

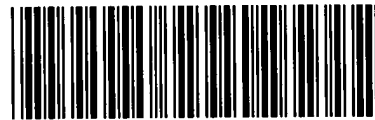
Registration number: 03320875

Howden Joinery Holdings Ltd

Annual Report and Financial Statements

for the Period from 30 December 2018 to 28 December 2019

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Howden Joinery Holdings Ltd

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Howden Joinery Holdings Ltd

Company Information

Registered office	40 Portman Square London W1H 6LT
Auditor	Deloitte LLP 1 New Street Square London United Kingdom EC4A 3HQ

Howden Joinery Holdings Ltd

Strategic Report for the Period from 30 December 2018 to 28 December 2019

The directors present their strategic report for the period from 30 December 2018 to 28 December 2019.

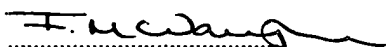
The Company's principal activity is described in the Directors' Report, which is located immediately below this Strategic Report. The Company's financial Key Performance Indicators are as shown in the Profit and Loss Account and Balance Sheet. We do not consider there to be any non-financial Key Performance Indicators relevant to the Company, other than those listed in the Group annual report, as detailed in the paragraph immediately below.

The Group manages its operations on a Group basis and therefore prepares a consolidated group annual 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 (pgs 22-31, 35-39)
- Description of the principal risks and uncertainties facing the Group and its subsidiary undertakings (pgs 40-47)
- Financial and non-financial KPIs (pgs 32-34)
- Future developments (pgs 13, 30-31, 38)
- Information about environmental matters, social, community and human rights issues (pgs 48-61)
- Description of culture, what Howdens stands for, market, business model and strategy (pgs 14-21)
- Information in relation to Group employees, including gender statistics, employee involvement and Group policy on the employment of disabled persons (pgs 87, 121)

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.

Approved by the Board on 13 August 2020 and signed on its behalf by:



Forbes McNaughton
Company secretary

Howden Joinery Holdings Ltd

Directors' Report for the Period from 30 December 2018 to 28 December 2019

The directors present their annual report and the audited financial statements for the period from 30 December 2018 to 28 December 2019.

Directors

The directors who held office during the period, were as follows:

Theresa Keating

Mark Robson

Andrew Livingston

Employees

The Company had no employees during the current period and staff costs amounted to nil.

Dividends

During the current period, a dividend of £232.4m was proposed and paid. During the prior period, a dividend of £221.2m was proposed and paid.

Financial instruments

Objectives and policies, price risk, credit risk, liquidity risk and cash flow risk

These are managed on a Group basis. Further information can be found on pages 26-27 of the Howden Joinery Group Plc 2018 Annual Report and accounts, which is available at <http://www.howdenjoinerygroupplc.com/investors/financial-reporting/reports/index.asp>

Political donations

The Company did not make any political donations in the current or prior 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.

This judgement is based on a written commitment of financial support from its ultimate parent company, Howden Joinery Group Plc. In assessing the quality of the commitment of support from its ultimate parent company, the directors noted the parent company's assessment of the Howden Joinery Group's going concern in its consolidated half year report dated 22 July 2020, which includes a description of how the parent company has considered and modelled possible effects of COVID 19 and Brexit on consolidated Group trading, and has concluded that it was appropriate for the consolidated half year results to be prepared on a going concern basis.

The directors continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Principal activity

The principal activity of the company is to act as an intermediate holding company for other wholly-owned Group subsidiaries.

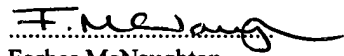
Howden Joinery Holdings Ltd

Directors' Report for the Period from 30 December 2018 to 28 December 2019

Reappointment of auditors

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.

Approved by the Board on 13 August 2020 and signed on its behalf by:



Forbes McNaughton
Company secretary

Howden Joinery Holdings Ltd

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), including FRS 101 'Reduced Disclosure Framework'. 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 apply them consistently;
- make judgements and accounting 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 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.

Howden Joinery Holdings Ltd

Independent Auditor's Report to the Members of Howden Joinery Holdings Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Howden Joinery Holdings Ltd (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 28 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion

We have audited the financial statements of Howden Joinery Holdings Ltd (the 'Company') for the period from 30 December 2018 to 28 December 2019, which comprise the

- Profit and Loss Account,
- Statement of Comprehensive Income,
- Balance Sheet,
- Statement of Changes in Equity, and
- Notes to the Financial Statements, including a summary of significant accounting policies.

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), including FRS 101 'Reduced Disclosure Framework'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council ("FRC")'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Howden Joinery Holdings Ltd

Independent Auditor's Report to the Members of Howden Joinery Holdings Ltd

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Howden Joinery Holdings Ltd

Independent Auditor's Report to the Members of Howden Joinery Holdings Ltd

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Use of our report

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.



Claire Faulkner (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

London
United Kingdom

13 August 2020

Howden Joinery Holdings Ltd

Profit and Loss Account for the Period from 30 December 2018 to 28 December 2019

		52 weeks to 28 December 2019 £ 000	52 weeks to 29 December 2018 £ 000
	Note		
Turnover	4	232,455	215,705
Administrative expenses		<u>(11)</u>	<u>(10)</u>
Operating profit		<u>232,444</u>	<u>215,695</u>
Profit before tax		232,444	215,695
Tax on profit	6	<u>2</u>	<u>-</u>
Profit for the period		<u><u>232,446</u></u>	<u><u>215,695</u></u>

The above results were derived from continuing operations.

Howden Joinery Holdings Ltd

**Statement of Comprehensive Income for the Period from 30 December 2018 to 28
December 2019**

	52 weeks to 28 December 2019 £ 000	52 weeks to 29 December 2018 £ 000
Profit for the period	<u>232,446</u>	<u>215,695</u>
Total comprehensive income for the period	<u><u>232,446</u></u>	<u><u>215,695</u></u>

The notes on pages 13 to 18 form an integral part of these financial statements.

Howden Joinery Holdings Ltd
(Registration number: 03320875)
Balance Sheet as at 28 December 2019

	Note	28 December 2019 £ 000	29 December 2018 £ 000
Fixed assets			
Investments	7	105,000	105,000
Current assets			
Debtors	8	1,032,370	799,913
Creditors: Amounts falling due within one year			
Trade and other payables	10	<u>(1,137,353)</u>	<u>(904,923)</u>
Net current liabilities		<u>(104,983)</u>	<u>(105,010)</u>
Net assets/(liabilities)		<u>17</u>	<u>(10)</u>
Capital and reserves			
Retained earnings		<u>17</u>	<u>(10)</u>
Shareholders' funds/(deficit)		<u>17</u>	<u>(10)</u>

Approved by the Board on 13 August 2020 and signed on its behalf by:


 Theresa Keating
 Director

Howden Joinery Holdings Ltd

Statement of Changes in Equity for the Period from 30 December 2018 to 28 December 2019

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 30 December 2018	-	(10)	(10)
Profit for the period	-	232,446	232,446
Total comprehensive income	-	232,446	232,446
Dividends	-	(232,419)	(232,419)
At 28 December 2019	-	17	17
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 31 December 2017	-	5,493	5,493
Profit for the period	-	215,695	215,695
Total comprehensive income	-	215,695	215,695
Dividends	-	(221,198)	(221,198)
At 29 December 2018	-	(10)	(10)

The notes on pages 13 to 18 form an integral part of these financial statements.

Howden Joinery Holdings Ltd

Notes to the Financial Statements for the Period from 30 December 2018 to 28 December 2019

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England.

The address of its registered office is:

40 Portman Square
London
W1H 6LT
England

These financial statements were authorised for issue by the Board on 13 August 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. They are prepared on the historical cost basis.

Summary of disclosure exemptions

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, fair value measurement, financial instruments, revenue, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Howden Joinery Group Plc. These group accounts are available to the public and can be obtained from this company's registered office or at <http://www.howdenjoinerygroupplc.com/investors/financial-reporting/reports/index.asp>.

Going concern

The financial statements have been prepared on a going concern basis. This is described in more detail in the Directors' Report.

Exemption from preparing group accounts

The financial statements contain information about Howden Joinery Holdings Ltd as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Howden Joinery Group Plc, a company incorporated in England.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 30 December 2018 have had a material effect on the financial statements.

Howden Joinery Holdings Ltd

Notes to the Financial Statements for the Period from 30 December 2018 to 28 December 2019

2 Accounting policies (continued)

Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

Dividends payable

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding Tangible assets, investment properties, intangible assets, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The company recognises financial assets and financial liabilities in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the financial instrument.

Financial assets and liabilities are initially recognised at fair value, and are subsequently measured at amortised cost.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends receivable

Dividend income from subsidiary companies is recognised when receivable.

3 Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgements or key sources of estimation uncertainty which impact the application of policies and amounts reported in these financial statements.

4 Turnover

The analysis of the company's turnover for the period from continuing operations is as follows:

	52 weeks to 28 December 2019 £ 000	52 weeks to 29 December 2018 £ 000
Dividends received	232,455	215,705

No director received any remuneration for their services as a director of this company in either the current or prior period.

Howden Joinery Holdings Ltd

Notes to the Financial Statements for the Period from 30 December 2018 to 28 December 2019

5 Auditors' remuneration

	30 December 2018 to 28 December 2019 £ 000	31 December 2017 to 29 December 2018 £ 000
Audit of the financial statements	<u>10</u>	<u>10</u>

6 Income tax

Tax charged/(credited) in the profit and loss account

	52 weeks to 28 December 2019 £ 000	52 weeks to 29 December 2018 £ 000
Current taxation		
UK corporation tax	(2)	(2)
UK corporation tax adjustment to prior periods	<u>-</u>	<u>2</u>
	<u>(2)</u>	<u>-</u>

The tax on profit before tax for the period is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	52 weeks to 28 December 2019 £ 000	52 weeks to 29 December 2018 £ 000
Profit before tax	<u>232,444</u>	<u>215,695</u>
Corporation tax at standard rate	44,164	40,982
Increase (decrease) in current tax from adjustment for prior periods	-	2
Increase (decrease) from effect dividends from UK companies	<u>(44,166)</u>	<u>(40,984)</u>
Total tax credit	<u>(2)</u>	<u>-</u>

The company has capital losses of £81m (2018: £81m). These losses are available for offset against future UK chargeable gains. No deferred tax asset has been recognised in respect of these losses as no further utilisation is currently anticipated.

Howden Joinery Holdings Ltd

Notes to the Financial Statements for the Period from 30 December 2018 to 28 December 2019

7 Investments

Subsidiaries	£ 000
Cost or valuation	
At 30 December 2018	557,306
At 28 December 2019	557,306
Provision	
At 30 December 2018	452,306
At 28 December 2019	452,306
Carrying amount	
At 28 December 2019	105,000
At 29 December 2018	105,000

Details of the subsidiaries as at 28 December 2019 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2019	2018
Howden Joinery Ltd	Trade kitchen furniture and joinery	Great Britain	100%	100%
Howden Joinery Corporate Services Ltd	Management Services	Great Britain	100%	100%
Howden Joinery People Services Limited	Employment company	Great Britain	100%	100%
Howden Joinery International Holdings Limited	Holding Company	Great Britain	100%	100%
Howden Kitchens Limited	Dormant	Great Britain	100%	100%
Galiform Limited	Dormant	Great Britain	100%	100%

Howden Joinery Holdings Ltd

Notes to the Financial Statements for the Period from 30 December 2018 to 28 December 2019

8 Trade and other debtors

	28 December 2019 £ 000	29 December 2018 £ 000
Amounts due from fellow Group companies	<u>1,032,370</u>	<u>799,913</u>

9 Share capital

Allotted, called up and fully paid shares

	28 December 2019		29 December 2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10 Trade and other payables

	28 December 2019 £ 000	29 December 2018 £ 000
Amounts due to fellow Group companies	<u>1,137,353</u>	<u>904,923</u>

11 Dividends

	28 December 2019 £ 000	29 December 2018 £ 000
Dividend of £116,209,500 (2018 - £110,599,000) per ordinary share	232,419	221,198

12 Non adjusting events after the financial period

The period between the balance sheet date and the date of approval of these financial statements saw the outbreak of COVID-19 in Europe. This is treated as a non-adjusting event in these financial statements.

As the outbreak is still in progress, and its extent and duration are uncertain, it is not possible to estimate its future financial effect. We have taken it into account in assessing the Company's going concern status at the date of approving these financial statements, as we set out in more detail in the statement of going concern included in the Directors' Report.

Howden Joinery Holdings Ltd

Notes to the Financial Statements for the Period from 30 December 2018 to 28 December 2019

13 Parent and ultimate parent undertaking

The company's immediate parent is Howden Joinery Group Plc.

The ultimate parent, who produces consolidated financial statements which include this company, is Howden Joinery Group Plc.

The most senior parent entity producing publicly available financial statements is Howden Joinery Group Plc. These financial statements are available upon request from 40 Portman Square, London, W1H 6LT, or <http://www.howdenjoinerygroupplc.com/investors/financial-reporting/reports/index.asp>.

The ultimate controlling party is Howden Joinery Group Plc.