

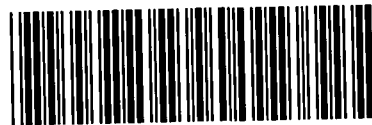
Arena Blinds Limited
(formerly Arena Sun Control Limited)

Annual report and financial
statements

Registered number 03438260

31 December 2017

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Strategic report

Arena Blinds Limited is a manufacturer and distributor of blinds and curtains and a distributor of wooden and vinyl 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:

- Refining and expanding the window coverings 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.

Key Performance Indicators

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

	15 months to 31 Dec 2017	12 months to 30 Sep 2016
	£000	£000
Revenue	51,543	33,283
Gross margin %	23.6%	27.2%
Profit before taxation	1,342	1,465

Strategic report *(continued)*

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 employs 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.

Hunter Douglas

Bellotto Holdings Ltd (the former ultimate parent of Arena Blinds Limited) was purchased by the Hunter Douglas group in July 2017. The transaction was welcomed by the Board who see significant opportunity for the Company from being part of a larger international blinds business with the opportunity to bring new and exciting products to the UK market and through working more closely with other group companies improve operational business practices and drive efficiencies.

Future Prospects

The Company has maintained its focus on providing high quality products which can be ordered using a simple online platform and which will be delivered quickly and efficiently. These investments have been valued by the market and the Company's sales continue to grow.

Whilst wider economic concerns 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.

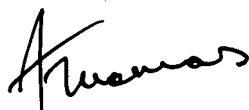
Employees

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 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.

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:



AR Thomas
Director

Dated: 24 September 2018

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Directors' report

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

Change of name and accounting reference date

During the period the company changed its name from Arena Sun Control Limited to Arena Blinds Limited, it also changes its accounting reference date from 30 September to 31 December.

Results and dividends

The profit for the period, after taxation, amounted to £1,080,000 (30 Sep 16: £1,171,000). Ordinary dividends of £nil (30 Sep 16: £nil) were paid during the period.

Principal activities

The principal activity of the company continues to be 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:

J Risman
DMA Lewis
DH Lock
AR Thomas
I Galpin

Political and charitable contributions

Charitable contributions totalling £200 were made during the period (30 Sep 16: £nil). No political contributions were made during the period (30 Sep 16: £nil).

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 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.

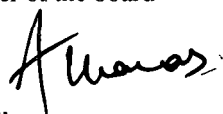
Disclosure of information to auditor

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

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

By order of the board


AR Thomas
Director

Dated: 24 September 2018
25

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

The directors are responsible for preparing the Strategic Report, 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 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 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.



Independent auditor's report to the members of Arena Blinds Limited

Opinion

We have audited the financial statements of Arena Blinds 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 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, including 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.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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.

We have nothing to report in these respects.



Independent auditor's report to the members of Arena Blinds Limited *(continued)*

Directors' responsibilities

As explained more fully in their 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; 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 *(Senior Statutory Auditor)*

*for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants*

St Nicholas House
Park Row
Nottingham NG1 6FQ

Dated: 25 September 2018

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

	<i>Note</i>	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Turnover	2	51,543	33,283
Cost of sales		(39,361)	(24,246)
Gross profit		12,182	9,037
Distribution costs		(3,147)	(2,184)
Administrative expenses		(7,703)	(5,400)
Operating profit		1,332	1,453
Other interest receivable and similar income	6	11	12
Interest payable and similar charges	7	(1)	-
Profit on ordinary activities before taxation		1,342	1,465
Tax on profit on ordinary activities	8	(262)	(294)
Profit and total comprehensive income for the financial period		1,080	1,171

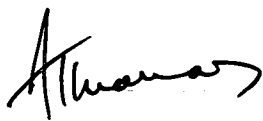
All amounts relate to continuing activities.

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

	<i>Note</i>	31 December 2017	30 September 2016
		£000	£000
Fixed assets			
Tangible assets	9	208	519
Current assets			
Stocks	10	404	338
Debtors	11	16,742	13,396
Cash at bank and in hand		44	1,594
		<u>17,190</u>	<u>15,328</u>
Creditors: amounts falling due within one year	12	<u>(2,429)</u>	<u>(1,958)</u>
Net current assets		<u>14,761</u>	<u>13,370</u>
Net assets		<u>14,969</u>	<u>13,889</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		<u>14,969</u>	<u>13,889</u>
Shareholders' funds		<u>14,969</u>	<u>13,889</u>

These financial statements were approved by the board of directors on 24 September 2018 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 3 October 2015	-	12,718	12,718
Total comprehensive income for the period			
Profit for the period	-	1,171	1,171
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2016	-	13,889	13,889
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2016	-	13,889	13,889
Total comprehensive income for the period			
Profit for the period	-	1,080	1,080
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	-	14,969	14,969
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Arena Blinds Limited (the “Company”) is a private company limited by shares and incorporated and domiciled in the UK. The registered number is 03438260 and the registered address is Unit 2, Churchill Park, Private Road No. 2, Colwick, Nottingham, NG4 2JR.

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 NV includes the Company in its consolidated financial statements. The consolidated financial statements of Hunter Douglas NV are available to the public and may be obtained from ‘The Company Secretary, Hunter Douglas NV, 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.

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 company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 2.

The company has considerable financial resources and is expected to continue to generate positive cash flows on its own account for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The company also participates in the group’s centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 $\frac{1}{3}$ % 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.

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 it is 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:

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Within Great Britain	47,623	32,027
Rest of Europe	3,920	1,256
	<u>51,543</u>	<u>33,283</u>

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Depreciation of owned fixed assets	354	148
	<u>354</u>	<u>148</u>

Auditor's remuneration:

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Audit of these financial statements	18	17
	<u>18</u>	<u>17</u>

4 Staff numbers and costs

All staff costs are paid through Hillarys Blinds Limited and £1,103,357 (30 Sep 2016: £834,486) was recharged during the year via an intercompany account.

The aggregate payroll costs of these persons were as follows:

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Wages and salaries	986	745
Social security costs	94	71
Contributions to defined contribution plans (see note 12)	24	18
	<u>1,103</u>	<u>834</u>

There were an average of 28 (30 Sep 2016: 29) persons employed by the Company during the period.

Notes (continued)

5 Directors' remuneration

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Directors' remuneration	8,302	1,282
Company contributions to money purchase pension plans	143	99
	<u>8,445</u>	<u>1,381</u>

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

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

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Emoluments	3,661	243
Contributions to money purchase pension plan	-	-
	<u>-</u>	<u>-</u>

	Number of directors Period to 31 Dec 17	Period to 30 Sep 16
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	6	6
	<u>6</u>	<u>6</u>

5 Other interest receivable and similar income

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Bank interest receivable	11	12
	<u>11</u>	<u>12</u>

6 Interest payable and similar charges

	Period to 31 Dec 17 £000	Period to 30 Sep 16 £000
Other interest payable	1	-
	<u>1</u>	<u>-</u>

Notes (continued)

7 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
<i>Current tax</i>		
Current tax on income for the period	262	294

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 for the period	1,080	1,171
Total tax expense	262	294
Profit excluding taxation	1,342	1,465
Tax using the UK corporation tax rate of 19.4% (30 Sep 16: 20%)	260	293
Expenses not allowable for tax purposes	2	1
Total tax expense included in profit or loss	262	294

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.

Notes (continued)

8 Tangible fixed assets

	Plant and machinery £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost				
Balance at 1 October 2016	1,742	6	-	1,748
Additions	43	-	-	43
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	1,785	6	-	1,791
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
Balance at 1 October 2016	1,224	5	-	1,229
Depreciation charge for the period	353	1	-	354
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	1,577	6	-	1,583
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 1 October 2016	518	1	-	519
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	208	-	-	208
	<hr/>	<hr/>	<hr/>	<hr/>

9 Stocks

	31 Dec 17 £000	30 Sep 16 £000
Work in progress	165	172
Promotional items	239	166
	<hr/>	<hr/>
	404	338
	<hr/>	<hr/>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to £35,557,000 (30 Sep 16: £21,515,000). The write-down of stocks to net realisable value amounted to £nil (30 Sep 16: £nil).

10 Debtors

	31 Dec 17 £000	30 Sep 16 £000
Trade debtors	5,087	4,236
Amounts owed by group undertakings	11,645	9,158
Other debtors	10	2
	<hr/>	<hr/>
	16,742	13,396
	<hr/>	<hr/>

Debtors due after more than one year amount to £nil (30 Sep 16: £nil)

Notes (continued)

11 Creditors: amounts falling due within one year

	31 Dec 17 £000	30 Sep 16 £000
Amounts owed to group undertakings	17	-
Trade creditors	23	4
Corporation tax	262	294
Taxation and social security	2,047	1,626
Other creditors	58	20
Accruals and deferred income	22	14
	<u>2,429</u>	<u>1,958</u>

12 Employee benefits

All pension contributions are made by Hillarys Blinds Limited and recharged via an inter-company account. The cost incurred was £24,000 in the period (30 Sep 2016: £18,000)

13 Capital and reserves

Share capital

	31 Dec 17 £000	30 Sep 16 £000
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

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.

14 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).

15 Related parties

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

During the year the Company entered into transactions, in the ordinary course of business, with Blinds 2 Go Limited, a company which is controlled by the Hunter Douglas Group. Sales of £3,261,591 were made in the period from the acquisition in July 2017, and the debtor balance at the end of the year was £536,759.

16 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, Piekstraat, 3071 EL Rotterdam, The Netherlands.

The immediate parent undertaking is Hillarys Blinds (Holdings) 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 its registered address: The Company Secretary, Hunter Douglas NV, 2, Piekstraat, 3071 EL Rotterdam, The Netherlands.