

A.S. Creation (UK) Limited

Registered number

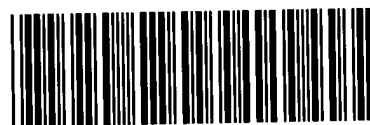
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A.S. Creation (UK) Limited

Annual Report and Financial Statements

31 December 2015

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Corporate information

Directors

Maik Kramer (Appointed on 31st March 2016)
J Kamper (Resigned on 31st March 2016)
S D Wilson

Secretary

Maik Kramer (Resigned on 31st March 2016)

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

Bankers

National Westminster Bank PLC
3 London Street
Old Market Square
RG21 7NS

Registered Office

Burlington House Crosby Road North
Waterloo
Liverpool
Merseyside
England
L22 0PJ

Registered number

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Strategic report

for the year ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

Review of the business

The principal activity of the company during the year continued to be of the import and wholesale distribution of wallcoverings.

The key financial and other performance indicators during the year were as follows:

	2015	2014	Change
	£	£	%
Turnover	2,004,693	2,038,654	(1.67)
Operating profit	200,935	223,352	(10.04)
Profit after tax	162,739	177,210	(8.17)
Equity shareholders' funds	318,531	355,792	(10.47)
Current assets as a % of current liabilities ('quick ratio')	2.31	2.26	2.03
Average number of employees	9	11	(18)

The difficult economic environment has resulted in the UK wallcoverings market continuing to decline during 2015.

As a result, A.S. Creation (UK) Ltd experienced a fall in turnover of 1.6% in 2015 from £2,038,654 to £2,004,692.

Gross profit margin declined during the year from 28.1% to 27.2%, and net profit fell to £162,739 in 2015 from £177,210 in 2014.

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.

The company's net assets at 31 December 2015 were £318,531 (2014 – £355,792) which means that we continue to be in a strong financial position with good liquidity, enabling the company to meet any working capital requirements for the foreseeable future.

During the year the company adopted FRS 102 – The Financial Reporting Standard Applicable in the UK and Republic of Ireland has taken advantage of the disclosure exemptions allowed under this standard. The Company's immediate parent undertaking and controlling party, A.S. Création Tapeten AG, was notified of and did not object to the use of the FRS 102. There is no material impact on transition to FRS 102.

Principal risks and uncertainties

The risk factor evaluation shows that we are not substantially exposed to any significant business risks as we have a large span of customers all involved in different market segments. In addition our largest customer does not account for more than 4.7% (2014 – 4.6%) of our total sales.

The main risks associated with the company's financial assets and liabilities are set out below.

Environmental risk

The difficult economic environment has resulted in the UK wallcoverings market continuing to decline in 2015.

Strategic report (continued)

for the year ended 31 December 2015

Principal risks and uncertainties (continued)

Credit risk

The company monitors the exposure to credit risk on an ongoing basis and credit evaluations are performed on customers requiring credit over a certain amount. Credit risks are also minimised by limiting the company's business partners with high credit worthiness.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability.

Approved by the Board on 22 September 2016 and signed on its behalf by:

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line.

S D Wilson
Director

Directors' report

for the year ended 31 December 2015

Registered No. 03339492

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors of the company

The current directors are shown on page 3.

Maik Kramer was appointed on 31st March, 2016 and J Kamper resigned on the same date.

Dividends

A dividend of £200,000 has been paid in the current year (2014 – £250,000).

Strategic report

The information that fulfils the Companies Act requirements of the business review is included in the Strategic report. This includes a review of the development of the business of the company during the year, of its position at the end of the period and of the likely future developments in its business.

Going concern

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 annual report and accounts.

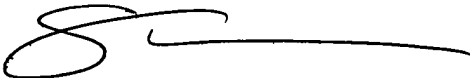
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board


S D Wilson
Director

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 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.

Independent auditors' report

to the members of A.S. Creation (UK) Limited

We have audited the financial statements of for the year ended 31 December 2015 which comprise of the Income statement, the Statement of changes in equity, the Statement of financial position and the related note 1 to 20. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit 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 Strategic Report and Directors' 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.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

Independent auditors' report to the members of A.S. Creation (UK) Limited (continued)

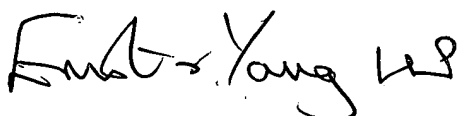
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Julian Yates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
26 September 2016

Income statement

for the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	2	2,004,693	2,038,654
Cost of sales		(1,460,052)	(1,464,977)
Gross Profit		544,641	573,677
Distribution costs		(22,282)	(18,607)
Administrative expenses		(464,324)	(496,557)
Other operating income	3	142,900	164,839
Operating profit	4	200,935	223,352
Profit on disposal of fixed assets	6	4,500	4,050
		205,435	227,402
Bank interest receivable		97	601
Profit on ordinary activities before taxation		205,532	228,003
Tax on profit on ordinary activities	8	(42,793)	(50,793)
Profit for the financial year		162,739	177,210

All items dealt with in arriving at the profit on ordinary activities before taxation relate to continuing operations.

There was no other comprehensive income in the periods presented; therefore no statement of other comprehensive income has been prepared. Total comprehensive income is equal to loss for the year in the periods presented.

The notes on pages 13 to 20 are an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2015

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total Equity</i>
	£	£	£
At 1 January 2014	100,000	328,582	428,582
Profit for the year		177,210	177,210
Dividend paid	-	(250,000)	(250,000)
At 31 December 2014	<u>100,000</u>	<u>255,792</u>	<u>355,792</u>
Profit for the year	-	162,739	162,739
Dividend paid	-	(200,000)	(200,000)
At 31 December 2015	<u>100,000</u>	<u>218,531</u>	<u>318,531</u>

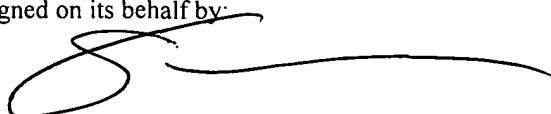
Statement of financial position

at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	9	29,722	24,801
Current assets			
Stocks	10	1,300	–
Debtors:	11		
amounts falling due within one year		325,374	359,317
amounts falling due after one year		8,687	8,979
		334,061	368,296
Cash at bank and in hand		174,313	225,011
		509,674	593,307
Creditors: amounts falling due within one year	12	(220,865)	(262,316)
Net current assets		288,809	330,991
Total assets less current liabilities		318,531	355,792
Capital and reserves			
Called up share capital	14	100,000	100,000
Profit and loss account		218,531	255,792
Shareholders' funds		318,531	355,792

The notes on pages 13 to 20 form part of these financial statements.

These financial statements were approved by the board of directors on 22 September 2016 and were signed on its behalf by:



S D Wilson

Director

Notes to the financial statements

at 31 December 2015

1. Accounting policies

a) Statement of compliance

A.S. Creation (UK) Limited is a private company limited by shares incorporated in United Kingdom. The registered office is situated in Burlington House Crosby Road North, Waterloo Liverpool Merseyside, England L22 0PJ.

The company has changed its registered office from Mayflower House, 67 Liverpool Road, Formby, Merseyside L37 6BU to Burlington House, Crosby Road North, Waterloo, Liverpool, Merseyside, England L22 0PJ on 24th May 2016.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2015.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 20.

b) Basis of preparation

The financial statements of A.S. Creation (UK) Limited were authorised for issue by the Board of Directors on 22 September 2016. The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound (£).

The company's business activities and financial performance are set out in the Strategic report and Directors' report on pages 4-6. 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.

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 102:

- i) a reconciliation of the number of shares outstanding at the beginning and end of the period. (FRS 102 p4.12(a)(iv));
- ii) the requirement to prepare a statement of cash flows. (section 7 of FRS 102 and p3.17(d));
- iii) certain financial instrument disclosures, providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated. In addition the company law disclosures are still required;
- iv) the non-disclosure of key management personnel compensation in total.

The accounting policies which follow in note 1(d) set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

c) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements (continued)

at 31 December 2015

1. Accounting policies (continued)

c) Judgements and key sources of estimation uncertainty (continued)

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.

d) Significant accounting policies

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing parts of the tangible assets directly attributable to making the asset capable of operating as intended.

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	–	3 years
Office equipment	–	2 years
Fixtures and fittings	–	2 years

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

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax.

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Service income

Commission income on services provided by the company to group undertaking on some sale contracts. The same has been classified under other operating income.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Accruals and deferred income

Accruals and deferred income comprise expenses relating to the current year which will not be paid until after the balance sheet date and income received in advance, relating to the following year. Accruals and deferred income are recognised at the transaction price.

Notes to the financial statements (continued)

at 31 December 2015

1. Accounting policies (continued)

d) Significant accounting policies (continued)

Basic Financial instruments

(a) Financial assets

Basic financial assets represents stocks, trade debtors including amounts due by group undertakings; and cash and bank balances are initially recognised at transaction price. At 31 December 2015, the company had only financial assets classified as basic financial instruments.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(b) Financial liabilities

Basic financial liabilities represents creditors including amounts owed to group undertakings are initially recognised at transaction price. At 31 December 2015, the company had financial liabilities classified as basic financial liabilities.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Amount owed to group undertakings which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(c) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income Taxes

- Current income tax

Corporation tax payable is provided on taxable profits at current rates.

- Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted 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.

Notes to the financial statements (continued)

at 31 December 2015

1. Accounting policies (continued)

d) Significant accounting policies (continued)

Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Assets held under operating leases, which are leases where substantially all the risks and rewards of ownership of the asset remain with the lessor. Rentals payable under operating leases are charged against profits on a straight-line basis over the period of the lease.

2. Turnover

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

	2015	2014
	£	£
Sale of goods	2,004,693	2,038,654

3. Other operating income

	2015	2014
	£	£
Commission income	142,795	164,705
Other income	105	134
	142,900	164,839

4. Operating profit

This is stated after charging/ (crediting):

	2015	2014
	£	£
Auditors' remuneration (note 5)	11,470	8,160
Depreciation of owned fixed assets	18,306	22,335
Operating lease rentals – land and buildings	16,680	16,680

5. Auditor's remuneration

	2015	2014
	£	£
Audit of the financial statements	10,900	7,650
Tax audit fees	570	510
	11,470	8,160

6. Exceptional items

	2015	2014
	£	£
Profit on disposal of fixed assets	4,500	4,050

Notes to the financial statements (continued)

at 31 December 2015

7. Staff costs

a) Staff costs

	2015	2014
	£	£
Wages and salaries	313,312	339,400
Social security costs	30,035	32,028
	<u>343,347</u>	<u>371,428</u>

The average monthly number of employees (including directors) during the year was made up as follows:

	2015	2014
	No.	No.
Administrative	5	6
Sales	4	5
	<u>9</u>	<u>11</u>

b) Directors' remuneration

	2015	2014
	£	£
Aggregate remuneration in respect of qualifying services	<u>81,394</u>	<u>84,524</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax at 20% (2014: 21%)	<u>42,501</u>	<u>52,303</u>
Deferred tax:		
Origination and reversal of timing differences	292	(1,510)
Effect of change in tax rates	-	-
	<u>292</u>	<u>(1,510)</u>
Tax on profit on ordinary activities (note 8(b))	<u>42,793</u>	<u>50,793</u>

(b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.25% (2014 – 21.49%). The differences are reconciled below:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>205,532</u>	<u>228,003</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	41,613	49,005
Effects of:		
Expenses not deductible for tax purposes	1,184	1,675
Depreciation in excess of capital allowances	4,541	2,171
Timing difference	292	(1,510)
Other timing differences	(4,837)	(548)
Total tax expense	<u>42,793</u>	<u>50,793</u>

Notes to the financial statements (continued)

at 31 December 2015

8. Tax (continued)

(c) Factors that may affect future tax charges

Reductions in the corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction in the corporation tax rate to 17%, to be effective from 1 April 2020, was announced in the Chancellor's 2016 budget.

(d) Deferred tax

	2015 £	2014 £
Included in debtors (note 11)	8,687	8,979
	2015 £	2014 £
Depreciation in advance of capital allowances	6,587	6,579
Other timing differences	2,100	2,400
Included in debtors	8,687	8,979
		£
At 1 January 2015		8,979
Deferred tax expense in income statement		(292)
At 31 December 2015		8,687

9. Tangible assets

	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
Cost or valuation:				
At 1 January 2015	11,926	16,183	84,003	112,112
Additions	339	389	24,760	25,487
Disposals	-	(3,472)	(22,010)	(25,482)
At 31 December 2015	12,265	13,100	86,753	112,118
Depreciation:				
At 1 January 2015	11,686	15,921	59,704	87,311
Provided during the year	327	301	17,679	18,306
Disposals	0	(3,472)	(19,750)	(23,222)
At 31 December 2015	12,013	12,750	57,633	82,396
Carrying amount at 31 December 2015	252	350	29,120	29,722
Carrying amount at 1 January 2014	240	262	24,299	24,801

10. Stocks

	2015 £	2014 £
Finished Goods	1,300	-

Notes to the financial statements (continued)

at 31 December 2015

11. Debtors

	2015	2014
	£	£
Trade debtors	321,870	349,750
Other debtors	2,051	8,031
Prepayments and accrued income	1,453	1,536
Deferred taxation	8,687	8,979
	<u>334,061</u>	<u>368,296</u>

Amounts falling due after more than one year included above are:

	2015	2014
	£	£
Deferred taxation	8,687	8,979
	<u>8,687</u>	<u>8,979</u>

12. Creditors: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	15,806	14,539
Amounts owed to group undertakings	42,290	78,957
Social security and other taxes	98,295	101,740
Accruals and deferred income	43,973	45,777
Corporation tax	20,501	21,303
	<u>220,865</u>	<u>262,316</u>

13. Obligations under leases

The company has taken land and buildings on lease. Future minimum rentals payable under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Not later than one year	1,390	1,390
Later than one year and not later than five years	-	-
Later than five years	-	-
	<u>1,390</u>	<u>1,390</u>

14. Allotted and issued share capital

	2015	2014
	£	£
<i>Allotted, called up and fully paid</i>		
100,000 (2014: 100,000) Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

15. Dividends and other appropriations

	2015	2014
	£	£
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares:		
Final dividend (200p) (2014: 250p)	<u>200,000</u>	<u>250,000</u>

Notes to the financial statements (continued)

at 31 December 2015

16. Off balance-sheet arrangements

The company enters into operating lease arrangements for the hire of land and buildings as these arrangements are a cost efficient way of obtaining the short-term benefits of the assets. The company lease rental expense for the year is disclosed in Note 4 and the minimum future company commitments under these arrangements are disclosed in Note 13. There are no other material off-balance sheet arrangements.

17. Financial instruments

	2015 £	2014 £
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	321,870	349,750
Other debtors	2,051	8,031
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	15,806	14,539
Amounts owed to group undertakings	42,290	78,957

18. Related party transactions

During the year the company entered into transactions with related parties, in the ordinary course of business. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	<i>Income from related party</i> £	<i>Amounts owed to related party</i> £
<i>A.S. Création Tapeten AG</i>		
2015	142,795	42,290
2014	164,705	78,957

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Group has not provided or benefited from any guarantees for any related party receivables or payables.

19. Ultimate parent undertaking and controlling party

The Company is a subsidiary undertaking of A.S. Création Tapeten AG which is the ultimate parent undertaking 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 group financial statements of this group are available to the public and may be obtained from: Suedstrasse 47, D-51645 Gummersbach-Derschlag.

20. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014.

There is no material impact from the transition to FRS 102.