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Financial Statements Couristan Carpets (UK) Limited

For the year ended 31 December 2016

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Registered number: 2995730

Couristan Carpets (UK) Limited

Company Information

Directors	G Couri N P Coree R J Couri
Company Secretary	R J Couri
Registered number	2995730
Registered office	Crown Works Eccleston Street St. Helens Merseyside WA10 2PJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Manchester M3 3EB
Bankers	The Royal Bank of Scotland Plc PO Box 666 Ashton House Waterloo Street Bolton BL1 8FH
Solicitors	Eversheds LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

Couristan Carpets (UK) Limited

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Directors' report

For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity and business review

The principal activity of the Company is the importing and selling of Axminster carpet for the contract business.

The profit for the year, after taxation, amounted to £163,192 (2015: £329,232 loss).

Directors

The directors who served during the year and up to the date of approval of these financial statements were:

G Couri
N P Coree
R J Couri

Financial risk management objectives and policies

The Company uses various financial instruments; these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main risks arising from the Company's financial instruments are currency risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

The Company is exposed to foreign exchange risk. The directors' policy for managing this risk is to ensure that as far as possible the assets held in foreign currency are matched to an appropriate level of borrowings in the same currency. The use of forward currency contracts commenced in the year to mitigate this risk.

The Company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings associated by international credit rating agencies. The principal credit risks therefore, arises from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

The company also has a procedure to insure 90% of the value of a debt provided that certain requirements are met.

Directors' report

For the year ended 31 December 2016

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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 accounting estimates that are reasonable and prudent; 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Couristan Carpets (UK) Limited

Directors' report

For the year ended 31 December 2016

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the board on 28 September 2017 and signed on its behalf.

N P Coree
Director

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.



Independent auditor's report to the members of Couristan Carpets (UK) Limited

We have audited the financial statements of Couristan Carpets (UK) Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. 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 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.



Independent auditor's report to the members of Couristan Carpets (UK) Limited (continued)

Matter on which we are required to report under the Companies Act 2006

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 directors' report.

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; 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 directors' report.

Grant Thornton UK LLP

Joanne Love (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Manchester

28 September 2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	5	8,663,555	8,953,449
Cost of sales		<u>(7,997,424)</u>	<u>(8,624,447)</u>
Gross profit		666,131	329,002
Administrative expenses		<u>(444,595)</u>	<u>(714,997)</u>
Operating profit/(loss)	6	221,536	(385,995)
Interest receivable and similar income	10	504	535
Interest payable and expenses	11	(10,390)	(5,734)
Other finance cost	25	<u>(5,000)</u>	<u>(5,000)</u>
Profit/(loss) before taxation		206,650	(396,194)
Tax on profit/(loss)	12	<u>(43,458)</u>	<u>66,962</u>
Profit/(loss) for the year		<u>163,192</u>	<u>(329,232)</u>
Other comprehensive income for the year			
Remeasurements in respect of defined benefit pension scheme	25	<u>(38,000)</u>	<u>1,000</u>
Other comprehensive income for the year		(38,000)	1,000
Total comprehensive income for the year		<u>125,192</u>	<u>(328,232)</u>

The accompanying notes form part of these financial statements.

Balance sheet

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	480,754	514,090
		<u>480,754</u>	<u>514,090</u>
Current assets			
Stocks	15	18,136	27,249
Debtors	16	1,020,510	736,341
Cash at bank and in hand	17	469,514	597,153
		<u>1,508,160</u>	<u>1,360,743</u>
Creditors: amounts falling due within one year	18	<u>(1,159,849)</u>	<u>(1,207,974)</u>
Net current assets		<u>348,311</u>	<u>152,769</u>
Total assets less current liabilities		<u>829,065</u>	<u>666,859</u>
Creditors: amounts falling due after more than one year	19	(22,590)	(10,576)
Pension liability	25	(166,000)	(141,000)
		<u>640,475</u>	<u>515,283</u>
Net assets		<u>640,475</u>	<u>515,283</u>
Capital and reserves			
Called up share capital	24	375,000	375,000
Share premium account	23	287,840	287,840
Revaluation reserve	23	303,813	313,195
Profit and loss account	23	(326,178)	(460,752)
		<u>640,475</u>	<u>515,283</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2017.

N P Coree
Director



The accompanying notes form part of these financial statements.

Statement of changes in equity

As at 31 December 2016

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2016	375,000	287,840	313,195	(460,752)	515,283
Comprehensive income for the year					
Profit for the year	-	-	-	163,192	163,192
Remeasurments on pension scheme	-	-	-	(38,000)	(38,000)
Reserve transfer	-	-	(9,382)	9,382	-
Other comprehensive income for the year	-	-	(9,382)	(28,618)	(38,000)
Total comprehensive income for the year	-	-	(9,382)	134,574	125,192
Total transactions with owners	-	-	-	-	-
At 31 December 2016	375,000	287,840	303,813	(326,178)	640,475

Statement of changes in equity

As at 31 December 2015

	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2015	375,000	287,840	322,577	(141,902)	843,515
Comprehensive income for the year					
Loss for the year	-	-	-	(329,232)	(329,232)
Remeasurments on pension scheme	-	-	-	1,000	1,000
Reserve transfer	-	-	(9,382)	9,382	-
Other comprehensive income for the year	-	-	(9,382)	10,382	1,000
Total comprehensive income for the year	-	-	(9,382)	(318,850)	(328,232)
Total transactions with owners	-	-	-	-	-
At 31 December 2015	375,000	287,840	313,195	(460,752)	515,283

Notes to the financial statements

For the year ended 31 December 2016

1. Company information

Couristan Carpets (UK) Limited is a private company limited by shares, registered number 2995730, and is incorporated in the UK. Its registered office is Crown Works, Eccleston Street, St. Helens, Merseyside, WA10 2PJ.

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis as modified by the revaluation of certain assets as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

Going concern

The directors have prepared and reviewed cash flow forecasts for the period ending 12 months from the date of approval of these financial statements, which they consider to be achievable given the current levels of trading. These forecasts indicate (taking into account reasonably possible changes in trading performance) that the company should be able to operate within its existing facilities.

On the basis of their assessment of the Company's financial position, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of preparation.

3. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these significant judgments and estimates have been made include:

- Assumptions in respect of the defined benefit pension liability
- Bad debt and credit note provisions.

Notes to the financial statements

For the year ended 31 December 2016

4. Accounting policies

4.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.2 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the financial statements

For the year ended 31 December 2016

4. Accounting policies (continued)

4.2 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Buildings	50 Years
Plant and machinery	10-20 Years
Computer and office equipment	3-5 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

Freehold land and buildings were revalued at their fair value as at 15 December 1994. The directors adopted this value as deemed cost, initially on the adoption of Financial Reporting Standard 15 and again on the adoption of Financial Reporting Standard 102.

4.3 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Notes to the financial statements

For the year ended 31 December 2016

4. Accounting policies (continued)

4.4 Stocks

Stock are stated at the lower of cost, using the first in first out method, and net realisable value being selling price less costs to complete and sell after making due allowance for obsolete and slow-moving items.

4.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

4.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

4.7 Creditors

Short term trade creditors are measured at the transaction price.

4.8 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account.

4.9 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities, dividends and distributions relating to equity instruments and debited directly to reserves.

Notes to the financial statements

For the year ended 31 December 2016

4. Accounting policies (continued)

4.9 Financial instruments (continued)

Financial instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial instruments constitute a financing transaction are measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date. Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

4.10 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in the Statement of Comprehensive Income. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

The Company operates a defined benefits pension scheme. The assets of the scheme are held separately from those of the Company. Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Balance sheet. A net surplus is recognised only to the extent that it is recoverable by the Company through reduced contributions or through refunds from the plan.

The current service cost and costs from settlements and curtailments are charged against profit or loss for the year. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Remeasurements are reported in the Statement of Comprehensive Income.

Notes to the financial statements

For the year ended 31 December 2016

4. Accounting policies (continued)

4.11 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss for the year, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Notes to the financial statements

For the year ended 31 December 2016

5. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Sale of goods	<u>8,663,555</u>	<u>8,953,449</u>

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	198,751	175,126
Rest of the world	<u>8,464,804</u>	<u>8,778,323</u>
	<u>8,663,555</u>	<u>8,953,449</u>

6. Operating profit/(loss)

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

	2016 £	2015 £
Depreciation of tangible fixed assets - held under finance lease	8,613	7,178
Depreciation of tangible fixed assets - owned	24,723	26,816
Operating lease rentals –plant and machinery	10,073	9,298
Defined contribution pension cost	<u>53,962</u>	<u>63,529</u>

7. Auditors remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	13,500	15,100
Fees payable to the Company's auditor for other services:		
Tax compliance services	3,100	3,000
	<u>16,600</u>	<u>18,100</u>

Notes to the financial statements

For the year ended 31 December 2016

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	828,979	907,898
Social security costs	86,990	88,676
Cost of defined contribution pension scheme	35,962	45,529
Cost of defined benefit pension scheme	18,000	18,000
	<u>969,931</u>	<u>1,060,103</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Number of production staff	32	35
Number of distribution staff	1	1
Number of administrative staff	4	4
	<u>37</u>	<u>40</u>

9. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	-	82,260
Company contributions to defined contribution pension schemes	-	9,207
	<u>-</u>	<u>91,467</u>

During the year retirement benefits were accruing to no directors (2015: one) in respect of defined contribution pension schemes.

Notes to the financial statements

For the year ended 31 December 2016

10. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>504</u>	<u>535</u>

11. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	6,790	2,425
Finance leases and hire purchase contracts	3,600	3,309
	<u>10,390</u>	<u>5,734</u>

12. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	43,458	(66,962)
Total deferred tax	<u>43,458</u>	<u>(66,962)</u>
Taxation on profit/(loss) on ordinary activities	<u>43,458</u>	<u>(66,962)</u>

Notes to the financial statements

For the year ended 31 December 2016

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	<u>206,650</u>	<u>(396,194)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	41,330	(80,229)
Effects of:		
Expenses not deductible for tax purposes	1,000	1,012
Change in rate on deferred tax	(2,176)	10,490
Other permanent differences	-	17
Fixed asset differences	3,305	1,748
Total tax charge for the year	<u>43,459</u>	<u>(66,962)</u>

13. Dividends

	2016 £	2015 £
Dividends paid on equity capital	<u>-</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2016

14. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Computer and office equipment £	Total £
Cost or valuation				
At 1 January 2016	825,848	97,356	849,551	1,772,755
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 December 2016	825,848	97,356	849,551	1,772,755
Depreciation				
At 1 January 2016	346,668	97,356	814,641	1,258,665
Charge for the year	16,524	-	16,812	33,336
Disposals	-	-	-	-
At 31 December 2016	363,192	97,356	831,453	1,292,001
At 31 December 2016	462,656	-	18,098	480,754
At 31 December 2015	479,180	-	34,910	514,090

The freehold land and buildings were revalued at their opening market value for existing use as at 15 December 1994 by J B & B Leach, Valuers and Surveyors. The directors have adopted this value as deemed cost, initially on the adoption of Financial Reporting Standard 15 and again on the adoption of Financial Reporting Standard 102.

If certain fixed assets had not been revalued they would have been included on the historic cost basis at the following amounts:

	2016 £	2015 £
Cost	356,806	356,806
Accumulated depreciation	(190,819)	(183,678)
Net book amount	165,987	173,128

Included within the net book value is £10,049 (2015: £18,662) relating to assets held under finance leases. The depreciation charged to the financial statements in respect of such assets amounted to £8,613 (2015: £7,178).

Notes to the financial statements

For the year ended 31 December 2016

15. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>18,136</u>	<u>27,249</u>

Stock recognised in cost of sales during the year as an expense was £6,869,297 (2015: £7,533,258).

An impairment loss of £9,113 (2015: £9,279) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. Debtors

	2016 £	2015 £
Due within one year		
Trade debtors	180,638	289,819
Amounts owed by group undertakings	-	72
Amounts owed by related undertakings	773,317	224,740
Other debtors	3,736	100,736
Prepayments and accrued income	22,330	26,425
Tax recoverable	-	10,499
Deferred taxation	40,489	84,050
	<u>1,020,510</u>	<u>736,341</u>

An impairment loss has been recognised against trade debtors of £3,056 (2015: £295,100).

Notes to the financial statements

For the year ended 31 December 2016

17. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	469,514	597,153
Less: bank overdrafts	-	(182,167)
	<u>469,514</u>	<u>414,986</u>

18. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Bank overdrafts	-	182,167
Trade creditors	840,556	535,309
Amounts owed to group undertakings	10,955	208,461
Taxation and social security	32,964	79,420
Obligations under finance lease and hire purchase contracts	8,530	28,142
Payments in advance	186,880	120,246
Accruals and deferred income	79,964	54,229
	<u>1,159,849</u>	<u>1,207,974</u>

Obligations under finance leases are secured on the assets to which they relate.

The bank overdraft is secured by a legal charge over the land and buildings and a debenture over all of the assets of the company.

19. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Net obligations under finance leases and hire purchase contracts	<u>22,590</u>	<u>10,576</u>

Obligations under finance leases are secured on the assets to which they relate.

Notes to the financial statements

For the year ended 31 December 2016

20. Operating leases

The Company's future minimum operating lease payments are as follows:

	2016	2015
	£	£
Within one year	10,062	5,596
Between one and five years	<u>9,653</u>	<u>4,097</u>
	<u>19,715</u>	<u>9,693</u>

21. Financial instruments

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	953,955	615,367
Financial liabilities		
Financial liabilities measured at amortised cost	843,111	(599,784)

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

The company has entered into various forward contract arrangements whereby it pays a fixed exchange rate in respect of USD foreign currency transactions.

At 31 December 2016 the company had obligations under forward exchange contracts of £1,158,710 (2015 £nil).

Notes to the financial statements

For the year ended 31 December 2016

22. Deferred taxation

	Deferred tax
	£
At 1 January 2016	84,050
Charge for the year	(43,561)
At 31 December 2016	<u>40,489</u>

The deferred tax asset is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	(3,180)	(6,284)
Tax losses	43,669	90,334
	<u>40,489</u>	<u>84,050</u>

23. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Includes revaluation gains.

Profit and loss account

Includes all current and prior period retained profits and losses.

Notes to the financial statements

For the year ended 31 December 2016

24. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
375,000 - Ordinary Shares of £1 each	<u>375,000</u>	<u>375,000</u>

25. Pension commitments

The Company operates a defined contribution scheme. The charge for the year was £53,962 (2015 : £63,529).

In addition, the company operated a defined benefit pension scheme, providing benefits based on employees' number of years' service. The assets of the scheme are held separately from those of the company.

On 30 June 2000, the scheme ceased. The Company made contributions to the scheme of £18,000 during the year ended 31 December 2016 (2015: £18,000).

Principal actuarial assumptions

The principal actuarial assumptions are as follows:

	2016	2015
Discount rate	2.6%	3.6%

Mortality assumptions have been based on S2PMA & S2PFA (B = year of birth) for males and females as appropriate.

	2016 £	2015 £
Fair value of scheme assets	143,000	137,000
Fair value of scheme liabilities	(309,000)	(278,000)
	<u>(166,000)</u>	<u>(141,000)</u>

Notes to the financial statements

For the year ended 31 December 2016

25. Pension commitments (continued)

The amounts recognised in profit or loss:

	2016 £	2015 £
Current service cost	-	-
Net interest recognised on the defined benefit liability	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

The amounts recognised in other comprehensive income:

	2016 £	2015 £
Remeasurements recognised in other comprehensive income	<u>(38,000)</u>	<u>1,000</u>

Reconciliation of fair value of plan liabilities were as follows:

	2016 £	2015 £
Opening defined benefit obligation	278,000	297,000
Interest cost	10,000	10,000
Remeasurement arising from changes in assumptions	32,000	(7,000)
Benefits paid	(11,000)	(22,000)
Closing defined benefit obligation	<u>309,000</u>	<u>278,000</u>

Reconciliation of fair value of plan assets were as follows:

	2016 £	2015 £
Opening fair value of scheme assets	137,000	142,000
Interest income	5,000	5,000
Actual return on plan assets excluding interest income	(6,000)	(6,000)
Employer contributions	18,000	18,000
Benefits paid	(11,000)	(22,000)
	<u>143,000</u>	<u>137,000</u>

The Company expects to contribute £18,000 to its defined benefit pension scheme in 2017.

Notes to the financial statements

For the year ended 31 December 2016

26. Related party transactions

Couristan Carpets (Irl) Limited is the immediate parent undertaking of the company. Couristan Inc. and Couristan Carpets (Irl) Limited are subject to common control and are therefore considered to be related parties of the company.

During the year ended 31 December 2016, the Company was charged £148,986 (2015: £Nil) for costs incurred by Couristan Carpets (Irl) Limited and charged £Nil (2015: £142,855) to Couristan Carpets (Irl) Limited for goods and services provided. At 31 December 2016 £448 (2015: £208,389) was owed to Couristan Carpets (Irl) Limited.

During the year ended 31 December 2016, the Company charged Couristan Inc. £7,539,093 (2015: £8,442,580) for goods and services provided and costs incurred by the company were £2,107 (2015: £6,311). At 31 December 2016 £773,765 (2015: £224,740) was due from Couristan Inc. At 31 December 2016 £10,955 (2015: £72) was due to Couristan Inc.

Key management are considered to be the board of directors. The cost of remunerating key management for the year was £Nil (2015: £Nil).

27. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary of Couristan Carpets (Irl) Limited, a company registered in the Republic of Ireland.

The parent undertakings of the smallest and largest groups of which the company is a members and for which group financial statements are prepared are as follows:

The largest group is Couristan (NY) Limited, a company registered in the state of New York, USA.

The smallest group is Couristan (Irl) Limited, a company registered in the Republic of Ireland.

The ultimate controlling party is Couristan (NY) Limited.

Couristan Carpets (UK) Limited

Schedule to the detailed accounts

For the year ended 31 December 2016

	2016 £	2015 £
Turnover	8,663,555	8,953,449
Cost of sales	(7,997,424)	(8,624,447)
Gross profit	<u>666,131</u>	<u>329,002</u>
Less: overheads		
Administration expenses	(444,595)	(714,997)
Operating loss	<u>221,536</u>	<u>(385,995)</u>
Interest receivable	504	535
Interest payable	(10,390)	(5,734)
Other finance income	(5,000)	(5,000)
Tax on profit on ordinary activities	-	66,962
Profit/(loss) for the year	<u>206,650</u>	<u>(329,232)</u>

Couristan Carpets (UK) Limited
Registered number:2995730

Schedule to the detailed accounts

For the year ended 31 December 2016

Turnover

	2016	2015
	£	£
Sales	<u>8,663,555</u>	<u>8,953,449</u>

Cost of sales

	2016	2015
	£	£
Purchases - finished goods	6,869,297	7,533,258
Direct manufacturing costs	174,627	160,162
Wages and salaries	932,573	905,107
Subcontract labour	20,927	25,920
	<u>7,997,424</u>	<u>8,624,447</u>

Schedule to the detailed accounts

For the year ended 31 December 2016

Administration expenses

	2016	2015
	£	£
Staff salaries	104,414	91,467
Staff pension costs - defined contribution schemes	43,090	45,529
Motor running costs	2,867	4,484
Motor vehicle leasing (operational)	-	13,650
Entertainment	800	11,109
Hotels, travel and subsistence	7,057	8,754
Printing and stationery	6,370	8,264
Postage	62,799	58,241
Telephone and fax	16,802	15,776
Computer costs	21,526	17,050
Advertising and promotion	10,225	-
Trade subscriptions	5,356	6,525
Charity donations	-	50
Legal and professional	7,975	10,753
Auditors' remuneration	16,638	13,270
Equipment hire	19,282	12,742
Bank charges	11,402	8,162
Rent and rates	41,914	43,437
Service charges	7,132	6,011
Insurances	10,201	10,486
Staff welfare	12,353	11,249
Bad debt write off	3,056	295,100
General expenses	-	414
Depreciation - other fixed assets	33,336	33,993
Profit/loss on sale of tangible assets	-	(11,519)
	444,595	714,997

Schedule to the detailed accounts

For the year ended 31 December 2016

Interest receivable

	2016	2015
	£	£
Bank interest receivable	<u>504</u>	<u>535</u>

Interest payable

	2016	2015
	£	£
Bank overdraft interest payable	(6,790)	(2,425)
Hire purchase interest payable	(3,600)	(3,309)
	<u>(10,390)</u>	<u>(5,734)</u>

Other finance income

	2016	2015
	£	£
Interest on pension scheme liabilities	<u>(5,000)</u>	<u>(5,000)</u>