet

as at 31 October 2015

	<i>Note</i>	<b>2015</b>	2014 (as restated - note 29)
		<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Intangible assets	11	147	201
Tangible assets	12	2,000	1,820
Investment in subsidiaries	28	17	15
		<b>2,164</b>	<b>2,036</b>
<b>Current assets</b>			
Stocks	13	283	423
Debtors: (including £25,403,000 (2014: £23,641,000) due after more than one year)	14	47,447	44,041
Cash at bank and in hand		3,225	3,915
		<b>50,955</b>	<b>48,379</b>
<b>Creditors: amounts falling due within one year</b>	16	<b>(33,544)</b>	<b>(30,800)</b>
<b>Net current assets</b>		<b>17,411</b>	<b>17,579</b>
<b>Total assets less current liabilities</b>		<b>19,575</b>	<b>19,615</b>
<b>Creditors: amounts falling due after more than one year</b>	17	-	(82)
Provision for liabilities	18	(752)	(653)
<b>Net assets</b>		<b>18,823</b>	<b>18,880</b>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Profit and loss account	20	18,822	18,879
<b>Shareholders' funds</b>	21	<b>18,823</b>	<b>18,880</b>

On behalf of the board



C. Parsons  
Director

# Adare International Limited

## Statement of total recognised gains and losses for the year ended 31 October 2015

	<i>Note</i>	<b>2015</b>	2014
		<b>£'000</b>	(as restated - note 29) £'000
<b>(Loss)/profit for the year</b>		<b>(57)</b>	976
Total recognised gains and loss relating to the financial year		<u><b>(57)</b></u>	<u>976</u>
Prior year adjustment		<u><b>(606)</b></u>	
<b>Total gains and losses recognised since last annual report</b>		<u><u><b>(663)</b></u></u>	

# Adare International Limited

## Notes (continued)

### 1 Accounting policies

#### Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Financial Reporting Council as promulgated by the Institute of Chartered Accountants in England and Wales.

#### Consolidation

The company is exempt from the obligation to prepare group accounts as it is itself a subsidiary undertaking of a company established in a member of the EU, which prepares group accounts. Consequently these accounts present information about the company as an individual entity and not its group.

#### Cash flow statement

The company has availed of the exemption available in FRS 1 - *Cash Flow Statements (Revised)*, not to present a cash flow statement as it is a wholly owned subsidiary undertaking of Hamsard 3350 Limited, a company incorporated in England which prepares a consolidated cash flow statement which includes the cash flows of this company.

#### Turnover

Turnover represents the fair value of goods excluding Value Added Tax, delivered to or collected by third party customers in the year. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value comprises the actual or estimated selling price (net of trade discounts) less all other further cost to be incurred in marketing, selling and distribution.

#### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost of the assets over their expected useful lives at the following rates:

Leasehold improvements	-	over the period of the lease
Plant and equipment	-	12.5% to 25% per annum on cost
Fixtures and fittings	-	10% per annum on cost

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

# Adare International Limited

## Notes *(continued)*

### 1 Accounting policies *(continued)*

#### **Taxation**

Corporation tax is calculated based on the taxable profits for the year. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets.
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Pension costs**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Leased assets**

Rent payable in respect of assets held under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **Goodwill**

Goodwill is the excess of the consideration given for subsidiary undertakings over the fair value of the net assets at the date of acquisition of subsidiary undertakings. Goodwill arising on acquisitions has been capitalised and is being amortised over a period of up to twenty years. On the subsequent disposal or termination of a business that was acquired, the profit or loss on disposal or termination is calculated after charging the unamortised amount of any related goodwill.

#### **Provisions**

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

# Adare International Limited

## Notes (continued)

### 2 Turnover

Segmental analysis has not been given, as, in the opinion of the directors, to do so would be seriously prejudicial to the interests of the company.

<b>3 Operating costs</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Decrease in stocks	(140)	(83)
Raw materials and consumables	68,288	71,827
Depreciation - owned assets	675	513
Operating lease rentals and hire charges:		
- land and buildings	1,111	1,303
- plant and machinery	65	72
- other	79	99
Other operating charges	5,636	6,004
Staff costs:		
- wages and salaries	10,897	10,979
- social security costs	1,504	1,668
- pension costs	268	255
	<b>88,383</b>	<b>92,637</b>

<b>4 Operating profit</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
This is stated after charging:		
Directors' emoluments (see note 7)	193	206
Auditor's remuneration		
- audit services	28	28
Amortisation of goodwill (see note 11)	54	55
Management charges	256	296

# Adare International Limited

## Notes (continued)

<b>5 Interest receivable</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Amount received/receivable from group undertakings	<b>1,087</b>	854

<b>6 Interest payable and similar charges</b>	<b>2015</b>	<b>2014</b>
		(as restated - note 29)
	<b>£'000</b>	<b>£'000</b>
Foreign exchange loss	<b>130</b>	416
Amounts payable to group undertakings	<b>85</b>	70
Other interest	<b>151</b>	98
Invoice finance interest	<b>145</b>	13
	<b>511</b>	597

<b>7 Directors' emoluments</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	<b>179</b>	192
Pension contributions	<b>14</b>	14
	<b>193</b>	206

## 8 Employees

The average number of employees during the year analysed by function, comprised:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Management	<b>6</b>	6
Administration	<b>317</b>	303
	<b>323</b>	309



# Adare International Limited

## Notes (continued)

### 9 Pensions

The group of which the company is a member operates defined contribution pension arrangements for its employees. Contributions are invested with insurance companies and are thus held in independently administered funds. Details of pension contributions are as follows:

	2015 £'000	2014 £'000
Charge for year:		
Defined contribution arrangements	268	255

A balance of £32,200 (2014: £30,652) is included in creditors in respect of defined contribution pension contributions.

### 10 Tax on profit on ordinary activities

(a) Analysis of charge in year	2015 £'000	2014 £'000 (as restated - note 29)
<i>Current tax:</i>		
UK corporation tax charge for the year	148	256
Prior year under provision in corporation tax	343	2
Overseas tax paid	530	18
	<u>1,021</u>	<u>276</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(118)	54
Adjustment in respect of prior years	(169)	(1)
Impact of change in tax rates	-	(5)
	<u>(287)</u>	<u>48</u>
<b>Tax charge on profit on ordinary activities</b>	<u>734</u>	<u>324</u>

# Adare International Limited

## Notes (continued)

### 10 Tax on ordinary activities (continued)

#### (b) Factors affecting current tax charge in year

The tax assessed for the year is higher (2014: lower) than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2015	2014 (as restated - note 29)
	£'000	£'000
Profit on ordinary activities before tax	677	1,300
Profit on ordinary activities multiplied by the standard rate of corporation tax of 20.41% (2014: 21.83%)	138	284
<i>Effects of:</i>		
(Income not taxable)/expenses not deductible	-	25
Difference between depreciation and capital allowances	125	(53)
Adjustments to tax charge in respect of prior periods	343	2
Other timing differences	(5)	-
Overseas tax paid	420	18
<b>Current tax charge for year (note 10 (a))</b>	<b>1,021</b>	<b>276</b>

#### (c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 October 2015 has been calculated based on the rate of 20% which became effective from 1 April 2015.

# Adare International Limited

## Notes (continued)

<b>11 Intangible fixed assets</b>	<b>Goodwill £'000</b>
<i>Cost</i>	
At 31 October 2014 and 31 October 2015	328
	<hr/>
<i>Accumulated amortisation</i>	
At 31 October 2014	127
Charge for year	54
	<hr/>
<b>At 31 October 2015</b>	<b>181</b>
	<hr/>
<i>Net book value</i>	
<b>At 31 October 2015</b>	<b>147</b>
	<hr/>
At 31 October 2014	201
	<hr/>

At 31 October 2015, the directors have assessed the carrying value of the goodwill and do not believe any impairment charge is necessary.

# Adare International Limited

## Notes (continued)

### 12 Tangible fixed assets

	Short leasehold improvements £'000	Plant, equipment, fixtures and fittings £'000	Total £'000
<i>Cost</i>			
At 31 October 2014	131	3,044	3,175
Additions	198	603	801
Disposals	(106)	(431)	(537)
	<hr/>	<hr/>	<hr/>
<b>At 31 October 2015</b>	<b>223</b>	<b>3,216</b>	<b>3,439</b>
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>			
At 31 October 2014	82	1,273	1,355
Charge for year	60	561	621
Disposals	(106)	(431)	(537)
	<hr/>	<hr/>	<hr/>
<b>At 31 October 2015</b>	<b>36</b>	<b>1,403</b>	<b>1,439</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
<b>At 31 October 2015</b>	<b>187</b>	<b>1,813</b>	<b>2,000</b>
	<hr/>	<hr/>	<hr/>
At 31 October 2014	49	1,771	1,820
	<hr/>	<hr/>	<hr/>

### 13 Stocks

	2015 £'000	2014 £'000
Finished goods and work in progress	283	423
	<hr/>	<hr/>

In the opinion of the directors, the replacement cost of stocks at 31 October 2015, is not materially different to the carrying value as stated above.

# Adare International Limited

## Notes (continued)

<b>14 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<i>Amounts falling due within one year:</i>		
Trade debtors	16,196	14,034
Amounts owed by group undertakings	857	20
Prepayments and accrued income	1,565	2,080
Other debtors	3,426	4,266
	<hr/>	<hr/>
	22,044	20,400
<i>Amounts falling due after one year:</i>		
Deferred tax asset (note 15)	616	328
Amounts owed by group undertakings	24,787	23,313
	<hr/>	<hr/>
	47,447	44,041
	<hr/>	<hr/>
<b>15 Deferred tax asset</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
At beginning of year	328	376
Net amount charged to profit and loss account in year	288	(48)
	<hr/>	<hr/>
<b>At end of year (note 14)</b>	<b>616</b>	<b>328</b>
	<hr/>	<hr/>
<i>Deferred tax asset arises as follows:</i>		
Timing differences	616	328
	<hr/>	<hr/>
<b>16 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	20,573	19,093
Amounts owed to group undertakings	3,786	2,840
Other creditors	857	1,062
Corporation tax	835	796
Other taxes and social security	747	599
Accruals	413	896
Deferred consideration	92	60
Invoice financing facility (note 24)	6,241	5,454
	<hr/>	<hr/>
	33,544	30,800
	<hr/>	<hr/>

# Adare International Limited

## Notes (continued)

<b>17 Creditors: amounts falling due after more than one year</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Deferred consideration	-	82

Deferred consideration relates to the acquisition of Navigate Design Limited which was classified as falling due after one year in 2014. Total consideration is payable by June 2016 and therefore is classified within amounts falling due within one year in 2015.

<b>18 Provision for liabilities</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
(i) <i>Dilapidations provision</i>		
At beginning of year	47	88
Charge in year	-	79
Utilised in year	(47)	(120)
<b>At end of year</b>	<b>-</b>	<b>47</b>

A provision was created in prior periods for the dilapidation of the company's leased properties and returning the properties to their original condition at the end of the lease term.

(ii) <i>Other provisions</i>	<b>2015</b>	<b>2014</b>
		(as restated - note 29)
	<b>£'000</b>	<b>£'000</b>
Opening balance (2014 as previously reported)	606	-
Prior year adjustment (note 29)	-	495
Opening balance (2014 as restated)	606	495
Prior year adjustment (note 29)	-	111
Interest accrual	146	-
<b>Closing balance (2014 as restated)</b>	<b>752</b>	<b>606</b>

During the year the company identified a historic issue in relation to the over recovery of overseas VAT. See note 29 for further detail.

# Adare International Limited

## Notes (continued)

<b>19 Called up share capital</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	<b>1</b>	<b>1</b>
	<hr/>	<hr/>
<b>20 Profit and loss account</b>	<b>2015</b>	<b>2014</b>
		(as restated -
	<b>£'000</b>	note 29)
		<b>£'000</b>
Profit and loss account at beginning of year (2014 as previously reported)	<b>18,879</b>	18,398
Prior year adjustment (note 29)	-	(495)
	<hr/>	<hr/>
Profit and loss account at beginning of year (2014 as restated)	<b>18,879</b>	17,903
Prior year adjustment	-	(111)
(Loss)/profit for the year (2014 as previously reported)	<b>(57)</b>	1,087
	<hr/>	<hr/>
<b>Profit and loss at end of year (2014 as restated)</b>	<b>18,822</b>	<b>18,879</b>
	<hr/>	<hr/>
<b>21 Reconciliation of movement in shareholders' funds</b>	<b>2015</b>	<b>2014</b>
		(as restated -
	<b>£'000</b>	note 29)
		<b>£'000</b>
Opening shareholders' funds (2014 as previously reported)	<b>18,880</b>	18,399
Prior year adjustment (note 29)	-	(495)
	<hr/>	<hr/>
Opening shareholders' funds (2014 as restated)	<b>18,880</b>	17,904
Prior year adjustment	-	(111)
Total recognised gains and losses for the financial year (2014 as previously reported)	<b>(57)</b>	1,087
	<hr/>	<hr/>
<b>Closing shareholders' funds (2014 as restated)</b>	<b>18,823</b>	<b>18,880</b>
	<hr/>	<hr/>

# Adare International Limited

## Notes (continued)

### 22 Lease commitments

Annual commitments under operating leases are as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Leases expiring:				
Within one year	227	304	37	59
Between one and two years	-	-	43	22
Between two and five years	713	545	-	43
	<hr/>	<hr/>	<hr/>	<hr/>
	940	849	80	124
	<hr/>	<hr/>	<hr/>	<hr/>

### 23 Capital Commitments

The company had no capital commitments at year end (2014: £Nil).

### 24 Bank security

The bank loans and overdrafts of the Hamsard 3350 Limited group are secured by way of:

- A first debenture from certain group undertakings (including Adare International Limited) comprising a legal charge over properties owned by the Hamsard 3350 Limited group and a floating charge over all of the assets of such undertakings together with intergroup guarantees from certain group undertakings (including Adare International Limited); and

In relation to the Group's invoice financing facility:

- A charge over the book debts of certain trading subsidiary undertakings supported by cross guarantees from certain other group undertakings (including Adare International Limited)

### 25 Ultimate parent undertaking

The company's immediate parent undertaking is Continuous Stationery Limited, a company incorporated in England and Wales. The company's ultimate parent undertaking is Hamsard 3350 Limited. This company is incorporated in England and Wales.

The only consolidated financial statements in which the results of Adare International Limited at 31 October 2015 are consolidated are those of Hamsard 3350 Limited. Copies of the consolidated financial statements of Hamsard 3350 Limited are filed at Companies House, Crown Way, Cardiff.

The ultimate controlling party of the Group is Endless Fund III A Limited Partnership, Endless Fund III B Limited Partnership and Endless Fund III C Limited Partnership who own 75% of the Group.



# Adare International Limited

## Notes (continued)

### 26 Related party transactions

In accordance with FRS 8, the company has not disclosed its transactions with other group companies as its results are consolidated into the financial statements of its ultimate parent company which are publicly available.

### 27 Post balance sheet events

Subsequent to the year end, the Group refinanced its existing debt, resulting in the availability of additional borrowings and working capital facilities for which the company is a guarantor. No other significant events affecting the company have occurred since the balance sheet date which require disclosure in, or adjustment to, these financial statements.

### 28 Subsidiary undertakings

The principal activity of the wholly owned subsidiaries is the provision of print management and logistics services in their respective countries.

<i>Name</i>	<i>Principal activities</i>	<i>Registered office</i>
Adare Brasil Servicios de Marketing Ltda	Provision of print management and logistics services	A
Adare International Mexico S de RL de CV	Provision of print management and logistics services	B
Adare International Inc.	Provision of print management and logistics services	C
Adare International LLC	Provision of print management and logistics services	D

#### Country of incorporation and registered offices:

A – Subsidiaries incorporated and operating in Brazil with registered offices of Av Das Nacoes 13947 Andar 16 Sala 1610A Vila Gertrudes, Sao Paulo, Brazil.

B – Subsidiaries incorporated and operating in Mexico with registered offices of Av. Presidente Masarik 111, Piso 1, Col. Chapultepec Morales, C.P. 11570, Distrito Federal, Mexico.

C – Subsidiaries incorporated and operating in the USA with registered offices of Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

D – Subsidiaries incorporated and operating in Russia with registered offices of 4 Bolshoy Ordynsky Pereulok, Moscow, 115184, Russia.

# Adare International Limited

## Notes (continued)

### 28 Subsidiary undertakings (continued)

#### *Incorporated in Brazil*

The company owns 60,000 ordinary shares of 1 BRL each which represents 99% of the share capital of the subsidiary.

#### *Incorporated in Mexico*

The company owns 50,000 ordinary shares of 1 MXN each which represents 99% of the share capital of the subsidiary.

#### *Incorporated in Russia*

The company owns 10,000 ordinary shares of 1 RUB each which represents 100% of the share capital of the subsidiary.

#### *Incorporated in USA*

The company owns 1,000 ordinary shares of 1 USD each which represents 100% of the share capital of the subsidiary.

### 29 Prior year adjustment

During the year the company identified a historic issue in relation to the over-recovery of overseas VAT. The directors of the company have deemed the correction of this error to be fundamental to the understanding of the financial statements, and the results of previous periods have been restated to reflect the recognition of a provision for this liability. The impact of this adjustment on opening shareholders' funds is £495,000 as shown in note 21. The results for the year ended 31 October 2014 have also been restated to reflect the interest charge on this liability that was not originally recognised in the prior year. The impact of this adjustment is a reduction in profit of £111,000. The liability is expected to be settled within 12 months of 31 October 2015 and the closing provision of £752,000 has therefore been presented as a current liability as shown in note 18.

### 30 Approval of the financial statements

These financial statements were approved by the directors on 23 May 2016.