

Hillarys Blinds Trustee Company Limited

**Directors' report and financial
statements**

Registered number 03542844

1 October 2010

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Company information

Directors

JM Risman
AR Thomas
SA Dalby
DMA Lewis
DH Lock

Registered office

Unit 2
Churchill Park
Private Road No 2
Colwick
Nottingham
NG4 2JR

Registered number 03542844

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Bankers

National Westminster Bank
148-149 Victoria Centre
Nottingham
NG1 3QT

Directors' report

The directors present their report and financial statements for the year ended 1 October 2010

Results and dividends

The company did not trade during the current or preceding year. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company is a corporate Trustee to the Hillarys Blinds (Holdings) Limited Employee Benefits Trust. The company has not traded during the year, and at present, there are no plans for it to do so within the coming year.

Directors

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

JM Risman	
KM Dobson	(resigned 16 June 2010)
SA Dalby	
DMA Lewis	
DH Lock	
AR Thomas	(appointed 29 September 2010)

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 auditors are 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 auditors are aware of that information.

Auditors

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

By order of the board



AR Thomas
Director

23 June 2011

Statement of directors' responsibilities in respect of the directors' 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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.



Independent auditors' report to the members of Hillarys Blinds Trustee Company Limited

We have audited the financial statements of Hillarys Blinds Trustee Company Limited for the year ended 1 October 2010 set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 1 October 2010 and of its result for the year 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 Directors' Report for the financial year 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.

Wayne Cox (Senior Statutory Auditor)

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

Dated 23 June 2011

Profit and loss account

The company has not traded during either the current or preceding year, has received no income and incurred no expenditure and consequently has made neither a profit nor a loss


There were no recognised gains or losses in either the current or preceding year and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet

as at 1 October 2010

	<i>Note</i>	2010 £	2009 £
Current assets			
Cash		-	-
Debtors	3	2	2
Creditors amounts falling due within one year	4	-	-
		<hr/>	<hr/>
Total assets		2	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	2	2
		<hr/>	<hr/>
Shareholder's funds		2	2
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 23 June 2011 and were signed on its behalf by



AR Thomas
Director

Company number 03542844

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

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

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. In certain circumstances of default, investors may make additional funds available to the group in order to "cure" the default. The funds required to achieve such a cure, the investment timescale and the efficacy of such a cure are detailed in the facility agreements

The Companies within the Group have entered into cross guarantee arrangements and have in place intra group indebtedness. This effectively means that in the event of a default, which is not remedied by a cure, immediate repayment of the cash advanced under the facilities may be demanded, and, if alternative financing arrangements could not be made, the group and each of the companies in it would cease to be a going concern

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

During the period, the investors have facilitated a series of restructurings which have removed over £170m of debt from the balance sheet. The effect of this restructuring is that the investor has relinquished prioritised debt and investment assets which previously ranked ahead of management's equity for a simple pari-passu share of the equity value. Since the year end, the investors have invested a further £15m by way of subscribing for additional loan notes. The proceeds have been used to pay down senior debt

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. The recent restructuring has reduced the overall net debt and interest cost of the business as well as increasing the forecast headroom on all covenants. 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. In the unlikely event that further funding is required, the directors will seek to raise additional funds by way of equity cure or additional facilities

Related parties transactions

The company is a wholly owned subsidiary of Bellotto Holdings Limited, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the group

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the company

Under FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholder's funds) 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.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Other costs

Directors' emoluments and auditors' remuneration are met by other companies within the group.

3 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	2	2

4 Creditors, amounts falling due within one year

	2010 £	2009 £
Accruals	-	-

5 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2

Notes *(continued)*

6 Post balance sheet events

Since the year end certain of the groups investors have invested £15 million by way of a subscription for issue of loan notes which has then been used to repay part of the group senior debt. Quarterly covenant tests have also been reset through to the end of the facility period.

7 Ultimate parent company

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.