

HOWDEN JOINERY HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 DECEMBER 2013
REGISTERED NUMBER: 03320875

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HOWDEN JOINERY HOLDINGS LIMITED
STRATEGIC REPORT AND DIRECTORS' REPORT

STRATEGIC REPORT

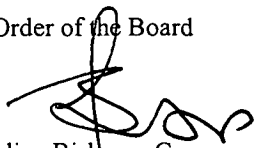
The Company is a wholly owned subsidiary of Howden Joinery Group Plc and operates as part of the Howden Joinery Group Plc group (the "Group"). The Company's principal activities are as an intermediate holding company. There have not been any significant changes in the Company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next financial period.

The Group manages its operations on a Group basis and therefore prepares a consolidated group report and accounts, including a consolidated strategic report. Pursuant to Section 414(A) (4) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, which provides that a group strategic report may give greater emphasis to the matters that are significant to the undertakings included in the consolidation when taken as a whole, the following information in relation to the Company can be found in the Group annual report on the pages listed:

- | | |
|--|---------------------|
| • Fair review of the business | pages 18-21 |
| • Description of the principal risks and uncertainties facing the Group and its subsidiary undertakings | pages 22-23 |
| • Financial and non-financial KPIs | pages 21, 25-32 |
| • Future developments | pages 12-13, 17, 21 |
| • Information about environmental matters, social, community and human rights issues | pages 25-32 |
| • Description of business model and strategy | pages 2-17 |
| • Information in relation to Group Employees, including gender statistics, employee involvement and Group policy on the employment of disabled persons | pages 58-64, 71-74 |

This report is available as part of the Group's Annual Report which is available at <http://www.howdenjoinerygroupplc.com/> and which does not form part of this report.

By Order of the Board



Caroline Bishop – Company Secretary
21 March 2014

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Company for the 52 weeks ended 28 December 2013 (2012: 53 weeks ended 29 December 2012).

DIRECTORS

The directors of the Company who served throughout the period, except as noted, were:

M Ingle
M Robson
C Bishop

No director held any beneficial interest in the shares of the Company at any time during the period.

GOING CONCERN

After making enquiries and taking into consideration the profitability and financial position of the Company, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future based on a written commitment of financial support from its ultimate parent company, Howden Joinery Group Plc, which is legally binding. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

HOWDEN JOINERY HOLDINGS LIMITED
STRATEGIC REPORT AND DIRECTORS' REPORT (Cont'd)

DIVIDEND

The directors do not recommend a final dividend (2012: £32,771,000).

EMPLOYEES

The Company had no employees (2012: none) during the period and staff costs amounted to nil (2012: £nil).

POLITICAL CONTRIBUTIONS

The Company did not make any political donations during the period (2012: £nil).

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and will be deemed to be reappointed in accordance with s485 - 488 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

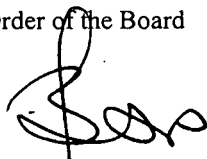
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; 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 which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board



Caroline Bishop – Company Secretary
21 March 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOWDEN JOINERY HOLDINGS LIMITED

We have audited the financial statements of Howden Joinery Holdings Limited for the 52 weeks ended 28 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we became aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

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 28 December 2013 and of its profit for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

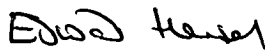
Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.



Edward Hanson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

21 March 2014

HOWDEN JOINERY HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 28 DECEMBER 2013

| | <u>Notes</u> | <u>52 weeks to</u> <u>28 Dec 2013</u> | <u>53 weeks to</u> <u>29 Dec 2012</u> |
|---|--------------|--|--|
| | | <u>£'000</u> | <u>£'000</u> |
| Dividend income from subsidiary companies | | 98,754 | - |
| Administrative expenses | | (7) | (8) |
| Profit/(loss) on ordinary activities before tax | | 98,747 | (8) |
| Tax credit on profit/loss on ordinary activities | 3 | 742 | 1,398 |
| Profit for the period – amount transferred to reserves | 9 | 99,489 | 1,390 |

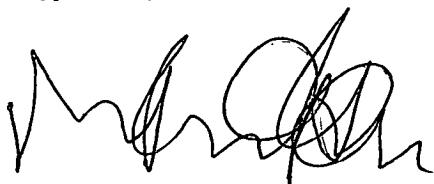
The results for the current and prior periods are derived from continuing operations.

There are no recognised gains or losses in the current or prior periods other than as stated in the profit and loss account, and therefore no statement of total recognised gains and losses has been presented.

HOWDEN JOINERY HOLDINGS LIMITED
BALANCE SHEET AT 28 DECEMBER 2013

| | | <u>28 Dec 2013</u> | | <u>29 Dec 2012</u> | |
|---|--------------|--------------------|------------------|--------------------|------------------|
| | <u>Notes</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Fixed assets | | | | | |
| Investments | 4 | | 100,000 | | 100,000 |
| Current assets | | | | | |
| Debtors | 5 | 103,414 | | 4,589 | |
| Creditors: amounts falling due within one year | 6 | <u>(202,679)</u> | | <u>(71,818)</u> | |
| Net current liabilities | | | <u>(99,265)</u> | | <u>(67,229)</u> |
| Net assets | | | <u>735</u> | | <u>32,771</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | - | | - |
| Capital contribution reserve | 9 | | 380,475 | | 512,000 |
| Profit and loss account | 9 | | <u>(379,740)</u> | | <u>(479,229)</u> |
| Shareholders' funds | | | <u>735</u> | | <u>32,771</u> |

Approved by the Board of Directors, authorised for issue, and signed on their behalf by



Mark Robson
Director
21 March 2014

HOWDEN JOINERY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 DECEMBER 2013

1. ACCOUNTING POLICIES

The accounting policies summarised below have all been applied consistently throughout the current and preceding periods.

BASIS OF PREPARATION

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

The financial statements have been prepared on a going concern basis as discussed in the Directors' report on page 1.

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and a consolidated cash flow statement is given in the financial statements of its ultimate parent company, Howden Joinery Group Plc.

The financial statements include the undertakings for the 52 week period ended 28 December 2013, being the Saturday nearest to the Company's accounting reference date of 31 December. The undertakings for the prior period relate to the 53 week period ended 29 December 2012.

The Company is exempt from the requirement to prepare Group financial statements under s400 of the Companies Act 2006 since its results are included in the consolidated financial statements of its ultimate holding company, Howden Joinery Group Plc. The financial statements present information about the Company as an individual undertaking and not as a Group.

INVESTMENTS

Investments are stated at cost less any provision for impairment.

TAXATION

UK Corporation tax is provided at amounts expected to be paid or recovered using tax rules and laws that have been enacted or substantively enacted by the balance sheet date.

2. REMUNERATION OF DIRECTORS, STAFF COSTS AND AUDITOR'S REMUNERATION

No director received any emoluments for services to the Company during the period (2012: £nil). The Company had no employees during the current or preceding period.

Fees paid to the Company's auditor for the audit of the Company's annual accounts were £5,000 (2012: £5,000). In both periods the auditor's remuneration was borne by a fellow subsidiary undertaking, Howden Joinery Corporate Services Limited without any right of reimbursement.

3. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

| | <u>52 weeks to</u> <u>28 Dec 2013</u> | <u>53 weeks to</u> <u>29 Dec 2012</u> |
|--|--|--|
| | <u>£000</u> | <u>£000</u> |
| UK Corporation Tax credit on loss on ordinary activities | 742 | 671 |
| Adjustment for prior periods | - | 727 |
| Current tax credit | 742 | 1,398 |

HOWDEN JOINERY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 DECEMBER 2013 (cont'd)

3. TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES (cont'd)

Factors affecting current period corporation tax

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to loss before tax is as follows:

| | <u>52 weeks to 28 Dec 2013</u> <u>£000</u> | <u>53 weeks to 29 Dec 2012</u> <u>£000</u> |
|---|---|---|
| Profit/(loss) on ordinary activities before taxation for the period | <u>98,747</u> | <u>(8)</u> |
| Tax on profit/(loss) on ordinary activities at the standard rate of 23.25% (2012: 24.5%) | <u>(22,958)</u> | <u>2</u> |
| Effects of: | | |
| Transfer pricing adjustment on non- trading loans | 740 | 669 |
| Prior year adjustment | - | 727 |
| Non-taxable dividend income | <u>22,960</u> | <u>-</u> |
| Current tax credit for the period | <u>742</u> | <u>1,398</u> |

The Company also has carried forward capital losses with a potential tax effect of £16.7m (2012: £18.6m). The related potential deferred tax asset has not been recognised. These capital losses may be carried forward indefinitely.

4. FIXED ASSET INVESTMENTS

| | <u>£000</u> |
|--|------------------|
| <u>Cost</u> | |
| At 28 December 2013 and 29 December 2012 | <u>552,306</u> |
| <u>Provision for impairment</u> | |
| At 28 December 2013 and 29 December 2012 | <u>(452,306)</u> |
| <u>Net Book Value</u> | |
| At 28 December 2013 and 29 December 2012 | <u>100,000</u> |

Investments comprise shares in Group companies. The principal subsidiaries at 28 December 2013 are listed below. All subsidiaries are wholly owned and incorporated in Great Britain, and registered in England and Wales. In the opinion of the directors the total value of shares in these companies is not less than the amount at which they are included in the balance sheet.

| <u>Subsidiary</u> | <u>Principal activity</u> |
|---|-------------------------------------|
| Howden Joinery Limited | Trade kitchen furniture and joinery |
| Howden Joinery Corporate Services Limited | Management services |
| Howden Joinery People Services Limited | Employment company |

HOWDEN JOINERY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 DECEMBER 2013 (cont'd)

5. DEBTORS

| | <u>28 Dec 2013</u> | <u>29 Dec 2012</u> |
|--|--------------------|--------------------|
| Amounts falling due within one year: | <u>£000</u> | <u>£000</u> |
| Amounts owed by fellow subsidiary undertakings | 102,672 | 3,918 |
| Corporation tax | 742 | 671 |
| | <u>103,414</u> | <u>4,589</u> |

6. CREDITORS

| | <u>28 Dec 2013</u> | <u>29 Dec 2012</u> |
|--|--------------------|--------------------|
| Amounts falling due within one year: | <u>£000</u> | <u>£000</u> |
| Amounts owed to parent company | 200,955 | 70,094 |
| Amounts owed to fellow subsidiary undertakings | 1,724 | 1,724 |
| | <u>202,679</u> | <u>71,818</u> |

7. AUTHORISED AND ISSUED SHARE CAPITAL

| | <u>28 Dec 2013</u> | <u>29 Dec 2012</u> |
|---|--------------------|--------------------|
| | <u>£</u> | <u>£</u> |
| 100 authorised ordinary shares of £1 each | 100 | 100 |
| 2 allotted, called up, issued and fully paid ordinary shares of £1 each | 2 | 2 |

8. DIVIDENDS

Amounts recognised as distributions in the current period:

| | <u>28 Dec 2013</u> | <u>29 Dec 2012</u> |
|--|--------------------|--------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Final dividend for the 53 weeks ended 29 December 2012 | 131,525 | - |

Dividends proposed at the end of the period (but not recognised in the period):

| | <u>28 Dec 2013</u> | <u>29 Dec 2012</u> |
|---|--------------------|--------------------|
| | <u>£'000</u> | <u>£'000</u> |
| Proposed final dividend for the 53 weeks ended 29 December 2012 | - | 32,771 |

The final dividend for the 52 weeks ended 29 December 2012 was declared and paid on 26 March 2013.

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | <u>Share capital</u> | <u>Profit and loss account</u> | <u>Capital Contribution reserve</u> | <u>Total Shareholders' funds</u> |
|------------------------|----------------------|--------------------------------|-------------------------------------|----------------------------------|
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| As at 29 December 2012 | - | (479,229) | 512,000 | 32,771 |
| Dividend paid | - | - | (131,525) | (131,525) |
| Profit for the period | - | 99,489 | - | 99,489 |
| As at 28 December 2013 | - | (379,740) | 380,475 | 735 |

The Capital Contribution reserve is distributable.

HOWDEN JOINERY HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEKS ENDED 28 DECEMBER 2013 (cont'd)

10. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS

The Company's immediate and ultimate parent company and controlling party is Howden Joinery Group Plc, incorporated in Great Britain and registered in England and Wales.

The largest and smallest Group in which the results of the Company are consolidated is that headed by Howden Joinery Group Plc. The consolidated accounts of this Group are available to the public and can be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF14 3UZ.

The Company is exempt under FRS 8 'Related Parties' from the requirement to disclose related party transactions within the Group headed by Howden Joinery Group Plc on the grounds that it is a wholly owned subsidiary.