

COMPANY REGISTRATION NUMBER 03339492

**A S CREATION (UK) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31 DECEMBER 2003**



**BRESNAN WALSH**  
Chartered Accountants & Registered Auditors  
1 Water Street  
Liverpool  
L2 0RD

# **A S CREATION (UK) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2003**

---

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 12
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	14
Notes to the detailed profit and loss account	15
Appendix 1: Accruals note	16
Appendix 2: Stock Leadsheet	17
Appendix 3: Tax-adjusted trading losses	18

---

# **A S CREATION (UK) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

---

<b>The board of directors</b>	J Kamper S D Wilson
<b>Company secretary</b>	M Kramer
<b>Registered office</b>	1 Water Street Liverpool Merseyside L2 0RD
<b>Auditors</b>	Bresnan Walsh Chartered Accountants & Registered Auditors 1 Water Street Liverpool L2 0RD
<b>Bankers</b>	National Westminster Bank plc Basingstoke Hants

# **A S CREATION (UK) LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2003**

---

The directors present their report and the financial statements of the company for the year ended 31 December 2003.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

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 attached financial statements.

### **RESULTS AND DIVIDENDS**

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

The directors have not recommended a dividend.

### **DIRECTORS**

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

J Kamper  
S D Wilson

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

# A S CREATION (UK) LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

---

### AUDITORS

A resolution to re-appoint Bresnan Walsh as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



S D Wilson  
Director

Approved by the directors on 12.02.04

# **A S CREATION (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 31 DECEMBER 2003**

---

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# A S CREATION (UK) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 DECEMBER 2003

---

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Bren Walsh*

1 Water Street  
Liverpool  
L2 0RD

BRESNAN WALSH  
Chartered Accountants  
& Registered Auditors

16.3.2004

# A S CREATION (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
<b>TURNOVER</b>	<b>2</b>	<b>1,710,809</b>	<b>1,205,396</b>
Cost of sales		<u>1,300,814</u>	<u>902,084</u>
<b>GROSS PROFIT</b>		<b>409,995</b>	<b>303,312</b>
Distribution costs		<u>61,688</u>	<u>114,640</u>
Administrative expenses		<u>290,942</u>	<u>334,972</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>3</b>	<b>57,365</b>	<b>(146,300)</b>
Interest receivable		<u>168</u>	<u>492</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>57,533</b>	<b>(145,808)</b>
Tax on profit/(loss) on ordinary activities		<u>-</u>	<u>-</u>
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>57,533</b>	<b>(145,808)</b>
Balance brought forward		<u>(218,497)</u>	<u>(72,689)</u>
Balance carried forward		<u><u>(160,964)</u></u>	<u><u>(218,497)</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 12 form part of these financial statements.



# A S CREATION (UK) LIMITED

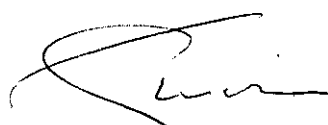
## BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	£	2002 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		25,352		33,313
<b>CURRENT ASSETS</b>					
Stocks	8	129,397		10,747	
Debtors	9	420,508		289,291	
Cash at bank		95,905		218,903	
		645,810		518,941	
<b>CREDITORS: Amounts falling due within one year</b>	10	781,126		719,751	
<b>NET CURRENT LIABILITIES</b>			(135,316)		(200,810)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(109,964)		(167,497)
<b>CREDITORS: Amounts falling due after more than one year</b>	11		50,500		50,500
			(160,464)		(217,997)
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	13		500		500
Profit and loss account			(160,964)		(218,497)
<b>DEFICIENCY</b>	14		(160,464)		(217,997)

These financial statements were approved by the directors on the 21.02.04 and are signed on their behalf by:

  
J Kamper  
Director

  
S D Wilson  
Director

The notes on pages 8 to 12 form part of these financial statements.

# **A S CREATION (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2003**

---

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with applicable accounting standards.

The company had net liabilities of £160,464 at the balance sheet date. The ability of the company to continue trading is dependent on the continued support of its parent company.

The directors are of the opinion that they will continue to receive this support and on this basis consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that would result from the withdrawal of support by the parent company.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary of A.S. Création Tapeten AG, the consolidated accounts of which are publicly available.

#### **Related parties transactions**

The company is a wholly owned subsidiary of A.S. Création Tapeten AG. Accordingly, the company has taken advantage of the exemption in Financial Reporting Standard No 8 from disclosing transactions with members or investees of the group.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

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

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

#### **Stocks**

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

#### **Operating lease agreements**

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

# A S CREATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

### 2. TURNOVER

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

An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	<u>1,710,809</u>	<u>1,205,396</u>

Commissions are received from the parent company amounting to £19,351.

### 3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2003 £	2002 £
Depreciation of owned fixed assets	14,931	12,758
Profit on disposal of fixed assets	(2,750)	(2,000)
Auditors' remuneration		
- as auditors	2,100	2,100
Operating lease costs:		
Land and buildings	<u>9,833</u>	<u>9,190</u>

Directors' emoluments are shown in Note 5.

### 4. PARTICULARS OF EMPLOYEES

The average number of staff (head count) employed by the company during the financial year amounted to:

	2003 No	2002 No
Number of administrative staff	4	2
Number of sales staff	4	4
	<u>8</u>	<u>6</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	163,352	206,620
Social security costs	16,533	16,937
	<u>179,885</u>	<u>223,557</u>

# A S CREATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Emoluments receivable	52,726	72,998
Compensation for loss of directorship	—	35,000
	<u>52,726</u>	<u>107,998</u>

### 6. TAXATION

No taxation is due on the profit for the year as a result of losses brought forward. Tax losses carried forward total £114,000, subject to the agreement of the Inland Revenue.

### 7. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Equipment £	Total £
<b>COST</b>			
At 1 January 2003	51,808	9,733	61,541
Additions	—	6,971	6,971
Disposals	(13,500)	(3,209)	(16,709)
<b>At 31 December 2003</b>	<u>38,308</u>	<u>13,495</u>	<u>51,803</u>
<b>DEPRECIATION</b>			
At 1 January 2003	20,002	8,226	28,228
Charge for the year	12,769	2,162	14,931
On disposals	(13,499)	(3,209)	(16,708)
<b>At 31 December 2003</b>	<u>19,272</u>	<u>7,179</u>	<u>26,451</u>
<b>NET BOOK VALUE</b>			
<b>At 31 December 2003</b>	<u>19,036</u>	<u>6,316</u>	<u>25,352</u>
At 31 December 2002	<u>31,806</u>	<u>1,507</u>	<u>33,313</u>

### 8. STOCKS

	2003 £	2002 £
Stock of wallcoverings	86,078	10,747
Stock of fabric samples and books	43,319	—
	<u>129,397</u>	<u>10,747</u>

# A S CREATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

### 9. DEBTORS

	2003 £	2002 £
Trade debtors	392,877	275,262
Other debtors	27,631	14,029
	<u>420,508</u>	<u>289,291</u>

Other debtors are made up of prepayments and claims against suppliers providing transport.

### 10. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	—	13,622
Amounts owed to group undertakings	739,729	624,990
Other creditors including taxation and social security:		
Other taxation and social security	18,606	74,321
	<u>758,335</u>	<u>712,933</u>
Accruals and deferred income	22,791	6,818
	<u>781,126</u>	<u>719,751</u>

### 11. CREDITORS: Amounts falling due after more than one year

	2003 £	2002 £
Amounts owed to group undertakings	<u>50,500</u>	<u>50,500</u>

### 12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2003 £	2002 £
Operating leases which expire:		
Within 1 year	<u>975</u>	<u>(5,880)</u>

### 13. SHARE CAPITAL

#### Authorised share capital:

	2003 £	2002 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

#### Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

# A S CREATION (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit/(Loss) for the financial year	57,533	(145,808)
Opening shareholders' equity deficit	(217,997)	(72,189)
Closing shareholders' equity deficit	<u>(160,464)</u>	<u>(217,997)</u>

### 15. ULTIMATE PARENT COMPANY, RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY

The immediate and ultimate parent company is A.S. Création Tapeten AG, a company incorporated in Germany.

The financial statements from the parent company can be obtained from:

Suedstrasse 47  
D-51645 Gummersbach-Derschlag

Exemption has been taken from disclosing related party transactions between the company and other group companies, on the grounds that the company is a wholly owned subsidiary.

The parent company is controlled by Franz Juergen and Karin Schneider, who together own 40.5% of the issued ordinary share capital.