

**Adler Manufacturing Limited**

**Annual report and financial statements**

**Registered number 2425707**

**Period from 31December 2018 to 29 December 2019**

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## Strategic report

### Company objectives

The company markets personalized business gifts such as pens, pocket calendars, stationery and note pads through mail, telephone and web channels. Customers use the products to promote their own businesses or as part of internal incentive and reward programs. During years 2018 and 2017, the company expanded its product portfolio with apparel, drinkware, bags, umbrellas and other assorted product lines. In 2019 we still working with this expanded product portfolio.

### Business review

Turnover has been consistent year on year being £7.45m in 2019 (£7.25m in 2018). Sales product mix has changed against the previous reporting period as the company has expanded product lines. The gross margin percentage was 57% and 59% in 2019 and 2018, respectively. Product mix changes have contributed to gross margin percentage decline.

Administrative expenses were £5.05m and £5.32m in 2019 and 2018, respectively. The minor increase was mainly due to increases in promotional spending and changes in marketing strategy as we offer new product lines. Labour cost, as part of the administrative expenses, decreased from £2.61m to £2.50m. Other administration expenses decreased from £2.71m in 2018 to £2.55m in 2019.

The director does not recommend the payment of a dividend.

### Business strategy

Management is focused on improving the business. The past two years have been transition years as the company has introduced new product lines and no longer markets outside the United Kingdom. Growth strategy in the long-term revolves around new customer acquisition through web, phone, and mail sales channels. Product innovation and design coupled with new product lines are key drivers of success for the company. Investment in this area continues to provide returns.

As in prior years, during the year 2018 the company bought products for sale from affiliated companies (HCE GmbH in Germany and Myron Corp., in USA). However, the new product lines are mainly sourced from local United Kingdom and Europe suppliers.

### Risks and uncertainties

The company is focused on the retention and growth of its current United Kingdom customer base by shifting business towards online. The company will gradually reduce sales staff and increasing digital contact strategies which will reduce acquisition costs by achieving same level of sales. If this is not achieved, this could have a negative impact on future sales performance. This issue remains a continued focus for management. Material changes in foreign exchange rates will alter the cost of raw materials and thus impact gross margins and sampling costs. Central buying for all affiliated companies mitigates this risk.

The Director has continued to consider and assess those factors which may have an impact on the Company as a result of Brexit, including an assessment of the readiness of the Company to respond to such events and conditions. The Director has considered factors such as, freight and delivery cost increases, delays relating to supply chain, potential increases in import taxes and duties, as well as potential foreign exchange fluctuations. The Director is continuing to monitor the situation.

The Company sales have declined as a result of the Covid-19 pandemic. The coronavirus outbreak may also have a material adverse impact on the Company's financial position, operations and cash flows in 2021. Given the uncertainty regarding the spread of this coronavirus, the related financial impact cannot be reasonably predicted or estimated at this time. Management continues to monitor the pandemic and its impacts on the business. The risk is classified as high.

### Key performance indicators

#### Turnover, gross margin and administrative expenses

The turnover of the business was consistent in period end £7.45m in 2019 (£7.25m in 2018), respectively. Gross profit was consistent at £4.2m in 2019 and 2018. Administrative expenses contain marketing and overhead expenses. Administrative expenses were £5.05m and £5.32m in 2019 and 2018, respectively. Administrative expenses were consistent as the business monitors investment in marketing contact strategies to existing and prospective customers, product line expansion costs, and general overhead spending.

#### Cash flows

The company continues to have access to funds sufficient to meet its operating requirements.

#### Receivables

The external trade debtor balances at 29th December 2019 are 15% higher than they stood at 30th December 2018.

By order of the board

DJ Adler  
Director

#### Director's report

The director presents his annual report and the audited financial statements for the period from 31 December 2018 to 29 December 2019. The comparative period is from 1 January 2018 to 30 December 2018.

#### Employment

##### Disability policy

The company operates "fairness at work policies" which include a policy on disability, and it is committed to ensuring recruitment and selection decisions are based on competencies and skills.

In all cases of disability arising whilst a person is employed by the company, appropriate and reasonable adjustments are made for the mutual benefit of the company and the employee. Additionally, the company makes resources available for rehabilitation to work as a result of a disability, by working with a range of external support services including occupational health and rehabilitation specialists.

The company provides access to personal development and promotion opportunities for all employees based on merit and not on unfair discrimination criteria. The company makes reasonable physical adjustments for such employees in applying this policy.

##### Communication and consultation

The company provides periodic employee briefings on matters of significance to all employees, either locally or in consultation with the management of affiliated companies, to ensure that employees are consulted on matters that directly affect them.

Employees also receive communications concerned with local changes that may affect them, such as changes to company policies. The company is committed to briefing and consulting with employees on matters that significantly affect the performance of the business.

##### Directors and directors' interests

The director of the company during the period and his beneficial interest in the issued share capital of the company was as follow:

Donald James Adler, ordinary shares (£1 value), with an interest of 50,000 shares at December 29, 2019 and December 30, 2018.

The aforementioned director who held office during the financial period had no other disclosable interest in shares of group companies.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of group companies were granted to the director or his immediate family, or exercised by them, during the financial period.

Information in respect of dividends has been included within the strategic report.

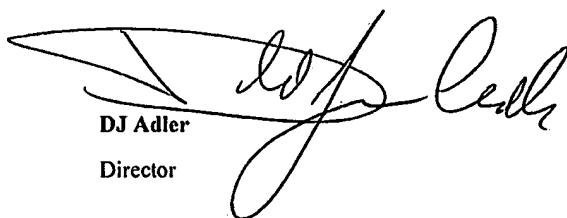
##### Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and the 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 auditors will be deemed to be replaced by Grant Thornton UK LLP

By order of the board



DJ Adler  
Director

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

## INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF ADLER MANUFACTURING LIMITED

### Opinion

We have audited the financial statements of Adler Manufacturing Limited ("the Company") for the period ended 29 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements which describes uncertainties as to the availability of such additional funding as is needed from the ultimate parent company.

These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter

### Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### Matters on which we are required to report by exception

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 these respects.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADLER MANUFACTURING LIMITED (CONTINUED)**

**Directors' responsibilities**

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

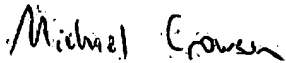
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



Michael Crowson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*  
2 Forbury Place  
33 Forbury Road  
Reading  
RG1 3AD  
19 April 2022

## Profit and Loss Account and Other Comprehensive Income

	<i>Note</i>	For the year ended 29 December 2019	For the year ended 30 December 2018
		£	£
<b>Turnover</b>	<b>1</b>	<b>7,453,741</b>	<b>7,250,082</b>
Cost of sales		(3,220,747)	(3,002,062)
<b>Gross profit</b>		<b>4,232,994</b>	<b>4,248,020</b>
Administrative expenses		(5,045,387)	(5,184,107)
<b>Operating Loss</b>		<b>(812,393)</b>	<b>(1,074,967)</b>
Interest receivable and similar income	5	83,608	16,459
Interest payable and similar expenses	6	(44,343)	(46,666)
Loss before taxation	2	(773,128)	(1,105,174)
Tax on Loss	7	-	-
<b>Loss for the financial period</b>		<b>(773,128)</b>	<b>(1,105,174)</b>
Other comprehensive expense for the year		-	-
<b>Total comprehensive expense for the period</b>		<b>(773,128)</b>	<b>(1,105,174)</b>

See accompanying notes to financial statements.




## Balance Sheet

As at

	<i>Note</i>	29 December 2019 £	30 December 2018 £
<b>Fixed assets</b>			
Tangible assets	8	150,583	162,382
<b>Current assets</b>			
Debtors	9	2,381,490	2,072,479
Cash at bank and in hand		424,828	350,145
		<hr/> 2,806,318	<hr/> 2,422,624
Creditors: amounts falling due within one year	10	(2,895,760)	(1,750,737)
<b>Net current (liabilities)/ assets</b>		<hr/> (89,442)	<hr/> 671,887
<b>Net assets</b>		<hr/> <u>61,141</u>	<hr/> <u>834,269</u>
<b>Capital and reserves</b>			
Called up share capital	11	50,000	50,000
Profit and loss account		11,141	784,269
<b>Equity shareholders funds</b>		<hr/> <u>61,141</u>	<hr/> <u>834,269</u>

See accompanying notes to financial statements.

These financial statements were approved by the board of directors on 19 April 2022

  
DJ Adler - Director  
For and on behalf of the  
board of directors

Registered number –  
2425707

## Statement of Changes in Equity

	<b>Called Up Share Account £</b>	<b>Profit and Loss Account £</b>	<b>Total equity £</b>
<b>Balance as at December 31, 2017</b>	<b>50,000</b>	<b>1,889,443</b>	<b>1,939,443</b>
Loss for the period	-	(1,105,174)	(1,105,174)
<b>Balance as at December 30, 2018</b>	<b>50,000</b>	<b>784,269</b>	<b>834,269</b>
Loss for the period		(773,128)	(773,128)
<b>Balances, December 29, 2019</b>	<b>50,000</b>	<b>11.141</b>	<b>61,141</b>

## Cash Flow Statement

Adler Manufacturing Limited  
Annual report and financial statement  
29. December 2019

	29-Dec-19 £	30-Dec-18 £
<b>Cash flows from operating activities:</b>		
Income (Loss) before tax	(773,128)	(1,105,174)
<i>Adjustments for:</i>		
Depreciation	30,303	27,373
Bad debt expense	164,437	124,883
Decrease/(increase) in trade and other debtors	(509,373)	473,812
Increase/(decrease) in trade and other creditors	1,145,501	394,817
<b>Net cash from operating activities</b>	<b>57,740</b>	<b>-84,289</b>
<b>Cash flows from investing activities:</b>		
Acquisition of tangible fixed assets	(16,943)	(35,141)
<b>Net cashoutflow from investing activities</b>	<b>(16,943)</b>	<b>(35,141)</b>
 Net increase/ (decrease) in cash and cash equivalents	 74,683	 (119,430)
 Cash and cash equivalents, beginning of the period	 350,145	 469,575
<b>Cash and cash equivalents, end of the period</b>	<b>424,828</b>	<b>350,145</b>

See accompanying notes to financial statements

## Notes to the financial statements (forming part of the financial statements)

### 1 Basis of preparation

Adler Manufacturing Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The financial statements are prepared on the historical cost basis.

### Going Concern

As at 29 December 2019 the Company made a loss for the year of £773,128 and had net current liabilities of £92,764. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company has no external facilities and is reliant on funding from its ultimate parent company, Adler Europe Holding Limited to meet its liabilities as they fall due. It is also reliant on the wider group for a significant proportion of its inventory and intends to continue to incur discretionary marketing expenditure to increase market share in accordance with the group's strategy. The expectation is that it will take 2 years for the company to become cash generative.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. Those forecasts indicate that the company will require additional funding even after controllable mitigating actions.

Those forecasts are dependent on Adler Europe Holding Limited not seeking repayment of the amounts currently due to the group, which at 29 December 2019 amounted to £1,945,189, and providing such additional financial support as is needed during that period. Adler Europe Holding Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

However, the ultimate parent company (Myron Corporation) holds a financing agreement that requires specific covenants to be met, and following a delay in shipments in 2022, these are forecast to be in breach during the going concern period. This would give the bank the right to request repayment of the facility. The ultimate parent company is in negotiations with the bank to refinance the debt facility and re-set the covenants which relies on the bank agreeing to new covenant thresholds. The Directors expect the bank debt to be successfully refinanced however, there can be no certainty that this is the case and therefore that the group will be able to make such funds available as are needed by the company.

As such, the Directors consider it appropriate to adopt the going concern basis in preparing the financial statements. However, the uncertainty as to the availability of such additional funding as is needed from the ultimate parent company represents a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

## Notes to the financial statements - (continued)

### 1 Accounting policies (continued)

#### Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	- Over the period of the lease
Fixtures, fittings and equipment	- Over 3 to 5 years
Plant and machinery	- Over 5 to 7 years

#### Trade Debtors

Trade Debtors are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for estimated losses inherent in its trade debtors portfolio. In establishing the required allowance, management considers historical losses, current receivables aging, and existing industry and national economic data. Consequently, an adverse change in such information could affect the Company's estimate of bad debts. The Company reviews its allowance for doubtful accounts monthly. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

#### Cash and cash equivalents

Cash and cash equivalents include cash and short-term highly liquid investments with original maturities of less than three months.

#### Trade Creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### Use of estimates

The preparation of the financial statements in conformity with U.K. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Foreign currencies

Transactions in foreign currencies are recorded using the monthly average exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the rate ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account. The assets and liabilities and profit and loss accounts of overseas branches are translated at the closing exchange rates. Gains and losses arising on these translations are taken to reserves, net of exchanges differences arising on related foreign currency borrowings.

#### Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of lease.

#### Post-retirement benefits

The company contributes to eligible employees' personal pension plans. Obligations for contributions to defined contribution plans are recognised as expense in the profit and loss account in the periods which services are rendered by employees

## Notes to the financial statements - (continued)

### 1 Accounting policies (continued)

#### Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### Turnover

The Company recognises revenue from product sales when the goods are shipped and the customer takes ownership and assumes the risk of loss, collection of the relevant receivable is reasonably assured, persuasive evidence of an arrangement exists, and the sales price is fixed or determinable. The Company's turnover represent gross sales invoiced to customers, less certain related charges, including product returns and other allowances. Shipping and other transportation costs charged to customers are recorded in turnover and related costs are recorded in cost of sales. Value added taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from turnover. Substantially all revenue from product sales are shipments within the United Kingdom.

### 2 Loss before taxation

	52 week 29 December 2019 £	53 week 30 December 2018 £
<i>Loss before taxation is stated after charging</i>		
<b>Auditors' remuneration:</b>		
Audit of these financial statements	24,600	24,600
Other services relating to taxation	15,450	15,450
<b>Depreciation of tangible fixed assets</b>	28,701	27,373
<b>Operating leases:</b>		
Office equipment, Plant & machinery	27,892	6,663
Property	129,051	122,500

### 3 Remuneration of director

Director's emoluments including benefits in kind were £nil (2018: £nil). The director is remunerated by Myron Group for his services to the Adler Group as a whole and his services are deemed to be incidental to the UK entity therefore no cost has been recharged.

## Notes to the financial statements - (continued)

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during 52/53 week period ended December 29, 2019 and December 30, 2018 were 62 and 66, respectively. All employed persons are categorised as Administrative and Sales.

The aggregate cost of these persons was as follows;

	29 December 2019 £	30 December 2018 £
Wages and salaries	2,104,211	2,278,581
Social security costs	280,778	253,332
Pension costs (note 13)	72,585	79,031
	<u>2,457,574</u>	<u>2,610,944</u>

### 5 Interest receivable and similar income

	29 December 2019 £	30 December 2018 £
Interest income from group undertakings	-	9,384
Other interest	17,729	7,075
	<u>17,729</u>	<u>40,341</u>

### 6 Interest payable and similar expenses

	29 December 2019 £	30 December 2018 £
Interest expense from group undertakings	(44,343)	(8,034)
Net foreign exchange gain/ (loss)	65,879	(38,632)
	<u>21,536</u>	<u>(46,666)</u>

Interest on related party debt is calculated at the prime rate plus 90 day Libor rate

## Notes to the financial statements - (continued)

### 7 Taxation

	52 week 29. December 2019	53 week 31. December 2018
	£	£
<b>Current Tax reconciliation</b>		
<b>Profit (Loss) before taxation</b>	(773,128)	(1,105,174)
Current tax at 19%	(146,894)	-209,983
Effects of:		
Capital allowances for period in excess of depreciation		
Expenses not deductible for Tax purposes		
Effect on timing differences on fixed assets not recognised	2,616	1,672
Effect on timing differences on other items not recognised	81	562
Effect on timing differences on losses not recognised	144,197	207,749
<b>Total Tax</b>	-	-

#### *Factors affecting future tax charges*

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the Company's future current tax charge and deferred tax assets accordingly.

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date, there would have been no material impact on the company's recognised deferred tax balances.

Deferred tax assets of £680,948 (2018: £577,011) in relation to unutilised tax losses, fixed assets and other timing differences have not been recognised as the directors do not believe that the availability of suitable future tax profits against which these losses and other timing differences can be utilised is sufficiently certain.



Notes to the financial statements - (continued)

8 Tangible fixed assets

	Leasehold Improvements £	Fixtures Fitting & Equipment £	Software £	Total £
<b>Cost</b>				
Beginning	235,032	535,877	13,085	783,994
Additions	0	16,944	0	16,943
Ending	235,032	552,820	13,085	800,937
<b>Depreciation</b>				
Beginning	134,391	474,135	13,085	621,612
Charge for Period	13,770	14,971	0	28,740
At end of Period	148,161	489,106	13,085	650,352
Net book Value				
29 December 2019	86,871	63,714	0	150,585
30 December 2018	100,641	61,671	70	162,382

9 Debtors

	29 December 2019 £	30 December 2018 £
Trade debtors	2,275,408	1,966,670
Amounts receivable from related companies	321	321
Prepayments and other debtors	105,760	105,488
	<u>2,381,489</u>	<u>2,072,479</u>

10 Creditors: amounts falling due within one year

	29 December 2019 £	30 December 2018 £
Trade creditors	106,928	166,474
Amounts owed to related companies	2,069,990	905,814
Other taxes and social security	444,395	364,189
Other creditors	178,282	160,893
Accruals	96,643	153,367
	<u>2,896,238</u>	<u>1,750,737</u>

**11 Called up share capital**

As of 29 December 2019 and 30 December 2018, the company had 50,000 Ordinary shares of £1 each, allotted, called up, and fully paid. Holders of shares are entitled to one vote per share at meetings of the Company.

**12 Commitments****Lease rentals payable under non-cancellable operating leases:**

	29. December 2019		31. December 2018	
	Land and Buildings	other	Land and Buildings	other
	£	£	£	£
within one year	129,051	27,892	133,399	18,659
between one and five years	175,500	22,259	312,000	3,600
over five years	-	-	182,000	-
	<b>304,551</b>	<b>50,151</b>	<b>627,399</b>	<b>22,259</b>

**13 Pensions**

Adler Manufacturing Limited contributes to eligible employees' personal pension plans. £8,506 (2018: £8,942) payable to personal pension plans were outstanding for the month of December 2018 at the end of the year.

**14 Related Party Disclosures**

There has been no change in the company's immediate parent and also the ultimate parent of Adler Manufacturing Limited. The immediate parent company is Adler International CV, based in the Netherlands which is ultimately controlled by Mr. D.J. Adler and the Adler family.

During the period, the company charged the following affiliated companies management charges. The company also charges the entities expenses paid on their behalf by the company.

		29. December 2019	30. December 2018
		£	£
<b>Name of Entity</b>	<b>Country of registration</b>		
Adler Werbegeschenke Vertriebsges. M.B.H. & Co KEG	Austria	19,096	17,697
Adler Vertriebs GmbH & Co Werbegeschenke KG	Germany	146,637	211,298
Adler International CV	The Netherlands	6,940	18,644
Adler Werbegeschenke GmbH	Switzerland	15,079	2,423
The Company also recharges the above entities expenses paid on their behalf by the company			
<b>Name of Entity</b>	<b>Country of registration</b>		
Adler Vertriebs GmbH & Co Werbegeschenke KG	Germany	278,488	245,795
Myron Corporation	USA	548,699	376,366

Amounts owed to (due from) these affiliated companies at the Balance Sheet date are listed below:

<i>Name of Entity</i>	<i>Country of registration</i>		
Myron Corporation	USA	148,369	145,931
Adler Europe Holding Ltd	USA	1,487,488	628,881
HCE GmbH	Germany	417,597	130,68

During the period, the company bought the majority of its purchases directly from:

<i>Name of Entity</i>	<i>Country of registration</i>		
HCE GmbH	Germany	2,949,063	2,868,537
Myron Corporation	USA	98,523	59,921