Arena Sun Control Systems Limited

Annual report and financial statements

Registered number 03438260

30 September 2016

Contents

Strategic Report

Arena Sun Control Systems Limited is a manufacturer and distributor of blinds and curtains and a distributor of wooden internal shutters in the UK market.

Business Review

Objectives

The objective of the Company is to profitably increase market share within both the product and sales channels that it operates. This objective will be pursued whilst maintaining sound financial management and avoiding excess risks.

Key Business Strategies

To deliver the above objective the Company intends to continue to pursue the following core strategies that have successfully supported sales growth in recent years:

- Expanding the product range in line with changing consumer tastes;
- Continued investment in improving customer service standards which drive higher levels of repeat business.
- Price competitiveness

The Company also continues to seek operational efficiencies within sourcing, manufacturing and central support services in order to streamline business processes and to free resource to be deployed on the above strategic initiatives.

The above strategies are reviewed by the Board on a quarterly basis in light of trading performance to ensure they remain appropriate to the achieving the Company's objective.

Risks and uncertainties

The key risks of the Company and how these are managed are set out below:

Foreign exchange risk	Use of forward exchange contracts for $ denominated purchases to provide short term protection whilst sales pricing is aligned to higher import costs.
Supply chain management and stock availability as consumer tastes evolve	Sophisticated demand forecasting models coupled with stock inventory management and close working relationships with key suppliers
Capacity management across manufacturing activities in order to uphold high service standards	Sophisticated demand forecasting models coupled with willingness to invest ahead of the demand curve.
Service differentiation	IT investment to improve all aspects of a customers' interaction with the business. From online ordering to delivery tracking.

Having considered the above risks and uncertainties, the Directors have reasonable expectation that the Company will continue to operate for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Strategic Report *(continued)*

Key Performance Indicators

The Company uses a number of financial measures to monitor progress against strategies and corporate objectives. These are summarised below:

	2016	2015
	£000	£000
Revenue	**33,283**	30,063
Gross margin %	**27.2%**	27.2%
Profit before taxation	**1,465**	913

In addition to financial measures, the Board also monitors the Company's operations with the objective of ensuring that health and safety is at the core of all working practices. The Company employees a full time health and safety manager who co-ordinates a rolling programme of risk assessment, employee training and process improvement. The Board reviews the number of accident book entries and reportable accidents on a monthly basis. Performance during the year has been good and as far as the Board is aware, this is likely to be the case for the forthcoming year.

Future Prospects

The Company has maintained its high levels of investment in both product quality and sampling and its investment in the IT facilities through which customers place and track their orders. The market has responded favourably to these initiatives and the Company's sales have grown over the last 12 months.

Whilst wider economic concerns post Brexit, and the potential impact on consumer confidence over the coming year, are beyond the Company's control the Company remains confident that the continued focus on product range and service will drive market share gains and in turn deliver results which will meet our shareholders' expectations.

Environmental policy

The Company is committed to adopting a responsible approach to environmental matters. The Company is currently focused on reducing inefficiencies in both the customer ordering and product manufacturing processes in order to simultaneously reduce waste and improve service to our customers.

By order of the Board:

3.2.17

AR Thomas
Director

Dated:

Directors' report

The directors present their report and financial statements for the period ended 30 September 2016.

Results and dividends

The profit for the period, after taxation, amounted to £1,171,000 *(2015: £725,000)*. Ordinary dividends of £nil *(2015: £nil)* were paid during the period.

Principal activities

The principal activity of the company continues to be the wholesale of venetian, roller, roman, pleated and vertical blinds, components, curtains and shutters. The directors expect that the present level of activity will be sustained for the foreseeable future.

Directors

The directors who served the company during the period and to the date of this report were as follows:

JM Risman
DMA Lewis
DH Lock
AR Thomas
I Galpin

Political and charitable contributions

Charitable contributions totalling £nil were made during the period *(2015: £nil)*. No political contributions were made during the period *(2015: £nil)*.

Employees

The Company values the contribution of all of it's staff. The Board sees their continued involvement in the development and delivery of the Company's products and services as of critical importance in 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.

Disclosure of information to auditor

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

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

A Thomas.

3.2.17

AR Thomas
Director

Dated:

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

The directors are responsible for preparing the Directors' Report, the Strategic 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 Arena Sun Control Systems Limited

We have audited the financial statements of Arena Sun Control Systems Limited for the period ended 30 September 2016 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 4, 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 30 September 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.

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: 6th February 2017

Profit and loss account and other comprehensive income
for the period ended 30 September 2016

	Note	2016 £000	2015 £000
Turnover	2	**33,283**	30,063
Cost of sales		**(24,246)**	(21,896)
Gross profit		**9,037**	8,167
Distribution costs		**(2,184)**	(2,395)
Administrative expenses		**(5,400)**	(4,864)
Operating profit		**1,453**	908
Other interest receivable and similar income	6	**12**	6
Interest payable and similar charges	7	**-**	(1)
Profit on ordinary activities before taxation		**1,465**	913
Tax on profit on ordinary activities	8	**(294)**	(188)
Profit and total comprehensive income for the financial period		**1,171**	725

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
at 30 September 2016

	Note	2016		2015	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9		519		126
Current assets					
Stocks	10	338		474	
Debtors	11	13,396		13,770	
Cash at bank and in hand		1,594		226	
		15,328		14,470	
Creditors: amounts falling due within one year	12	(1,958)		(1,878)	
Net current assets			13,370		12,592
Net assets			13,889		12,718
Capital and reserves					
Called up share capital	14		-		-
Profit and loss account			13,889		12,718
Shareholders' funds			13,889		12,718

These financial statements were approved by the board of directors on 3-2-17 and were signed on its behalf by:

AR Thomas
Director

Company registered number: 3438260

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 27 September 2014	-	11,993	11,993
Total comprehensive income for the period			
Profit for the period	-	725	725
Balance at 2 October 2015	**-**	**12,718**	**12,718**

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 3 October 2015	-	12,718	12,718
Total comprehensive income for the period			
Profit for the period	-	1,171	1,171
Balance at 30 September 2016	**-**	**13,889**	**13,889**

Notes
(forming part of the financial statements)

1 Accounting policies

Arena Sun Control Systems Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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.

The financial statements are made up to the closest Friday to 30 September each year. The current accounting period is 52 weeks in length *(2015: 53 weeks in length)*

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 2015 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.

In the transition to FRS 102 from old UK GAAP, the Company has no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. No first-time adoption exemptions have been taken.

The Company's ultimate parent undertaking, Bellotto Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Bellotto Holdings Limited are available to the public and may be obtained from 'The Company Secretary, Bellotto Holdings Limited, Unit 2, Churchill Park, Private Road No. 2, Colwick, Nottingham, NG4 2JR'. 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.

The directors do not consider there to be any judgements on the application of these accounting policies that would have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

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 and the group are financed by banking facilities which include financial covenant tests, and under which an event of default renders the entire loan repayable on demand at the option of the lender

The Companies within the Group have entered into cross guarantee arrangements and have in place intra group indebtedness.

The directors are of the opinion that during the period, all covenant tests were met without exception and that there were no events of default under the banking agreement.

The directors have prepared cash flow forecasts for a period of not less than one year from the date of the approval of these financial statements. After considering reasonable sensitivities, the directors consider that the group will be able to meet its covenants through its normal course of trading during the foreseeable future.

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.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant and machinery	- 20 to 50% per annum
Equipment	- 10% to $33^1/_3$% per annum

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances in the period indicate the carrying value may not be recoverable.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.8 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.

1.9 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 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.

1.11 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.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss

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.

1.12 Revenue recognition

Revenue is recognised at the point goods are despatched by the company as, in the opinion of the directors, this represents the point where substantially all of the risks and rewards of the goods are surrendered by the company and contractual obligations have been met.

Revenues are reduced by an allowance for returns and credit notes based on historical experience.

Notes *(continued)*

2 Turnover

Turnover, which excludes value-added tax, arises solely within the UK and Eire and represents the invoiced value of goods and services supplied in the normal course of business.

Analysis of turnover by geographical area:

	2016	2015
	£000	£000
Within Great Britain	**32,027**	28,950
Rest of Europe	**1,256**	1,113
	33,283	30,063

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2016	2015
	£000	£000
Depreciation of owned fixed assets	**148**	325

Auditor's remuneration:

	2016	2015
	£000	£000
Audit of these financial statements	**17**	17

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, Bellotto Holdings Limited.

4 Staff numbers and costs

All staff costs are paid through Hillarys Blinds Limited and recharged via an intercompany account. Total staff costs and employee numbers for the group are shown in the consolidated financial statements of Bellotto Holdings Limited.

5 Directors' remuneration

	2016	2015
	£000	£000
Directors' remuneration	**1,282**	1,328
Company contributions to money purchase pension plans	**99**	72

The above figure represents total emoluments received by the directors for all services to Hillary's Blinds Limited and Arena Sun Control Systems Limited. The directors do not consider that it is practical to apportion the remuneration between their services as directors of the two companies.

Notes *(continued)*

5 Directors' remuneration *(continued)*

The amounts in respect of the highest paid director are as follows:

	2016 £000	2015 £000
Emoluments	243	275
Contributions to money purchase pension plan	-	-

	Number of directors 2016	2015
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	6	5

6 Other interest receivable and similar income

	2016 £000	2015 £000
Bank interest receivable	12	6

7 Interest payable and similar charges

	2016 £000	2015 £000
Other interest payable	-	1

8 Taxation

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

	2016 £000	2015 £000
Current tax		
Current tax on income for the period	294	188

The total tax charge for 2016 and 2015 was recognised in the profit and loss.

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the period	1,171	725
Total tax expense	294	188
Profit excluding taxation	1,465	913
Tax using the UK corporation tax rate of 20% *(2015: 20.5%)*	293	187
Expenses not allowable for tax purposes	1	1
Total tax expense included in profit or loss	294	188

Notes *(continued)*

8 Taxation *(continued)*

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) 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.

9 Tangible fixed assets

	Plant and machinery £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost				
Balance at 3 October 2015	1,173	5	29	1,207
Additions	540	1	-	541
Transfers	29	-	(29)	-
Balance at 30 September 2016	1,742	6	-	1,748
Depreciation and impairment				
Balance at 3 October 2015	1,077	4	-	1,081
Depreciation charge for the period	147	1	-	148
Balance at 30 September 2016	1,224	5	-	1,229
Net book value				
At 3 October 2015	96	1	29	126
At 30 September 2016	**518**	**1**	-	**519**

10 Stocks

	2016 £000	2015 £000
Work in progress	**172**	287
Promotional items	**166**	187
	338	474

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to £21,515,000 *(2015: £19,398,000)*. The write-down of stocks to net realisable value amounted to £nil *(2015: £nil)*.

Notes *(continued)*

11 Debtors

	2016 £000	2015 £000
Trade debtors	**4,236**	3,484
Amounts owed by group undertakings	**9,158**	10,284
Other debtors	**2**	2
	13,396	13,770

Debtors due after more than one year amount to £nil *(2015: £nil)*

12 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Bank overdrafts	**-**	99
Trade creditors	**4**	17
Corporation tax	**294**	188
Taxation and social security	**1,626**	1,540
Other creditors	**20**	9
Accruals and deferred income	**14**	25
	1,958	1,878

13 Employee benefits

All pension contributions are made by Hillarys Blinds Limited and recharged via an inter-company account.

14 Capital and reserves

Share capital

	2016 £000	2015 £000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**-**	-

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.

15 Contingencies

An unlimited guarantee in respect of borrowings from the group's main lender exists between all group companies as an intercreditor agreement. As at 30 September 2016 the group had borrowings under this agreement of £87,464,000 (*2015: £101,000,000*).

16 Related parties

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

Notes *(continued)*

17 Ultimate parent company and parent company of larger group

The immediate parent undertaking is Hillarys Blinds (Holdings) Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Bellotto Holdings Limited. The smallest and largest company in which the results of the company are consolidated is Bellotto Holdings Limited, a company incorporated in England and Wales. Copies of the group financial statements, which include this company, are available from: The Company Secretary, Bellotto Holdings Limited, Unit 2, Churchill Park, Private Road No. 2, Colwick, Nottingham, NG4 2JR.