

A.S. Creation (UK) Limited

Report and Financial Statements

31 December 2017

Registered Number 03339492

THURSDAY



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Corporate information

Directors

M Kramer
S D Wilson

Auditors

Ernst & Young LLP
2 St Peter's 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

Strategic report

The directors present their strategic report and the financial statements for the year ended 31 December 2017.

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:

	2017	2016	Change
	£	£	%
Turnover	3,148,693	2,009,784	56.67
Operating profit	103,400	121,027	(14.56)
Profit after tax	87,727	106,462	(17.60)
Equity shareholders' funds	342,720	254,993	34.40
Current assets as a % of current liabilities ('quick ratio')	1.55	1.35	14.8
Average number of employees	9	9	-

The difficult economic environment has resulted in the UK wallcoverings market struggling to grow during 2017. Although top line turnover increased by 56.67%, this is largely as a result of a change in administration of a major UK customer. The Company previously earned commission income from management of this customer account but changed to direct invoicing in 2017. This had no effect on operating profit.

As a result of continuing difficult market conditions, A.S. Creation (UK) Ltd experienced a decline in gross margin to 19.7% from 25.3% and net profit fell to £87,727 in 2017 from £106,462 in 2016.

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 2017 were £342,720 (2016 – £254,993) 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.

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.

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 2017.

Strategic report (continued)

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 18/9/16 and signed on its behalf by:



S D Wilson

Director

Registered No. 03339492

Directors' report

The directors present their report and financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year after taxation amounted to £87,727 (2016: £106,462). No dividend was paid or proposed in the current year (2016: £170,000).

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 financial statements.

Directors

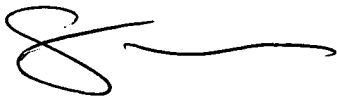
The directors who served the company during the year were as follows:

M Kramer
S D Wilson

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.

On behalf of the Board



S D Wilson
Director

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 AUDITOR'S REPORT TO THE MEMBERS OF A.S. Creation (UK) Limited

Opinion

We have audited the financial statements of A.S. Creation UK Limited for the year ended 31 December 2017 which comprise of the Income statement, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report (continued)

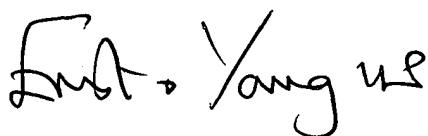
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Julian Yates (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Manchester

Date: 18/9/18

Income statement

for the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	2	3,148,693	2,009,784
Cost of sales		(2,527,608)	(1,502,013)
Gross profit		621,085	507,771
Distribution costs		(23,495)	(23,634)
Administrative expenses		(494,192)	(454,208)
Other operating income	3	2	91,098
Operating profit	4	103,400	121,027
Profit on disposal of fixed assets	6	5,600	12,450
		109,000	133,477
Bank interest receivable		8	84
Profit on ordinary activities before taxation		109,008	133,561
Tax on profit on ordinary activities	8	(21,281)	(27,099)
Profit for the financial year		87,727	106,462

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 profit for the year in the periods presented.

The notes on pages 13 to 22 are an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2017

	<i>Called up share capital</i> £	<i>Profit and loss account</i> £	<i>Total Equity</i> £
At 1 January 2016	100,000	218,531	318,531
Profit for the year	–	106,462	106,462
Dividend paid	–	(170,000)	(170,000)
At 1 January 2017	100,000	154,993	254,993
Profit for the year	-	87,727	87,727
Dividend paid	-	-	-
At 31 December 2017	100,000	242,720	342,720

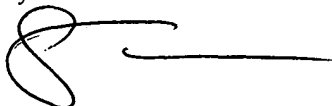
Statement of financial position

at 31 December 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	38,015	45,232
Current assets			
Debtors:	10		
amounts falling due within one year		665,604	616,130
amounts falling due after one year		3,024	946
		668,628	617,076
Cash at bank and in hand		194,661	188,453
		863,289	805,529
Creditors: amounts falling due within one year	11	(558,584)	(595,768)
Net current assets		304,705	209,761
Total assets less current liabilities		342,720	254,993
Capital and reserves			
Called up share capital	13	100,000	100,000
Profit and loss account		242,720	154,993
Shareholders' funds		342,720	254,993

The notes on pages 13 to 22 form part of these financial statements.

These financial statements were approved by the board of directors on 18/9/18 and were signed on its behalf by:



S D Wilson

Director

Registered Number 03339492

Notes to the financial statements

at 31 December 2017

1. Accounting policies

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'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 2017.

Basis of preparation

The financial statements of A.S. Creation (UK) Limited were authorised for issue by the Board of Directors on . 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 3-5. 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 2017.

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.

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

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.

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.

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.

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

Significant accounting policies (continued)

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.

Basic Financial instruments

(c) 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 2017, 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.

(d) Financial liabilities

Basic financial liabilities represents creditors including amounts owed to group undertakings are initially recognised at transaction price. At 31 December 2017, 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.

(e) 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.

Notes to the financial statements

at 31 December 2017

1. Accounting policies (continued)

Significant accounting policies (continued)

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.

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.

	2017	2016
	£	£
Sale of goods	3,148,693	2,009,784

3. Other operating income

	2017	2016
	£	£
Commission income	-	91,017
Other income	2	81
	<u>2</u>	<u>91,098</u>

Notes to the financial statements

at 31 December 2017

4. Operating profit

This is stated after charging:

	2017	2016
	£	£
Auditor and taxation fees (note 5)	9,532	8,500
Depreciation of owned fixed assets	25,760	22,105
Operating lease rentals – land and buildings	<u>6,797</u>	<u>15,610</u>

5. Auditor's and others remuneration

	2017	2016
	£	£
Audit fees	8,452	8,000
Tax fees payable to other firms	1,080	500

6. Exceptional items

	2017	2016
	£	£
Profit on disposal of fixed assets	<u>5,600</u>	<u>12,450</u>

7. Staff costs

(a) Staff costs

	2017	2016
	£	£
Wages and salaries	310,428	294,095
Social security costs	<u>26,290</u>	<u>26,808</u>
	<u>336,718</u>	<u>320,903</u>

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

	2017	2016
	No.	No.
Administrative	5	5
Sales	<u>4</u>	<u>4</u>
	<u>9</u>	<u>9</u>

Notes to the financial statements

at 31 December 2017

7. Staff costs (continued)

(b) Directors' remuneration

	2017	2016
	£	£
Aggregate remuneration in respect of qualifying services	<u>63,037</u>	<u>71,744</u>

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017	2016
	£	£
<i>Current tax:</i>		
UK corporation tax at 19.25% (2016 – 20%)	<u>23,359</u>	<u>19,358</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(2,078)	7,741
Effect of change in tax rates	-	-
	<u>(2,078)</u>	<u>7,741</u>
Tax on profit on ordinary activities (note 8(b))	<u>21,281</u>	<u>27,099</u>

(b) Factors affecting current tax charge for the year

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 19.25% (2016 – 20%). The differences are reconciled below:

	2017	2016
	£	£
Profit on ordinary activities before tax	<u>109,008</u>	<u>133,561</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	20,981	26,712
<i>Effects of:</i>		
Expenses not deductible for tax purposes	300	387
Total tax expense	<u>21,281</u>	<u>27,099</u>

Notes to the financial statements

at 31 December 2017

8. Tax (continued)

(c) Deferred tax

	2017	2016
	£	£
Included in debtors (note 10)	3,024	946
	2017	2016
	£	£
Depreciation in advance of capital allowances	1,386	(669)
Other timing differences	1,638	1,615
Included in debtors	<u>3,024</u>	<u>946</u>
		£
At 1 January 2017		946
Deferred tax credit in income statement		<u>2,078</u>
At 31 December 2017		<u><u>3,024</u></u>

(d) Factors that may affect future tax charges

Reductions in the corporation tax rate from 20% to 19% (effective from 1 April 2016) were substantively enacted on 2 July 2013. A further reduction to 18% (effective from 1 April 2020) was 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.

9. Tangible assets

	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
Cost or valuation:				
At 1 January 2017	12,265	13,100	77,503	102,868
Additions	-	-	18,543	18,543
Disposals	-	-	(17,388)	(17,388)
At 31 December 2017	<u>12,265</u>	<u>13,100</u>	<u>78,658</u>	<u>104,023</u>
Depreciation:				
At 1 January 2017	12,181	13,036	32,419	57,636
Provided during the year	84	64	25,612	25,760
Disposals	-	-	(17,388)	(17,388)
At 31 December 2017	<u>12,265</u>	<u>13,100</u>	<u>40,643</u>	<u>66,008</u>
Carrying amount				
At 31 December 2017	<u>-</u>	<u>-</u>	<u>38,015</u>	<u>38,015</u>
At 1 January 2017	<u>84</u>	<u>64</u>	<u>45,084</u>	<u>45,232</u>

Notes to the financial statements

at 31 December 2017

10. Debtors

	2017	2016
	£	£
Trade debtors	585,103	441,210
Other debtors	6,082	28,761
Prepayments and accrued income	68,635	146,159
Current corporation tax	5,784	-
Deferred taxation	3,024	946
	<u>668,628</u>	<u>617,076</u>

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

	2017	2016
	£	£
Deferred taxation	3,024	946

11. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	22,833	41,784
Amounts owed to group undertakings	317,628	404,256
Social security and other taxes	126,236	109,253
Accruals and deferred income	91,887	39,617
Current corporation tax	-	858
	<u>558,584</u>	<u>595,768</u>

12. Obligations under finance leases and hire purchase contracts

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

	2017	2016
	£	£
Not later than one year	8,730	7,275
Later than one year and not later than five years	6,362	14,549
Later than five years	-	-
	<u>15,092</u>	<u>21,824</u>

13. Issued share capital

		2017		2016
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100,000	<u>100,000</u>	100,000	<u>100,000</u>

Notes to the financial statements

at 31 December 2017

14. Dividends and other appropriations

	2017	2016
	£	£
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares:		
Final dividend (nil) (2016: 170p)	-	170,000

15. 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 12. There are no other material off-balance sheet arrangements.

16. Financial instruments

	2017	2016
	£	£
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	585,103	441,210
Other debtors	6,082	28,761
<i>Financial liabilities measured at amortised cost</i>		
Trade creditors	22,833	41,784
Amounts owed to group undertakings	317,628	404,256

17. 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>
	£	£
A.S. Création Tapeten AG		
2017	-	317,628
2016	91,017	404,256

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.

Notes to the financial statements

at 31 December 2017

18. 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.