Hillarys Blinds (Holdings) Limited

Annual report and financial statements

Registered number 02692951

31 December 2017

Contents

Directors' report

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

Change of accounting reference date

During the period the company changed its accounting reference date from 30 September to 31 December.

Results and dividends

The profit for the period, after taxation, amounted to £4,000 (30 Sep 16: *loss of £1,344,000*). Ordinary dividends of £nil *(30 Sep 16: £nil)* were paid during the period.

Principal activities

The principal activity of the company continues to be that of a holding company.

Directors

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

J Risman
SA Dalby (resigned 17 July 2017)
DMA Lewis
DH Lock
AR Thomas

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Following the acquisition by the Hunter Douglas Group, Ernst and Young LLP will be appointed as auditors during the year ended 31st December 2018.

Employees

The Company values the contribution of all of its staff. The Board sees their continued involvement in the development and delivery of the Company's products and services as of critical importance to the future success of the Company and accordingly works hard to keep all staff informed of the progress and development of the business. The Company seeks to ensure that all employees and job applicants are afforded equal opportunity in all areas of employment.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 1A of FRS 102.

Political and charitable contributions

Charitable contributions totalling £nil were made during the period *(30 Sep 16: £nil)*. No political contributions were made during the period *(30 Sep 16: £nil)*.

By order of the board

A Thomas

AR Thomas
Director

Dated: 25.9.18

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS *102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report to the members of Hillarys Blinds (Holdings) Limited

Opinion

We have audited the financial statements of Hillarys Blinds (Holdings) Limited ("the company") for the period ended 31 December 2017 which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 prepare the financial statements in accordance with the small companies régime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

KPMG

Independent auditor's report to the members of Hillarys Blinds (Holdings) Limited
(continued)

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Anthony Hambleton

Anthony Hambleton *(Senior Statutory Auditor)*

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated: 25th September 2018

Profit and loss account and other comprehensive income
for the period ended 31 December 2017

	Note	**Period to 31 Dec 17 £000**	Period to 30 Sep 16 £000
Administrative expenses	*2*	**4**	(1,344)
Operating profit/(loss) and profit/(loss) before taxation		**4**	(1,344)
Tax on profit/(loss)	*3*	-	-
Profit/(loss) and total comprehensive income for the financial period		**4**	(1,344)

All amounts relate to continuing activities.

There were no recognised gains or losses in either the current or preceding period other than those disclosed in the profit and loss account.

Balance sheet
as at 31 December 2017

	Note	31 December 2017 £000	31 December 2017 £000	30 September 2016 £000	30 September 2016 £000
Fixed assets					
Investment in subsidiary undertakings	*4*		**5,016**		5,021
Current assets					
Debtors	*5*	**2**		-	
Creditors: amounts falling due within one year	*6*	**-**		(7)	
Net current assets/(liabilities)			**2**		(7)
Net assets			**5,018**		5,014
Capital and reserves					
Called up share capital	*7*		**41**		41
Capital redemption reserve			**2**		2
Profit and loss account			**4,975**		4,971
Shareholders' funds			**5,018**		5,014

These financial statements were approved by the board of directors on 25.9.18 and were signed on its behalf by:

AR Thomas
Director

Company registered number: 02692951

Statement of changes in equity

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 3 October 2015	41	2	6,315	6,358
Total comprehensive expense for the period				
Loss for the period	-	-	(1,344)	(1,344)
Total comprehensive expense for the period	-	-	(1,344)	(1,344)
Balance at 30 September 2016	**41**	**2**	**4,971**	**5,014**

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2016	41	2	4,971	5,014
Total comprehensive expense for the period				
Profit for the period	-	-	4	4
Total comprehensive income for the period	-	-	4	4
Balance at 31 December 2017	**41**	**2**	**4,975**	**5,018**

Notes
(forming part of the financial statements)

1 Accounting policies

Hillarys Blinds (Holdings) Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK. The registered number is 02692951 and the registered address is Unit 2, Churchill Park, Private Road No. 2, Colwick, Nottingham, NG4 2JR.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

During the period the company changed its accounting reference date from 30 September to 31 December.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Hunter Douglas N.V. includes the Company in its consolidated financial statements. The consolidated financial statements of Hunter Douglas N.V. are available to the public and may be obtained from 'The Company Secretary, Hunter Douglas N.V., 2, Piekstraat, 3071 EL, Rotterdam, the Netherlands'. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company had not retrospectively changed its accounting under old UK GAAP for accounting estimates.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which the directors believe to be appropriate for the reasons set out below.

The company is a holding company of a profit making group which is expected to continue to generate positive cash flows for the foreseeable future. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The company has net assets and therefore does not require any support from the rest of the group to continue in its activities as a holding company.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and therefore adopt the going concern basis of accounting.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6 Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.7 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions.

Other interest receivable and similar income include interest receivable on funds.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
(Reversal)/impairment of investment *(see note 4)*	**(4)**	1,344

Auditor's remuneration:

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Audit of these financial statements	5	5

Amounts receivable by the Company's auditors in respect of services to the Company and its associates, other than the audit of the Company's financial statements, are disclosed in the consolidated financial statements of the parent company, Hunter Douglas NV.

3 Staff costs and director's remuneration

There were no employees of the company, other than the directors, during the period.

The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the periods ended 30 September 2016 and 31 December 2017.

Notes *(continued)*

4 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Current tax		
Current tax on income for the period	-	-
Total current tax	-	-

The total tax charge for 2017 and 2016 was recognised in the profit and loss.

Reconciliation of effective tax rate

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Profit/(loss) excluding taxation	**4**	(1,344)
Tax using the UK corporation tax rate of 19.4% *(30 Sep 16: 20%)*	**1**	(269)
Expenses/(income) not taxable for tax purposes	**(1)**	269
Total tax expense included in profit or loss	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

5 Investments in subsidiary undertakings

	£000
Cost:	
Opening balance at 1 October 2016	5,021
Provision:	
Reversal of impairment	4
Reduction in investment	(9)
Closing balance at 31 December 2017	**5,016**

Notes *(continued)*

4 Investments in subsidiary undertakings *(continued)*

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Holding	Proportion of voting rights and shares held	Country of incorporation	Nature of business
Willson Brooks Advertising Limited *	Ordinary	100%	England and Wales	Dormant
Arena Sun Control Systems Limited *	Ordinary	100%	England and Wales	Blinds and curtains
Hillarys Blinds Limited *	Ordinary	100%	England and Wales	Blinds and curtains
Shadewell Limited *	Ordinary	100%	England and Wales	Dormant
Hillarys Blinds (Sales) Limited *	Ordinary	100%	England and Wales	Dormant
Web Blinds Limited *	Ordinary	100%	England and Wales	Dormant
Wholesale Blinds Limited	Ordinary	100%	England and Wales	Dormant
Hillarys Blinds (Northern) Limited	Ordinary	100%	England and Wales	Dormant
Hillarys Blinds Trustee Company Limited *	Ordinary	100%	England and Wales	Dormant
Premier Shutters Limited *	Ordinary	100%	England and Wales	Non-trading
Shaftesbury Shutters Limited *	Ordinary	100%	England and Wales	Non-trading
Customwest Trading Limited *	Ordinary	100%	England and Wales	Shutters
Hillarys Finance Limited *	Ordinary	100%	England and Wales	Dormant
Hillarys Holdings Limited *	Ordinary	100%	England and Wales	Dormant
The Hillarys Group Limited *	Ordinary	100%	England and Wales	Dormant
Quartz Acquisition Limited *	Ordinary	100%	England and Wales	Dormant
Quartz Topco Limited *	Ordinary	100%	England and Wales	Dormant

Companies denoted * are owned directly by the Company. Other subsidiary undertakings are held by subsidiary holding companies.

The registered office of all of the above companies is: Unit 2, Churchill Park, Private Road No. 2, Colwick, Nottingham, NG4 2JR.

6 Debtors

	31 Dec 17	30 Sep 16
	£000	£000
Owed by group companies	**2**	-

7 Creditors: amounts falling due within one year

	31 Dec 17	30 Sep 16
	£000	£000
Other creditors	-	7

Notes *(continued)*

8 Capital and reserves

Share capital

	31 Dec 17 £000	30 Sep 16 £000
Allotted, called up and fully paid		
404,114 ordinary shares of £0.10 each	**41**	41

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

9 Related parties

The company has taken advantage of paragraph 33.1A of FRS102 to not disclose transactions between wholly owned entities.

10 Accounting estimates and judgements

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation and judgement for the Company include:

Investments

The Company has £5,016,000 of investments which are assessed for impairment annually. For non-trading companies this is by comparing the value of the investment to the net assets of the company invested in. For trading companies this is by estimating the future cash flows expected to arise from the trading company, which is then discounted at a suitable discount rate in order to calculate the present value of these cash flows, and comparing that value to the value of the investment.

11 Contingencies

In the prior year an unlimited guarantee in respect of borrowings from the group's main lender existed between all group companies as an intercreditor agreement. As at 31 December 2017 the group had borrowings under this agreement of £nil *(30 Sep 16: £87,464,000)*.

12 Ultimate parent company and parent company of larger group

The ultimate holding company is Hunter Douglas NV, a company registered in The Netherlands whose registered address is 2, Plekstraat, 3071 EL Rotterdam, The Netherlands.

The immediate parent undertaking is Bellotto Acquisitions Limited, a company incorporated in England and Wales.

The smallest and largest company in which the results of the company are consolidated is Hunter Douglas NV, a company incorporated in The Netherlands.

Copies of the group financial statements, which include this company, are available from: The Company Secretary, Hunter Douglas NV, 2, Piekstraat, 3071 EL Rotterdam, The Netherlands.