

Financial Statements

Arno GB Limited

For the year ended 31 December 2014

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COMPANIES HOUSE

Registered number: 01385669

Arno GB Limited

Company Information

Directors	M J Aspin G T Palmer S B Rothmeier
Company secretary	M C W Townsend
Registered number	01385669
Registered office	Victorian House Coronation Road Bristol BS3 1AA
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Hartwell House 55-61 Victoria Street Bristol BS1 6FT
Bankers	National Westminster Bank Bristol City Office P O Box 238 32 Corn Street Bristol BS99 7UG
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS

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Directors' report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 judgments 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.

Principal activity

The principal activity of the company during the year was the design and management of retail display and merchandising projects.

Results

The loss for the year, after taxation, amounted to £476,451 (2013 - profit £106,798).

Directors

The directors who served during the year were:

M J Aspin
G T Palmer
S B Rothmeier
M Smith (resigned 31 January 2014)

Directors' report

For the year ended 31 December 2014

Disclosure of information to auditor

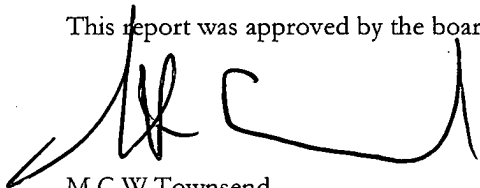
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 7 August 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'M C W Townsend', written over a horizontal line.

M C W Townsend
Secretary

Strategic report

For the year ended 31 December 2014

Business review

2014 proved to be a challenging year, which saw a drop in all key performance indicators in comparison with the prior financial year.

The financial performance for the year can be analysed as follows:

	2014	2013	Change	Change
	£	£	£	%
Turnover	5,120,099	7,869,688	(2,749,589)	(34.9)
Gross profit	1,889,064	2,450,908	(561,844)	(22.9)
(Loss) / profit before tax	(590,702)	151,907	(742,609)	(488.9)

Overheads have been closely controlled again this year and the business continues to source production throughout Europe in order to obtain the best purchase price. The directors anticipate a big upswing in turnover and a return to net profit in 2015, which is based upon a robust pipeline of new business.

Principal risks and uncertainties

Financial risk management objectives and policies

The company uses financial instruments comprising borrowings, some cash and liquid resources, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to assist in financing the company's operations.

The company also has bank facilities denominated in euros and US dollars. The purpose of these facilities is to manage the currency risk arising from the company's operations.

The main risks arising from the company's financial instruments are foreign currency risk and interest rate risk.

Currency risk

The company is exposed to transaction foreign exchange risk. The company seeks to hedge its exposure using a bank facility denominated in euros, with the objective of minimising the effects of fluctuations in exchange rates on future transactions and cash flows.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

This report was approved by the board on 7 August 2015 and signed on its behalf.

G T Palmer
Director



Independent auditor's report to the member of Arno GB Limited

We have audited the financial statements of Arno GB Limited for the year ended 31 December 2014, which comprise the profit and loss account, the balance sheet, the cash flow statement and reconciliation of net cash flow to movement in net debt and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent auditor's report to the member of Arno GB Limited

Matters on which we are required to report by exception

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.

A handwritten signature in black ink, appearing to read "Paul T Putnam".

Paul T Putnam (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Bristol

7 August 2015

Profit and loss account

For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1,2	5,120,099	7,869,688
Cost of sales		<u>(3,231,035)</u>	<u>(5,418,780)</u>
Gross profit		1,889,064	2,450,908
Administrative expenses		<u>(2,417,456)</u>	<u>(2,229,178)</u>
Operating (loss)/profit	3	(528,392)	221,730
Interest receivable and similar income	6	94	366
Interest payable and similar charges	7	<u>(62,404)</u>	<u>(70,189)</u>
(Loss)/profit on ordinary activities before taxation		(590,702)	151,907
Tax on (loss)/profit on ordinary activities	8	<u>114,251</u>	<u>(45,109)</u>
(Loss)/profit for the financial year	16	<u>(476,451)</u>	<u>106,798</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

Balance sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	9		2,028,304		2,092,319
Current assets					
Stocks	10	1,014,590		6,218	
Debtors	11	1,337,623		1,226,781	
Cash at bank and in hand		80,082		384,759	
		<u>2,432,295</u>		<u>1,617,758</u>	
Creditors: amounts falling due within one year	12	<u>(2,503,891)</u>		<u>(1,076,857)</u>	
Net current (liabilities)/assets			<u>(71,596)</u>		<u>540,901</u>
Total assets less current liabilities			<u>1,956,708</u>		<u>2,633,220</u>
Creditors: amounts falling due after more than one year	13		<u>(552,500)</u>		<u>(722,500)</u>
Provisions for liabilities					
Deferred tax	14		<u>-</u>		<u>(30,061)</u>
Net assets			<u><u>1,404,208</u></u>		<u><u>1,880,659</u></u>
Capital and reserves					
Called up share capital	15		80,000		80,000
Share premium account	16		2,506		2,506
Capital redemption reserve	16		12,049		12,049
Profit and loss account	16		<u>1,309,653</u>		<u>1,786,104</u>
Shareholder's funds	17		<u><u>1,404,208</u></u>		<u><u>1,880,659</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 August 2015.

G T Palmer
Director



The notes on pages 9 to 19 form part of these financial statements.

Cash flow statement

For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	18	13,644	(150,756)
Returns on investments and servicing of finance	19	(62,310)	(69,823)
Taxation		(45,238)	(34,448)
Capital expenditure and financial investment	19	(40,773)	(55,504)
Cash outflow before financing		(134,677)	(310,531)
Financing	19	(170,000)	(170,000)
Decrease in cash in the year		(304,677)	(480,531)

Reconciliation of net cash flow to movement in net debt

For the year ended 31 December 2014

	2014 £	2013 £
Decrease in cash in the year	(304,677)	(480,531)
Cash outflow from decrease in debt and lease financing	170,000	170,000
Movement in net debt in the year	(134,677)	(310,531)
Net debt at 1 January 2014	(507,741)	(197,210)
Net debt at 31 December 2014	(642,418)	(507,741)

The notes on pages 9 to 19 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards.

1.2 Going concern

The directors have considered the future profitability of the company and forecast positive cash flows for the future after taking account of reasonably possible changes in trading performance. The company has secured the continued on-going support from their parent company.

As such the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is the total amount receivable by the company for goods and services provided, excluding VAT and trade discounts.

Sales of goods are recognised on delivery to the customer and service sales are recognised on completion of the agreed work.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	10% to 25% straight line
Computer equipment	-	25% straight line

1.5 Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

1.6 Stocks

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

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.8 Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

1.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.10 Retirement benefits

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

Notes to the financial statements

For the year ended 31 December 2014

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

A geographical analysis of turnover is as follows:

	2014	2013
	£	£
United Kingdom	1,852,841	2,271,353
Rest of European Union	2,245,361	4,089,959
Rest of world	1,021,897	1,508,376
	<u>5,120,099</u>	<u>7,869,688</u>

3. Operating (loss)/profit

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

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	104,788	108,918
Auditor's remuneration	15,600	14,750
Operating lease rentals:		
- plant and machinery	-	8,400
- other operating leases	39,013	52,007
Difference on foreign exchange	(13,802)	(15,379)
Auditor's remuneration - taxation	2,900	2,750
Auditor's remuneration - other	7,307	16,800
	<u></u>	<u></u>

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014	2013
	£	£
Wages and salaries	1,359,280	1,418,896
Social security costs	166,475	167,636
Other pension costs	48,578	44,392
	<u>1,574,333</u>	<u>1,630,924</u>

Notes to the financial statements

For the year ended 31 December 2014

4. Staff costs (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Client services (production)	10	11
Office administration and sales	15	15
Art studio	9	11
	<u>34</u>	<u>37</u>

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>284,080</u>	<u>285,257</u>
Company pension contributions to defined contribution pension schemes	<u>16,464</u>	<u>16,220</u>
Compensation for loss of office	<u>12,600</u>	<u>-</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £107,503 (2013 - £106,463).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2013 - £nil).

6. Interest receivable

	2014 £	2013 £
Other interest receivable	<u>94</u>	<u>366</u>

7. Interest payable

	2014 £	2013 £
Interest payable on bank borrowing	<u>62,404</u>	<u>70,189</u>

Notes to the financial statements

For the year ended 31 December 2014

8. Taxation

	2014 £	2013 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	45,239
Adjustments in respect of prior periods	(45,239)	3,934
Total current tax	(45,239)	49,173
Deferred tax		
Origination and reversal of timing differences	(67,581)	2,127
Effect of increased tax rate on opening liability	(1,431)	(2,660)
Adjustments in respect of prior periods	-	(3,531)
Total deferred tax (see note 14)	(69,012)	(4,064)
Tax on (loss)/profit on ordinary activities	(114,251)	45,109

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 20%% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(590,702)	151,907
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%% (2013 - 23.25%)	(118,140)	35,313
Effects of:		
Expenses not deductible for tax purposes	11,506	12,435
Capital allowances for year in excess of depreciation	3,862	(1,895)
Adjustments to tax charge in respect of prior periods	(45,239)	3,934
Short term timing differences leading to a decrease in taxation	(80)	(460)
Tax losses carried back	39,054	-
Unrelieved tax losses carried forward	63,798	-
Marginal relief	-	(154)
Current tax (credit)/charge for the year (see note above)	(45,239)	49,173

Notes to the financial statements

For the year ended 31 December 2014

9. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 January 2014	2,229,314	34,830	50,280	343,130	2,657,554
Additions	-	-	2,122	38,651	40,773
Disposals	-	-	(2,003)	(50,998)	(53,001)
At 31 December 2014	2,229,314	34,830	50,399	330,783	2,645,326
Depreciation					
At 1 January 2014	267,252	8,351	35,202	254,430	565,235
Charge for the year	44,586	8,707	5,906	45,589	104,788
On disposals	-	-	(2,003)	(50,998)	(53,001)
At 31 December 2014	311,838	17,058	39,105	249,021	617,022
Net book value					
At 31 December 2014	1,917,476	17,772	11,294	81,762	2,028,304
At 31 December 2013	1,962,062	26,479	15,078	88,700	2,092,319

10. Stocks

	2014 £	2013 £
Finished goods and goods for resale	1,014,590	6,218

11. Debtors

	2014 £	2013 £
Trade debtors	1,183,246	448,615
Amounts owed by group undertakings	4,408	411,641
VAT recoverable	5,349	171,498
Other debtors	8,673	131,267
Prepayments and accrued income	51,757	63,760
Tax recoverable	45,239	-
Deferred tax asset (see note 14)	38,951	-
	1,337,623	1,226,781

Notes to the financial statements

For the year ended 31 December 2014

12. Creditors:**Amounts falling due within one year**

	2014	2013
	£	£
Bank loans	170,000	170,000
Trade creditors	874,105	599,416
Amounts owed to group undertakings	1,140,061	929
Corporation tax	-	45,238
Other taxation and social security	45,913	47,101
Other creditors	9,563	30,609
Accruals and deferred income	264,249	183,564
	<u>2,503,891</u>	<u>1,076,857</u>

13. Creditors:**Amounts falling due after more than one year**

	2014	2013
	£	£
Bank loans	<u>552,500</u>	<u>722,500</u>

Included within the above are amounts falling due as follows:

	2014	2013
	£	£
Between one and two years		
Bank loans	<u>170,000</u>	<u>170,000</u>
Between two and five years		
Bank loans	<u>382,500</u>	<u>510,000</u>
Over five years		
Bank loans	<u>-</u>	<u>42,500</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014	2013
	£	£
Repayable by instalments	<u>-</u>	<u>42,500</u>

The bank loan is repayable in equal quarterly instalments of £42,500. It consists of a loan and an interest rate swap. Interest on the loan is paid at a floating rate of LIBOR + 1.9%. As part of the swap, payment is received from a counterparty at a floating rate of LIBOR + 0.9% and payment is made to the counterparty at a fixed rate of 5.9%, giving a net fixed interest expense to the company of 6.9%. The bank acting as intermediary for the swap has valued the fair value of the swap at £78,026 in favour of the bank. The loan is secured by a charge over the company's freehold property.

Notes to the financial statements

For the year ended 31 December 2014

14. Deferred taxation

	2014	2013
	£	£
At beginning of year	(30,061)	(34,125)
Released during year (P&L)	69,012	4,064
At end of year	<u>38,951</u>	<u>(30,061)</u>

The deferred taxation balance is made up as follows:

	2014	2013
	£	£
Excess of taxation allowances over depreciation on fixed assets	25,506	30,837
Short term timing differences	(660)	(776)
Losses carried forward	(63,797)	-
	<u>(38,951)</u>	<u>30,061</u>

15. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
80,000 Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>

16. Reserves

	Share premium account	Capital redempt'n reserve	Profit and loss account
	£	£	£
At 1 January 2014	2,506	12,049	1,786,104
Loss for the financial year			(476,451)
At 31 December 2014	<u>2,506</u>	<u>12,049</u>	<u>1,309,653</u>

Notes to the financial statements

For the year ended 31 December 2014

17. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	1,880,659	1,773,861
(Loss)/profit for the financial year	(476,451)	106,798
Closing shareholders' funds	<u>1,404,208</u>	<u>1,880,659</u>

18. Net cash flow from operating activities

	2014 £	2013 £
Operating (loss)/profit	(528,392)	221,730
Depreciation of tangible fixed assets	104,788	108,918
Increase in stocks	(1,008,372)	(2,809)
Increase in debtors	(26,652)	(256,033)
Increase/(decrease) in creditors	1,472,272	(222,562)
Net cash inflow/(outflow) from operating activities	<u>13,644</u>	<u>(150,756)</u>

19. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	94	366
Interest paid	(62,404)	(70,189)
Net cash outflow from returns on investments and servicing of finance	<u>(62,310)</u>	<u>(69,823)</u>

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(40,773)</u>	<u>(55,504)</u>

	2014 £	2013 £
Financing		
Repayment of loans	<u>(170,000)</u>	<u>(170,000)</u>

Notes to the financial statements

For the year ended 31 December 2014

20. Analysis of changes in net debt

	1 January 2014	Cash flow	Transfer from non-current to current	31 December 2014
	£	£	£	£
Cash at bank and in hand	384,759	(304,677)	-	80,082
Debt:				
Debts due within one year	(170,000)	170,000	(170,000)	(170,000)
Debts falling due after more than one year	(722,500)	-	170,000	(552,500)
Net debt	(507,741)	(134,677)	-	(642,418)

21. Capital commitments

The company had no capital commitments at 31 December 2014 or 31 December 2013.

22. Pension commitments

The company operates a defined contribution pension scheme for the benefit of the directors and the employees. The assets of the scheme are administered by a fund independent from those of the company.

Company contributions to the pension scheme during the year amounted to £48,578 (2013: £44,392). There were outstanding contributions at 31 December 2014 of £3,299 (2013: £3,701).

23. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	4,416	12,974
Between 2 and 5 years	21,750	25,390

24. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

Notes to the financial statements

For the year ended 31 December 2014

25. Related party transactions

During the year the company traded with other members of the group:

	2014		2013
	Sales by Arno GB Limited £	Purchases by Arno GB Limited £	Net amount due to/(owed by) Arno GB Limited £
Arno GmbH	7,055	201,615	(118,623)
Arno Holding International GmbH	-	-	(1,017,453)
OOO Arno	300,340	-	4,408
Arno Guangzhou Trading Co Limited	-	-	-
Arno Istanbul.Sri	-	9,395	(3,985)
	<u>307,395</u>	<u>211,010</u>	<u>(1,135,653)</u>
			<u>410,712</u>

At the 31 December 2014, Arno GB owed loans totalling £1,017,453 (2013: £nil) to Arno Holding International GmbH. Interest is charged at 2% over the Deutsche Bundesbank base rate, and a total of £5,006 was payable in respect of the year ended 31 December 2014 (2013: £nil).

Arno GmbH have raised a management charge of £74,583 (2013: £28,299).

During 2013 sales of £3,811 and purchases of £318,663 were made to and from Arno GmbH, sales of £985,929 were made to OOO Arno, sales of £nil and purchases of £nil were made to and from Arno Istanbul Sri.

26. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of this company, and the largest and smallest group of undertakings for which group accounts are drawn up, is Arno GmbH (incorporated in Germany). There is no one controlling party.