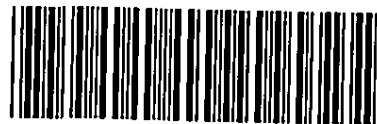


A.S. Creation (UK) Limited
Directors' report and financial
statements
Registered number 03339492
31 December 2009

THURSDAY



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Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company during the year was that of the import and wholesale distribution of wallcoverings and fabrics

Business review

A S Creation (UK) Limited experienced an increase in turnover of 11.9% in 2009. The rise in sales was in line with expectations for the year.

The large wallcovering range that we offer provided our customers with a broad choice of colour, design and product finishes which has resulted in the business growing its market share within the UK during the year.

As a business we have been largely unaffected by the economic downturn to date, but we are aware that the situation could change within our customer base very quickly. We are therefore ensuring future results reach their full potential by remaining competitive in all aspects of our business.

In the light of the overall market performance, the directors are satisfied with the result for the year and the financial position of the company at the year end, as disclosed in the financial statements.

Donations

The company made no political or charitable donations during the year (2008: £nil).

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the financial statements.

The directors have not recommended a dividend (2008: £nil).

Directors

The directors who held office during the year were as follows:

J Kamper
S D Wilson

Directors' report *(continued)*

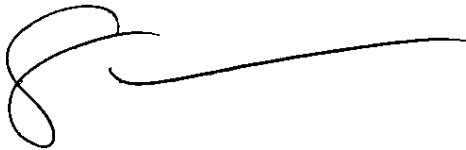
Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



S D Wilson
Director

67 Mayflower House
Liverpool Road
Formby
Merseyside
L37 6BU

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)

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 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.



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent Auditors' Report To The Members Of A.S. Creation (UK) Limited

We have audited the financial statements of A S Creation (UK) Limited for the year ended 31 December 2009 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 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 auditors' 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 company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent Auditors' Report To The Members Of A.S. Creation (UK) Limited *(continued)*

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



E W Baker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade,
Liverpool
L3 1QH

23rd february 2010

Profit and loss account

for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	2,092,994	1,870,854
Cost of sales		(1,568,542)	(1,372,874)
Gross profit		524,452	497,980
Distribution costs		(54,972)	(58,286)
Administrative expenses		(486,125)	(544,126)
Other operating income	3	227,586	223,377
Operating Profit	4	210,941	118,945
Interest receivable	5	1	2,837
Profit on ordinary activities before taxation		210,942	121,782
Tax on Profit on ordinary activities	8	(62,027)	37,986
Profit for the financial year		148,915	159,768

All of the activities of the company are classed as continuing. The company has no recognised gains or losses other than the profit for the period as set out above, therefore no separate statement of gains or losses has been prepared.

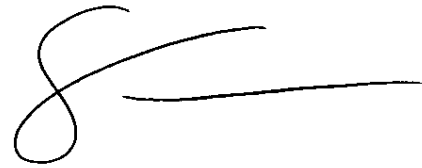
Balance sheet

As at 31 December 2009

		2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	9		37,875		29,420
Current assets					
Debtors	10	310,504		327,312	
Deferred tax asset	8	11,444		37,986	
Cash at bank and in hand		79,563		96,651	
		<u>401,511</u>		<u>461,949</u>	
Creditors amounts falling due within one year	11	(341,732)		(542,630)	
Net current assets/(liabilities)			59,779		(80,681)
Total assets/(liabilities)			<u>97,654</u>		<u>(51,261)</u>
Capital and reserves					
Called up share capital	13	100,000		100,000	
Profit and loss account	14	(2,346)		(151,261)	
Shareholders' funds/(deficit)	15	<u>97,654</u>		<u>(51,261)</u>	

These financial statements were approved by the board of directors on 15th February 2010 and were signed on its behalf by


J Kamper
 Director


S D Wilson
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company's business activities and financial performance are set out in the Directors' Report on pages 1 and 2. The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

As the Company is a wholly owned subsidiary of A S Création Tapeten AG, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of A S Création Tapeten AG, within which this Company is included, can be obtained from the address given in note 16.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	-	33% per annum of cost
Office equipment	-	50% per annum of cost

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the period.

Notes (continued)

2 Turnover

The turnover is attributable to the import and wholesale distribution of wallcoverings and fabrics

	2009 £	2008 £
United Kingdom	2,088,403	1,867,523
Western Europe excluding UK	4,591	3,331
	<u>2,092,994</u>	<u>1,870,854</u>

3 Other operating income

Other operating income totals of £227,586 which includes £227,511 representing income earned for services provided to group undertakings (2008 £223,377)

4 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging

	2009 £	2008 £
Depreciation of owned fixed assets	24,790	21,438
Auditors' remuneration		
- audit of these financial statements	10,000	8,850
- taxation	3,975	2,750
Hire of other assets- rentals payable under operating leases	<u>19,916</u>	<u>16,180</u>

Notes (continued)

5 Interest receivable

	2009 £	2008 £
Bank interest receivable	1	2,837

6 Staff numbers and costs

The average number of persons of equivalent full time employed by the company (including directors) during the year amounted to

	Number of employees 2009	2008
Administrative staff	5.1	4.5
Sales staff	4.1	5.0
	9.2	9.5

The aggregate payroll costs of these persons were as follows

	2009 £	2008 £
Wages and salaries	288,975	289,396
Social security costs	26,697	33,702
	315,672	323,098

7 Remuneration of directors

	2009 £	2008 £
Directors' emoluments	74,518	73,146

Notes (continued)

8 Tax on profit on ordinary activities

	2009	2008
	£	£
UK corporation tax		
Current tax on income for the period	35,485	-
Deferred tax		
Origination and reversal of timing differences	25,633	(37,986)
Adjustment in respect of prior years	909	-
Total current tax charge	62,027	(37,986)

The current tax charge for the period is lower (2008 lower) than the standard rate of corporation tax in the UK which is 28% (2008 28.5%). The differences are explained below

	2009	2008
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	210,942	121,782
Current tax at 28% (2008 28.5%)	59,064	34,708
Effects of		
Expenses not deductible for tax purposes	2,711	1,042
Capital allowances for the year in excess of depreciation	(3,677)	(846)
Other timing differences	994	4,178
Movement in tax losses	(22,949)	(38,455)
Effect on movement in deferred tax balances due to hybrid rate	-	(627)
Small companies relief	(658)	-
Total current tax charge (see above)	35,485	-

Tax losses carried forward total £nil (2008 £83,115) subject to the agreement of HM Revenue and Customs

Deferred Tax Provision

	Deferred taxation £
Deferred tax brought forward	(37,986)
Prior year adjustment	909
Current year movement	25,633
Deferred tax carried forward	(11,444)

Notes (continued)

8 Tax on profit on ordinary activities (continued)

Deferred Tax	2009		2008	
	£ Provided	£ Unprovided	£ Provided	£ Unprovided
Capital allowances in excess of depreciation	(5,746)	-	(10,009)	-
Short term timing differences	(5,698)	-	(4,705)	-
Losses	-	-	(23,272)	-
	<u>(11,444)</u>	<u>-</u>	<u>(37,986)</u>	<u>-</u>

9 Tangible fixed assets

	Office equipment £	Motor vehicles £	Total £
Cost			
At beginning of year	24,027	71,158	95,185
Additions	-	33,995	33,995
Disposals	-	(42,505)	(42,505)
At end of year	<u>24,027</u>	<u>62,648</u>	<u>86,675</u>
Depreciation			
At beginning of year	19,697	46,068	65,765
Charge for year	3,523	21,267	24,790
Disposals	-	(41,755)	(41,755)
At end of year	<u>23,220</u>	<u>25,580</u>	<u>48,800</u>
Net book value			
At 31 December 2009	<u>807</u>	<u>37,068</u>	<u>37,875</u>
At 31 December 2008	<u>4,330</u>	<u>25,090</u>	<u>29,420</u>

Notes (continued)

10 Debtors

	2009 £	2008 £
Trade debtors	291,972	297,463
Other debtors	15,181	22,911
Prepayments	3,351	6,938
	<u>310,504</u>	<u>327,312</u>

Of the amounts included within other debtors at 31 December 2009, £10,381 (2008 £15,031) is due after more than one year

11 Creditors, amounts falling due within one year

	2009 £	2008 £
Trade creditors	4,579	6,592
Amounts owed to group undertakings	179,982	405,964
Social security and other taxes	70,683	82,694
Accruals and deferred income	51,003	47,380
Corporation Tax	35,485	-
	<u>341,732</u>	<u>542,630</u>

12 Commitments

At 31 December 2009 and 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows

	2009		2008	
	Land & buildings £	Other £	Land & buildings £	Other £
Operating leases which expire				
Within one year	1,390	-	1,390	-
Between 2 and 5 years	-	3,236	-	-
	<u>1,390</u>	<u>3,236</u>	<u>1,390</u>	<u>-</u>

13 Called up share capital

	2009 £	2008 £
Authorised		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>
Allocated, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Notes (continued)

14 Profit and loss account

	2009 £	2008 £
At beginning of year	(151,261)	(311,029)
Profit for the year	148,915	159,768
	<u> </u>	<u> </u>
At end of year	(2,346)	(151,261)
	<u> </u>	<u> </u>

15 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Profit for the financial year	148,915	159,768
	<u> </u>	<u> </u>
Net reduction of shareholders' equity deficit	148,915	159,768
Opening shareholders' equity deficit	(51,261)	(211,029)
	<u> </u>	<u> </u>
Closing shareholders' funds/(deficit)	97,654	(51,261)
	<u> </u>	<u> </u>

16 Ultimate parent company and related party transactions

The Company is a subsidiary undertaking of A S Création Tapeten AG which is the ultimate parent company incorporated in Germany

The largest and smallest group in which the results of the Company are consolidated is that headed by A S Création Tapeten AG, incorporated in Germany. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Suedstrasse 47, D-51645 Gummersbach-Derschlag.