

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2018
for
AS Creation (UK) Limited

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AS Creation (UK) Limited

Contents of the Financial Statements
for the Year Ended 31 December 2018

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10
Trading and Profit and Loss Account	15

AS Creation (UK) Limited
Company Information
for the Year Ended 31 December 2018

DIRECTORS:

S D Wilson
M H Kramer

REGISTERED OFFICE:

Burlington House
Crosby Road North
Waterloo
Liverpool
Merseyside
L22 0PJ

REGISTERED NUMBER:

03339492 (England and Wales)

AUDITORS:

Alexander Myerson & Co Limited
Statutory Auditors
Chartered Accountants
Alexander House
61 Rodney Street
Liverpool
L1 9ER

AS Creation (UK) Limited

Strategic Report
for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF 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:

	2018	2017	Change
	£	£	%
Turnover	2,789,834	3,148,693	(11.39)
Operating profit	77,022	108,998	(29.34)
Profit after tax	62,790	87,727	(28.4)
Equity shareholders' funds	355,510	342,720	3.73
Current assets as a % of current liabilities ('quick ratio')	1.48	1.55	(4.52)
Average number of employees	8	9	(11.11)

The continued difficult economic environment has resulted in the UK wallcoverings market struggling to grow during 2018. Top line turnover decreased by 11.4% primarily as a result of unification at a large national customer.

Despite the difficult trading conditions, gross margin improved from 19.7% in 2017 to 20.3% in 2018, although net profit fell to £62,790 from £87,727 in 2017.

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 2018 were £355,510 (2017 - £342,720) 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.

AS Creation (UK) Limited

Strategic Report
for the Year Ended 31 December 2018

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 2018.

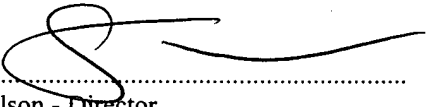
Credit risk

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.

ON BEHALF OF THE BOARD:



.....
S D Wilson - Director

Date: 18th April 2019

AS Creation (UK) Limited

Report of the Directors
for the Year Ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

S D Wilson
M H Kramer

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

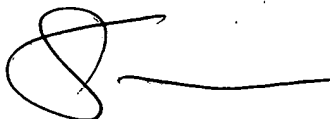
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Alexander Myerson & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
S D Wilson - Director

Date: 18th April 2019

Report of the Independent Auditors to the Members of
AS Creation (UK) Limited

Opinion

We have audited the financial statements of AS Creation (UK) Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
AS Creation (UK) Limited

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 the Report of the Directors.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Paul Burns BSc BFP FCA (Senior Statutory Auditor)
for and on behalf of Alexander Myerson & Co Limited
Statutory Auditors
Chartered Accountants
Alexander House
61 Rodney Street
Liverpool
L1 9ER



Date: 18/4/2019

AS Creation (UK) Limited

Income Statement
for the Year Ended 31 December 2018

	Notes	31.12.18		31.12.17	
		£	£	£	£
TURNOVER			2,789,834		3,148,693
Cost of sales			2,224,304		2,527,608
GROSS PROFIT			565,530		621,085
Distribution costs		17,792		22,469	
Administrative expenses		470,716		489,618	
			488,508		512,087
			77,022		108,998
Other operating income			-		2
OPERATING PROFIT	4		77,022		109,000
Interest receivable and similar income			8		8
PROFIT BEFORE TAXATION			77,030		109,008
Tax on profit	5		14,240		21,281
PROFIT FOR THE FINANCIAL YEAR			62,790		87,727

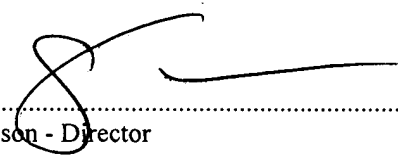
The notes form part of these financial statements

AS Creation (UK) Limited (Registered number: 03339492)

Balance Sheet
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Tangible assets	7		14,683		38,015
CURRENT ASSETS					
Stocks	8	566		-	
Debtors	9	812,047		668,628	
Cash at bank		236,207		194,661	
		<u>1,048,820</u>		<u>863,289</u>	
CREDITORS					
Amounts falling due within one year	10	707,993		558,584	
NET CURRENT ASSETS			<u>340,827</u>		<u>304,705</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>355,510</u>		<u>342,720</u>
CAPITAL AND RESERVES					
Called up share capital	12		100,000		100,000
Retained earnings	13		255,510		242,720
SHAREHOLDERS' FUNDS			<u>355,510</u>		<u>342,720</u>

The financial statements were approved by the Board of Directors on 18th April 2019 and were signed on its behalf by:


.....
S D Wilson - Director

The notes form part of these financial statements

AS Creation (UK) Limited

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	100,000	154,993	254,993
Changes in equity			
Total comprehensive income	-	87,727	87,727
Balance at 31 December 2017	100,000	242,720	342,720
Changes in equity			
Dividends	-	(50,000)	(50,000)
Total comprehensive income	-	62,790	62,790
Balance at 31 December 2018	100,000	255,510	355,510

The notes form part of these financial statements

AS Creation (UK) Limited
Notes to the Financial Statements
for the Year Ended 31 December 2018

1. STATUTORY INFORMATION

AS Creation (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost
Motor vehicles	- 33% on cost
Computer equipment	- 50% on cost

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

AS Creation (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

3. EMPLOYEES AND DIRECTORS

	31.12.18	31.12.17
	£	£
Wages and salaries	280,314	310,428
Social security costs	23,698	26,290
	<u>304,012</u>	<u>336,718</u>

The average number of employees during the year was as follows:

	31.12.18	31.12.17
Administrative	5	5
Sales	3	4
	<u>8</u>	<u>9</u>

	31.12.18	31.12.17
	£	£
Directors' remuneration	<u>60,555</u>	<u>63,037</u>

4. OPERATING PROFIT

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

	31.12.18	31.12.17
	£	£
Depreciation - owned assets	26,047	25,760
Profit on disposal of fixed assets	-	(5,600)
Auditors' remuneration	7,504	8,452
Other services relating to taxation	<u>1,372</u>	<u>1,080</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.18	31.12.17
	£	£
Current tax:		
UK corporation tax	17,093	23,359
Deferred tax	<u>(2,853)</u>	<u>(2,078)</u>
Tax on profit	<u>14,240</u>	<u>21,281</u>

AS Creation (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

5. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18 £	31.12.17 £
Profit before tax	<u>77,030</u>	<u>109,008</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	14,636	20,984
Effects of:		
Expenses and adjustments for tax purposes	<u>(396)</u>	<u>297</u>
Total tax charge	<u>14,240</u>	<u>21,281</u>

6. DIVIDENDS

	31.12.18 £	31.12.17 £
Interim	<u>50,000</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2018	12,265	78,658	13,100	104,023
Additions	2,715	-	-	2,715
Disposals	<u>(12,265)</u>	<u>-</u>	<u>(4,919)</u>	<u>(17,184)</u>
At 31 December 2018	<u>2,715</u>	<u>78,658</u>	<u>8,181</u>	<u>89,554</u>
DEPRECIATION				
At 1 January 2018	12,265	40,643	13,100	66,008
Charge for year	452	25,595	-	26,047
Eliminated on disposal	<u>(12,265)</u>	<u>-</u>	<u>(4,919)</u>	<u>(17,184)</u>
At 31 December 2018	<u>452</u>	<u>66,238</u>	<u>8,181</u>	<u>74,871</u>
NET BOOK VALUE				
At 31 December 2018	<u>2,263</u>	<u>12,420</u>	<u>-</u>	<u>14,683</u>
At 31 December 2017	<u>-</u>	<u>38,015</u>	<u>-</u>	<u>38,015</u>

8. STOCKS

	31.12.18 £	31.12.17 £
Stocks	<u>566</u>	<u>-</u>

AS Creation (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

9. DEBTORS

	31.12.18	31.12.17
	£	£
Amounts falling due within one year:		
Trade debtors	739,044	585,103
Other debtors	11,456	6,082
Tax	-	5,784
Prepayments and accrued income	55,670	68,635
	<u>806,170</u>	<u>665,604</u>
Amounts falling due after more than one year:		
Tax	<u>5,877</u>	<u>3,024</u>
Aggregate amounts	<u>812,047</u>	<u>668,628</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade creditors	22,180	22,833
Amounts owed to group undertakings	482,965	317,628
Tax	7,440	-
Social security and other taxes	7,799	7,393
VAT	127,836	118,843
Other creditors	582	-
Accruals and deferred income	59,191	91,887
	<u>707,993</u>	<u>558,584</u>

11. LEASING AGREEMENTS

At the 31st December 2018, the company had previously entered into a lease agreement ending on 23rd September 2022. Total payments due up to this end date amounts to £32,725.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

13. RESERVES

	Retained earnings £
At 1 January 2018	242,720
Profit for the year	62,790
Dividends	(50,000)
At 31 December 2018	<u>255,510</u>

AS Creation (UK) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

14. OFF-BALANCE SHEET ARRANGEMENTS

The company enters into operating lease arrangements for the hire of land and buildings as these arrangements are a cost effective way of obtaining the short-term benefits of the assets. The minimum future company commitments under these arrangements are disclosed in Note 11. There are no other material off-balance sheet arrangements.

15. RELATED PARTY DISCLOSURES

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:

	Income from related party	Amounts owed to related party
A.S. creation Tapeten AG		
2018	-	482,965
2017	-	317,628

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.

16. ULTIMATE CONTROLLING PARTY

The Company is a subsidiary undertaking of A.S. Creation Tepeten 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. Creation 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.