

Financial Statements

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Revenue		Profit before tax		Net cash	
£2.4bn (2024: £2.3bn)		£345m (2024: £328m)		£345m (2024: £344m)	
2021	£2.1bn	2021	£390m	2021	£515m
2022	£2.3bn	2022	£406m	2022	£308m
2023	£2.3bn	2023	£328m	2023	£283m
2024	£2.3bn	++2024	£328m	2024	£344m
2025	£2.4bn	2025	£345m	2025	£345m

Operating profit		EPS		Dividends paid	
£355m (2024: £339m)		49.2p (2024: 45.6p)		£116.6m paid in 2025	
2021	£402m	2021	53.2p	2021 (inc. £54.1m special dividend)	£133.6m
2022	£415m	2022	65.8p	2022	£115.0m
2023	£340m	2023	46.5p	2023	£114.1m
2024	£339m	2024	45.6p	2024	£115.9m
2025	£355m	2025	49.2p	2025	£116.6m



Financial Statements

KPMG LLP's Independent auditor's report

To the members of Howden Joinery Group Plc

1. Our opinion is unmodified

In our opinion:

- the financial statements of Howden Joinery Group Plc give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 27 December 2025, and of the Group's profit for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What our opinion covers

We have audited the Group and Parent Company financial statements of Howden Joinery Group Plc ("the Company") for the 52 week period ended 27 December 2025 (FY25) included in the Annual Report and Accounts, which comprise:

Group (Howden Joinery Group Plc and its subsidiaries)	Parent Company (Howden Joinery Group Plc)
<ul style="list-style-type: none"> Consolidated income statement Consolidated statement of comprehensive income Consolidated balance sheet Consolidated statement of changes in equity Consolidated cash flow statement Notes 1 to 26 to the Group financial statements, which include the accounting policies. 	<ul style="list-style-type: none"> Company balance sheet Company statement of changes in equity Notes 1 to 8 to the Parent Company financial statements, which include the accounting policies.

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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Audit Committee ("AC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

We have undertaken a risk assessment to identify those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. We have considered the sector in which the Company operates and the external factors that drives the key underlying risks.

Our risk assessment also considers the Group's operations, the macro-economic and other relevant external factors which impact the judgements and estimates made by the Group.

We have determined that inventory provisioning is of significance to our audit given the scale of the Group's product range which means there is significant judgement in determining the adequacy and completeness of the inventory obsolescence provision, in particular the provision applied to discontinued and slow-moving product lines. Inventory provisioning includes estimation based on both historic usage and forward-looking demand assumptions. The continued uncertainty in the macro-economic environment during FY25 is not considered to have a significant impact on the already high estimation uncertainty associated with this key audit matter.

We have revised our inventory key audit matter to be focused only on inventory provisioning in FY25. This reflects

the continued reduction in relative complexity and resulting effort required in auditing inventory costing and quantities over the years.

We have identified the defined benefit pension obligation as a key audit matter given the significant level of estimation required to determine the valuation of the gross defined benefit liability. The sensitivity of this estimation is heightened when there is volatility in macro-economic conditions, as experienced in the UK in recent years and into FY25. The risk has therefore not changed significantly from the prior year.

The recoverability of the Parent Company's investment in subsidiary is not at a high risk of significant misstatement, however is identified as a key audit matter due to its materiality in the context of the Parent Company financial statements.

Key Audit Matters	Vs FY24	Item
Inventory provisioning (Group)	↔	4.1
Defined benefit pension obligation (Group)	↔	4.2
Recoverability of Parent Company's investments in subsidiaries (Parent Company only)	↔	4.3

Audit committee interaction

During the year, the AC met 7 times. KPMG are invited to attend all AC meetings and are provided with an opportunity to meet with the AC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the AC in section 4, including matters that required particular judgement for each.

The matters included in the Audit Committee report on pages 128 to 129 are materially consistent with our observations of those meetings.

Our independence

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities.

We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

We were first appointed as auditor by the shareholders for the 52 week period ended 24 December 2022. The period of total uninterrupted engagement is for the four financial years ended 27 December 2025.

The Group engagement partner is required to rotate every 5 years. As these are the second set of the Group's financial statements signed by Zulfikar Walji, he will be required to rotate off after the FY28 audit.

Total audit fee	£1.5m
Audit related fees (including interim review)	£0.1m
Other services	£0.1m
Non-audit fee as a % of total audit and audit related fee %	6%
Date first appointed	12 May 2022
Uninterrupted audit tenure	4 years
Next financial period which requires a tender	2032
Tenure of Group engagement partner	2 years

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

Materiality (item 6 below)

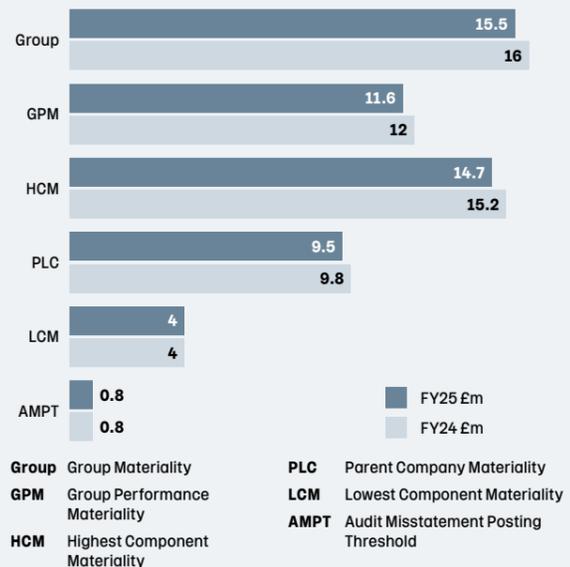
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Group financial statements as a whole at £15.5m (FY24: £16m) and for the Parent Company financial statements as a whole at £9.5m (FY24: £9.8m).

Consistent with FY24, we determined that profit before tax remains the benchmark for the Group. As such, we based our Group materiality on profit before tax, of which it represents 4.5% (FY24: 4.9%).

Materiality for the Parent Company financial statements was determined with reference to a benchmark of Parent Company total assets of which it represents 1% (FY24: 1%).

Materiality levels used in our audit



Group scope (item 7 below)

We have performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements, what audit procedures to perform at these components and the extent of involvement required from our component auditors around the world.

We performed procedures at 4 (FY24: 4) components of the total 16 (FY24: 15) components. We determined which components are likely to include risks of material misstatements to the Group financial statements. We identified 4 (FY24: 4) quantitatively significant components as those contributing at least 10% (FY24: 10%) of total revenue or total assets.

In addition, for the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Our audit of the Group was undertaken to the materiality levels specified above and was performed by a single audit team.

We consider the scope of our audit, as communicated to the Audit Committee, to be an appropriate basis for our audit opinion.

Our audit procedures covered 96% of Group revenue:



We performed audit procedures in relation to components that accounted for the following percentages:



Quantitatively significant components

The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of planning our audit.

On page 41, the Group has explained that climate change is an emerging risk. It identifies this both in terms of transitional risks as the world moves towards a zero-carbon economy, and the physical risks presented as climate change. The Group has set its own targets to reduce emissions, as described on page 47.

Climate change impacts the Group in a variety of ways, and page 58 describes the associated risks and opportunities identified by the Directors. These include the impact of climate risk on the reputation of the Group. However, the Group has not identified any risks which have a material impact on the preparation of the financial statements.

We performed a risk assessment, taking into account climate change risks and commitments made by the Group, of how climate change may impact the financial statements and our audit. This included enquiries of management, consideration of the Group's processes for assessing the potential impact of climate change risk on the financial statements and assessing the TCFD scenario analysis performed by the Group.

Based on our risk assessment we determined that the climate related risks to the Group's business, strategy and financial planning do not have a significant impact on balances in the financial statements or on our key audit matters.

We have read the Group's disclosure of climate related information in the annual report as set out on pages 42 to 61 and pages 206 to 213 and considered consistency with the financial statements and our audit knowledge.

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Going concern

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was:

- Customer confidence in light of the current cost of living challenges, and the possibility of this negatively impacting the Group's sales.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the degree of downside assumptions that, individually and collectively, could result in a liquidity issue, taking into account the Group's and Company's current and projected cash and facilities (a reverse stress test).

We assessed the completeness of the going concern disclosure in note 1 to the financial statements.

Accordingly, based on those procedures, we found the Directors' use of the going concern basis of accounting without any material uncertainty for the Group and Parent Company to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable; and
- The related statement under the UK Listing Rules set out on page 62 is materially consistent with the financial statements and our audit knowledge.

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Independent auditor's report continued

To the members of Howden Joinery Group Plc

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Long-term prospects and viability statement that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the 2025 principal risks and uncertainties disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Long-term prospects and viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Long-term prospects and viability statement set out on pages 63 to 64 under the UK Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1 Inventory provisioning (Group)

Financial Statement Elements	Our assessment of risk vs FY24		Our results
	FY25	FY24	
Inventories gross value	£458.5m	£435.6m	 <p>The nature of the inventory key audit matter has changed during the year. In FY25 the key audit matter relates only to the inventory provisioning as this reflects the continued reduction in relative complexity and resulting effort required in auditing inventory costing and quantities over the years.</p> <p>Our assessment is that the risk relating to inventory provisioning is similar to FY24.</p>
Inventory provision	£49.3m	£44.9m	
			<p>FY25: Acceptable</p> <p>FY24: Acceptable</p>

Description of the Key Audit Matter

The Group holds a significant amount of inventory across its large depot network and a number of warehouses. As at 27 December 2025, net inventory, after recognising relevant provisions is £409.2 million (FY24: £390.7 million).

Subjective estimate

The scale of the Group's product range means there is significant judgement in determining the adequacy and completeness of the inventory obsolescence provision, in particular the provision applied to discontinued and slow-moving product lines. Inventory provisioning includes estimation based on both historic usage and forward-looking demand assumptions. Given the judgement required in determining this provisioning and the potential opportunities for bias in the subjective estimate, we have identified this as an area at higher risk of fraud or error.

The continued uncertainty in the macro-economic environment during FY25 is not considered to have a significant impact on the already high estimation uncertainty associated with this key audit matter.

The effect of these matters is that, as part of our risk assessment, we determined that the inventory obsolescence provision has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.

Our response to the risk

Our procedures to address the risk included:

- Our sector experience:** we challenged the Directors' methodology and key assumptions supporting the inventory provision, including the provision percentages applied to discontinued and slow-moving products, the expected level of inventory that may not be in demand and its respective sales price, against our knowledge of the business and industry.
- Historical comparisons:** we assessed the Directors' assumptions made in the inventory obsolescence provision by comparing to the historical utilisation.
- Test of detail:** we evaluated the appropriateness of each of the key assumptions within the provision which are supported by data elements back to relevant source data and challenged the level of provision applied by the Directors to discontinued items.
- Test of detail:** we evaluated the completeness of the provision by testing a sample of current inventory lines for slow moving items or sales prices below cost to evaluate whether additional provisioning is required.
- Assessing transparency:** we assessed the adequacy of the financial statement disclosures about the degree of estimation uncertainty in arriving at the net realisable value.

We performed the detailed tests above over inventory provisioning rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.

Communications with the Howden Joinery Group Plc's Audit Committee

Our discussions with and reporting to the Audit Committee included:

- Our approach to the audit of inventory including details of our planned substantive procedures. This includes the revision to our inventory key audit matter to be focused only on inventory provisioning; and
- Our conclusions on the appropriateness of the Group's inventory provisioning methodology and disclosures.

Areas of particular auditor judgement

We identified the following as the area of particular auditor judgement:

- Subjective auditor judgement was required in assessing the adequacy of the inventory obsolescence provision, in particular the provision percentages applied to the discontinued and slow-moving inventory lines.

Our results

We found the level of inventory provisioning to be acceptable (FY24: Acceptable).

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

Further information in the Annual Report and Accounts: See the Audit Committee Report on page 128 for details on how the Audit Committee considered inventory provisioning as an area of significant attention, page 174 for the accounting policy on inventory provisioning, and note 12 for the financial disclosures.

4.2 Defined benefit pension obligation (Group)				
Financial Statement Elements		Our assessment of risk vs FY24		Our results
	FY25	FY24		
Gross defined benefit liability	£797.4m	£808.0m	Our assessment is that the risk is similar to FY24.	FY25: Acceptable FY24: Acceptable

Description of the Key Audit Matter	Our response to the risk
<p>Subjective estimate</p> <p>A significant level of estimation is required in order to determine the valuation of the gross defined benefit liability. Small changes in the key assumptions (in particular, discount rates, inflation and mortality rates) can have a material impact on the amount recognised in the financial statements.</p> <p>The sensitivity of this estimation is heightened when there is volatility in macro-economic conditions, as experienced in the UK in recent years and into FY25. The risk has therefore not changed significantly from the prior year.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that valuation of the gross defined benefit liability has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 22) disclose the sensitivities estimated by the Group.</p>	<p>Our procedures to address the risk included:</p> <ul style="list-style-type: none"> Benchmarking assumptions: we challenged, with the support of our own actuarial specialists, the key assumptions applied in the estimation of the pension liability, being the discount rate, inflation rate and mortality/life expectancy, by comparing to externally derived data. Actuary's credentials: we assessed the competence, capabilities and objectivity of the Group's actuarial expert. Assessing transparency: we considered the adequacy of the Group's disclosures relating to the sensitivity of the pension liability to these assumptions. <p>We performed the detailed tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p>
<p>Communications with the Howden Joinery Group Plc's Audit Committee</p> <p>Our discussions with and reporting to the Audit Committee included:</p> <ul style="list-style-type: none"> We discussed our audit response to the Key Audit Matter which included the use of specialists to challenge the key aspects of the actuarial valuation; Our conclusions on the appropriateness of the key actuarial assumptions applied to the valuation of the gross defined benefit liability; and The adequacy of the disclosures, particularly as it relates to the sensitivities disclosed by the Group. 	
<p>Areas of particular auditor judgement</p> <p>We identified the following as the area of particular auditor judgement:</p> <ul style="list-style-type: none"> Subjective and complex auditor judgement was required in evaluating the key actuarial assumptions used by the Group (including the discount rate, inflation and mortality assumptions). 	
<p>Our results</p> <p>We found the valuation of the gross defined benefit pension liability to be acceptable (FY24: Acceptable).</p>	

Further information in the Annual Report and Accounts: See the Audit Committee report on page 129 for details on how the Committee considered validity of pension assumptions as an area of significant attention, page 185 for the accounting policy on defined benefit pensions, and note 22 for the financial disclosures.

4.3 Recoverability of Parent Company's investments in subsidiaries (Parent Company)				
Financial Statement Elements		Our assessment of risk vs FY24		Our results
	FY25	FY24 Restated		
Investment in subsidiary	£813.5m	£803.2m	Our assessment is that the risk is similar to FY24.	FY25: Acceptable FY24: Acceptable

Description of the Key Audit Matter	Our response to the risk
<p>Low risk, high value</p> <p>The carrying amount of the Parent Company's investment in its subsidiary (Howden Joinery Holdings Limited) represents 70% of the Parent Company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.</p> <p>See note 8 for further details relating to the restatement of the carrying amount of the investment in the prior year.</p>	<p>Our procedures to address the risk included:</p> <ul style="list-style-type: none"> Tests of detail: We assessed the carrying amount of the investment in subsidiary against the net assets of the relevant subsidiary included within the Group consolidation to identify whether its net asset value, being an approximation of its minimum recoverable amount, was in excess of the carrying amount. Our procedures also included assessing whether the subsidiary has historically been profit-making. Comparing valuations: As the investment's carrying amount exceeded the net asset value, we compared its carrying amount to the market capitalisation of the Group as Howden Joinery Holdings Limited either directly or indirectly owns all other subsidiaries of the Group. <p>We performed the detailed tests above rather than seeking to rely on any of the Group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p>
<p>Communications with the Howden Joinery Group Plc's Audit Committee</p> <p>Our discussions with and reporting to the Audit Committee included:</p> <ul style="list-style-type: none"> Our approach to the audit of the Parent Company investment in subsidiary including details of our planned substantive procedures; and Our conclusions on the recoverability of the Parent Company's investment carrying value in its subsidiary. 	
<p>Areas of particular auditor judgement</p> <p>Limited auditor judgement was required in relation to the carrying amount of the Parent Company's investment in its subsidiary.</p>	
<p>Our results</p> <p>We found the carrying value of the Parent Company's investment in its subsidiary to be acceptable (FY24: Acceptable).</p>	

Further information in the Annual Report and Accounts: See page 199 for the accounting policy on Parent Company investment and note 3 for the financial disclosures.

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Independent auditor's report continued

To the members of Howden Joinery Group Plc

5. Our ability to detect irregularities, and our response

Fraud - identifying and responding to risks of material misstatement due to fraud

Fraud risk assessment

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors including the long-term incentive plan for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

Risk communications

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Fraud risks

As required by auditing standards, and taking into account possible pressures to meet profit targets and market expectations, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates such as the inventory obsolescence provisions and pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited opportunities to fraudulently adjust revenue recognition given the high volume and low value nature of purchases.

We identified a fraud risk related to the inventory obsolescence provision in response to possible pressures to meet profit targets or market expectations and the opportunities for bias in the subjective estimate.

Link to KAMs

Further detail in respect of the inventory obsolescence provision is set out in the key audit matter disclosures in section 4 of this report.

Procedures to address fraud risks

We performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by users outside of their expected business area and those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Laws and regulations - identifying and responding to risks of material misstatement relating to compliance with laws and regulations

Laws and regulations risk assessment

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Risk communications

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Direct laws context and link to audit

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension scheme legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Most significant indirect law/regulation areas

The Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and product safety and employment laws recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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Independent auditor's report continued

To the members of Howden Joinery Group Plc

6. Our determination of materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

£15.5m (FY24: £16.0m)
Materiality for the Group financial statements as a whole

What we mean	Basis for determining materiality and judgements applied
A quantitative reference for the purpose of planning and performing our audit.	Materiality for the Group financial statements as a whole was set at £15.5m (FY24: £16m). This was determined with reference to a benchmark of profit before tax. Consistent with FY24, we determined that Group profit before tax remains the main benchmark for the Group as this is the primary measure by which stakeholders and the market assess the performance of the Group. Our Group materiality of £15.5m was determined by applying a percentage to the Group profit before tax. When using a benchmark of Group profit before tax to determine overall materiality, KPMG's approach for public interest entities considers a guideline range of 3% - 5% of the measure. In setting overall Group materiality, we applied a percentage of 4.5% (FY24: 4.9%) to the benchmark. Materiality for the Parent Company financial statements as a whole was set at £9.5m (FY24: £9.8m), determined with reference to a benchmark of Parent Company total assets, of which it represents 1% (FY24: 1%).

£11.6m (FY24: £12.0m)
Performance materiality

What we mean	Basis for determining performance materiality and judgements applied
Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.	We have considered performance materiality at a level of 75% (FY24: 75%) of materiality for Howden Joinery Group Plc Group financial statements as a whole to be appropriate. The Parent Company performance materiality was set at £7.1m (FY24: £7.4m), which equates to 75% (FY24: 75%) of materiality for the Parent Company financial statements as a whole. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk in FY25 following our reassessment of aggregation risk.

£0.8m (FY24: £0.8m)
Audit misstatement posting threshold

What we mean	Basis for determining the audit misstatement posting threshold and judgements applied
This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud. This is also the amount above which all misstatements identified are communicated to Howden Joinery Group Plc's Audit Committee.	We set our audit misstatement posting threshold at 5% (FY24: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £15.5m (FY24: £16.0m) compares as follows to the main financial statement caption amounts:

	Total Group Revenue		Group profit before tax		Total Group Assets	
	FY25	FY24	FY25	FY24	FY25	FY24
Financial statement Caption	£2,418.0m	£2,322.1m	£344.9m	£328.1m	£2,354.1m	£2,237.5m
Group Materiality as % of caption	0.6%	0.7%	4.5%	4.9%	0.7%	0.7%

7. The scope of our audit

Group scope

What we mean
How the Group auditor determined the procedures to be performed across the Group.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified 16 (FY24: 15) components, having considered our evaluation of the Group's operational structure, the existence of common risk profile across divisions and the presence of key audit matters and our ability to perform audit procedures centrally. Our audit of the Group was performed by a single audit team.

Of those, we identified quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

The below summarises where we performed audit procedures, with the prior year comparatives indicated in brackets:

Component type	Number of components where we performed audit procedures	Range of materiality applied
Quantitatively significant components	4 (4)	£4m - £14.7m (£4m - £15.2m)
Total	4 (4)	

We set the component materialities having regard to size and risk profile of the Group across the components. We also performed the audit of the Parent Company.

Our audit procedures covered 96% (FY24: 97%) of Group revenue.

We performed audit procedures in relation to components that accounted for 97% (FY24: 95%) of Group total profits and losses that make up Group profit before tax and 95% (FY24: 93%) of Group total assets.

For the remaining components for which we performed no audit procedures, we performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

7. The scope of our audit continued

Controls approach for group audit

Impact of controls on our group audit

We were able to rely upon the Group's internal control over financial reporting in several areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work; in the other areas the scope of the audit work performed was fully substantive.

The Group relies on a number of IT systems and applications. We identified that the following key IT systems were relevant to our Group audit:

- The ERP system used across all in scope components that is used to record underlying transactions.
- The trade EPOS and stock control system used in all the Group's depots.
- The warehouse management system used to provide operational and stock control processes.

As noted by the Audit Committee on page 132, the Group's control environment is continuing to undergo a programme of review and strengthening of the key controls, including IT. We involved IT specialists and obtained an understanding of the controls related to the three key IT systems identified above, which are integrated with one another.

On this audit we take a predominantly substantive approach, with the exception of inventory, as our belief is that it is more efficient not to rely on controls. We have identified some control findings in relation to the IT environment and manual journal entries, and following incremental risk assessment, we determined that no significant changes were required to our planned approach to journal testing. We adopted a data-oriented approach to auditing revenue by performing data and analytics routines and, given we did not rely on the Group's IT environment, we directly tested the completeness and reliability of the data used in those routines.

For inventory, we tested the operating effectiveness of, and were able to continue to rely on, the Group's manual inventory cycle count controls and therefore were able to reduce the extent of our substantive procedures in this area.

8. Other information in the Annual Report and Accounts

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

All other information

Our responsibility

Our responsibility is to read the other information 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.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic Report and Directors' Report

Our responsibility and reporting

Based solely on our work on the other information described above we report to you as follows:

- 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.

Directors' Remuneration Report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the UK Listing Rules for our review.

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Our reporting

We have nothing to report in these respects.

Financial Statements

Independent auditor's report continued

To the members of Howden Joinery Group Plc

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 65, the Directors are responsible for: the preparation of the financial statements including 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 Group and Parent 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 Group or the Parent 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 FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. 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.

Zulfikar Walji (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

25 February 2026

Consolidated income statement

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Revenue	2	2,418.0	2,322.1
Cost of sales		(902.6)	(891.0)
Gross profit		1,515.4	1,431.1
Operating expenses		(1,160.1)	(1,091.9)
Operating profit	4	355.3	339.2
Finance income	5	13.1	9.9
Finance costs	6	(23.5)	(21.0)
Profit before tax		344.9	328.1
Tax on profit	7	(77.2)	(78.8)
Profit for the period attributable to the equity holders of the parent		267.7	249.3
Earnings per share:			
Basic earnings per 10p share	8	49.2p	45.6p
Diluted earnings per 10p share	8	49.0p	45.4p

Consolidated statement of comprehensive income

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit for the period		267.7	249.3
Items of other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (losses)/gains on defined benefit pension scheme	22	(4.2)	12.7
Deferred tax on actuarial losses and gains on defined benefit pension scheme	7	1.1	(3.2)
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		3.3	(3.1)
Other comprehensive income for the period		0.2	6.4
Total comprehensive income for the period attributable to equity holders of the parent		267.9	255.7

Financial Statements

Consolidated balance sheet

	Notes	27 December 2025 £m	28 December 2024 £m
Non-current assets			
Intangible assets	9	62.6	58.1
Property, plant and equipment	10	576.1	500.6
Lease right-of-use assets	11	665.2	642.3
Deferred tax asset	7	14.7	10.5
Long-term prepayments and other debtors		3.0	1.4
		1,321.6	1,212.9
Current assets			
Inventories	12	409.2	390.7
Corporation tax		-	25.7
Trade and other receivables	13	278.8	264.6
Cash and cash equivalents	20	344.5	343.6
		1,032.5	1,024.6
Total assets		2,354.1	2,237.5
Current liabilities			
Lease liabilities	11	(97.0)	(89.3)
Trade and other payables	14	(384.0)	(386.8)
Corporation tax		(2.9)	-
Provisions	15	(8.2)	(8.3)
		(492.1)	(484.4)
Non-current liabilities			
Pension liability	22	(7.8)	(2.1)
Lease liabilities	11	(607.9)	(591.7)
Deferred tax liability	7	(51.6)	(26.4)
Provisions	15	(3.8)	(4.2)
		(671.1)	(624.4)
Total liabilities		(1,163.2)	(1,108.8)
Net assets		1,190.9	1,128.7
Equity			
Share capital	16	54.2	55.4
Capital redemption reserve	16	11.0	9.8
Share premium	16	87.5	87.5
ESOP and share-based payments	16	25.0	21.3
Treasury shares	16	(12.2)	(18.8)
Retained earnings	16	1,025.4	973.5
Total equity		1,190.9	1,128.7

The financial statements were approved by the Board and authorised for issue on 25 February 2026 and were signed on its behalf by

Jackie Callaway
Chief Financial Officer

Consolidated statement of changes in equity

	Share capital £m	Capital redemption reserve £m	Share premium account £m	ESOP and share-based payments £m	Treasury shares £m	Retained earnings £m	Total £m
At 30 December 2023	55.4	9.8	87.5	16.6	(24.0)	833.1	978.4
Accumulated profit for the period	-	-	-	-	-	249.3	249.3
Other comprehensive income for the period	-	-	-	-	-	6.4	6.4
Total comprehensive income for the period	-	-	-	-	-	255.7	255.7
Current tax on share schemes	-	-	-	-	-	0.5	0.5
Deferred tax on share schemes	-	-	-	-	-	0.1	0.1
Movement in ESOP	-	-	-	9.9	-	-	9.9
Transfer of shares from Treasury into share trust	-	-	-	(5.2)	5.2	-	-
Dividends	-	-	-	-	-	(115.9)	(115.9)
At 28 December 2024	55.4	9.8	87.5	21.3	(18.8)	973.5	1,128.7
Accumulated profit for the period	-	-	-	-	-	267.7	267.7
Other comprehensive income for the period	-	-	-	-	-	0.2	0.2
Total comprehensive income for the period	-	-	-	-	-	267.9	267.9
Current tax on share schemes	-	-	-	-	-	0.4	0.4
Deferred tax on share schemes	-	-	-	-	-	0.4	0.4
Movement in ESOP	-	-	-	10.3	-	-	10.3
Transfer of shares from treasury into share trust	-	-	-	(1.4)	1.4	-	-
Transfer of shares from Treasury to settle share awards	-	-	-	(5.2)	5.2	-	-
Buyback and cancellation of shares	(1.2)	1.2	-	-	-	(100.2)	(100.2)
Dividends	-	-	-	-	-	(116.6)	(116.6)
At 27 December 2025	54.2	11.0	87.5	25.0	(12.2)	1,025.4	1,190.9

The item 'Movement in ESOP' consists of the share-based payment charge in the year, together with any receipts of cash from employees on exercise of share options.

We present a description of the nature and purpose of each reserve at note 16 including additional details of shares bought back and cancelled, and of movements in Treasury shares.

Financial Statements

Consolidated cash flow statement

	Notes	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit before tax		344.9	328.1
Adjustments for:			
Finance income		(13.1)	(9.9)
Finance costs		23.5	21.0
Depreciation, amortisation and impairment of owned assets	9, 10	68.6	57.1
Depreciation, impairment and loss on termination of leased assets	11	102.2	97.0
Share-based payments charge		10.3	9.6
(Increase)/decrease in long term prepayments		(1.6)	(0.6)
Difference between pensions operating charge and cash paid		1.4	1.9
Loss on disposal of property, plant and equipment and intangible assets		1.4	0.4
Operating cash flows before movements in working capital		537.6	504.6
Movements in working capital			
Increase in inventories		(18.5)	(7.9)
Increase in trade and other receivables		(14.2)	(70.1)
Increase in trade and other payables and provisions		6.4	12.7
		(26.3)	(65.3)
Cash generated from operations		511.3	439.3
Tax paid		(25.7)	(39.2)
Net cash flow from operating activities		485.6	400.1
Cash flows used in investing activities			
Payments to acquire property, plant and equipment	18	(143.9)	(101.2)
Payments to acquire intangible assets	18	(12.6)	(20.8)
Receipts from sale of property, plant and equipment and intangible assets		0.1	0.1
Interest received		13.2	9.8
Net cash used in investing activities		(143.2)	(112.1)
Cash flows used in financing activities			
Payments to acquire own shares		(100.2)	-
Receipts from release of shares from share trust		-	0.4
Dividends paid to Group shareholders		(116.6)	(115.9)
Interest paid - including on lease liabilities		(23.4)	(20.7)
Repayment of capital on lease liabilities		(100.5)	(92.7)
Net cash used in financing activities		(340.7)	(228.9)
Net increase in cash and cash equivalents		1.7	59.1
Cash and cash equivalents at beginning of period		343.6	282.8
Effect of movements in exchange rates on cash held		(0.8)	1.7
Cash and cash equivalents at end of period		344.5	343.6

We present an analysis of cash and non-cash changes in liabilities due to financing activities, and an analysis of payments to acquire Property, plant and equipment, and intangible assets, at note 18.

Notes to the consolidated financial statements

The order of the notes is set out below. Significant accounting policies and, where applicable, information relating to significant judgements and sources of estimation uncertainty are presented as part of the related note.

General information

1 General information

Company and currency details
Foreign currency transactions
Foreign operations
Accounting period
Impairment of assets
Statement of compliance and basis of preparation
Going concern
Standards in issue but not yet effective

Capital structure and risk

16 Share capital and reserves
17 Dividends
18 Notes to the cash flow statement
19 Borrowing facility
20 Financial risk management

Employees

21 Staff costs and number of employees
22 Retirement benefit obligations
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Other supporting notes

24 Financial commitments
25 Related party transactions
26 Alternative performance measures

Earnings

2 Revenue
3 Segmental reporting
4 Operating profit
5 Finance income
6 Finance costs
7 Current and deferred tax
8 Earnings per share

Operating assets and liabilities

9 Intangible assets
10 Property, plant and equipment
11 Lease right-of-use assets and lease liabilities
12 Inventories
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Financial Statements

Notes to the consolidated financial statements continued

General Information

1 General information

Company and currency details

Howden Joinery Group Plc ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006. Its registered office address is 105 Wigmore Street, London W1U 1QY. The nature of the Group's operations and principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates. Foreign operations are included on the basis set out below.

Foreign currency transactions

Transactions in foreign currency are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate at the balance sheet date. Foreign exchange gains and losses are recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations are translated into sterling at foreign exchange rate at the balance sheet date. The results and cash flows of overseas subsidiaries are translated into sterling on an average exchange rate basis, weighted by the actual results of each month.

Exchange differences arising from the translation of the results and net assets of overseas subsidiaries are taken to equity via the statement of comprehensive income.

Accounting period

The Group's accounting period covers the 52 weeks to 27 December 2025. The comparative period covered the 52 weeks to 28 December 2024.

Impairment of assets

The carrying amount of the Group's assets is reviewed at least annually to determine whether there is any indication of impairment. If such an indication exists, the relevant asset's recoverable amount is estimated.

Apart from in the case of trade and other receivables, and inventories, an impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement.

For trade and other receivables and inventories which are considered to be impaired, the carrying amount is reduced through the use of an allowance for estimated irrecoverable amounts. Changes in the carrying value of this allowance are recognised in the income statement.

Statement of compliance and basis of preparation

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards.

The financial statements have been prepared on the historical cost basis, modified for certain items carried at fair value, as stated in the accounting policies.

These consolidated financial statements include the accounts of the Company and all entities controlled by the Company, together referred to as 'the Group', from the date control commences until the date that control ceases.

'Control' is defined as the Group having power over the subsidiary, exposure or rights to variable returns from the subsidiary, and the ability to use its power to affect the amount of returns from the subsidiary. Further details of all subsidiaries are given in the 'Additional Information' section at the back of this Annual Report. All subsidiaries are 100% owned and the Group considers that it has control over them all.

Going concern

The Directors have undertaken a robust assessment and concluded that it is appropriate to prepare the financial statements on the going concern basis. They have not identified any material uncertainties and there were no significant judgements involved in coming to this conclusion. Full details are set out in the strategic review, starting on page 62.

Standards in issue but not yet effective

There were no new standards effective in the period that impacted the financial statements. At the date of authorisation of these financial statements, the following standards, amendments to standards, and interpretations, were in issue but not yet effective for the Group in these financial statements:

Amendments to IAS 21: Lack of Exchangeability

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

Annual Improvements to IFRS Accounting Standards–Volume 11

Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity

IFRS 18 - Presentation and disclosure in financial statements

IFRS 19 - Subsidiaries without Public Accountability-Disclosures

Significant accounting judgements and major sources of estimation uncertainty

The Group recognises significant judgement and estimation uncertainty in connection with its defined benefit pension. It also recognises estimation uncertainty over making allowances against the carrying value of inventory. More details are given in the relevant notes.

Other significant accounting policies

These are presented as part of the related notes to these financial statements.

Earnings

2 Revenue

Accounting policy

The Group recognises revenue when it has satisfied its performance obligations to the customer and the customer has obtained control of the goods or services being transferred. Revenue from sales of goods will typically account for more than 95% of total revenue, and is recognised on collection or delivery of the goods. Revenue from other services is a small percentage of total revenue, and is recognised when the customer confirms that the services are complete.

We measure revenue at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

We recognise interest income as it accrues and measure it using the effective interest rate method.

3 Segmental reporting

(a) Basis of segmentation, and other general information

Information reported to the Group's Executive Committee, which is regarded as the chief operating decision maker, is focused on one operating segment, Howden Joinery. Thus, the information required in respect of profit or loss, assets and liabilities, can all be found in the relevant primary statements and notes to these consolidated financial statements.

The Howden Joinery business derives its revenue from the sale of kitchens and joinery products, and related services.

(b) Geographical information

The Group's operations are mainly located in the UK, with a smaller presence in France, Belgium and the Republic of Ireland. The Group has depots in each of these locations. The number of depots in each location at the current and prior period ends is shown in the five year record which is located towards the back of this Annual Report. The Group's manufacturing and sourcing operations are located in the UK.

Financial Statements

Notes to the consolidated financial statements continuedEarnings continued

The following tables present the required information by geographical market on revenue and non-current assets.

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Revenues from external customers		
UK	2,333.2	2,247.4
France, Belgium and Ireland	84.8	74.7
	2,418.0	2,322.1
	27 December 2025 £m	28 December 2024 £m
Non-current assets (excluding non-current deferred tax)		
UK	1,242.7	1,129.4
France, Belgium and Ireland	64.2	73.0
	1,306.9	1,202.4

4 Operating profit

Operating profit has been arrived at after (charging)/crediting:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Cost of inventories recognised as an expense	(895.3)	(889.5)
Write down of inventories	(7.3)	(1.5)
Loss on disposal of fixed assets	(1.4)	(0.4)
Auditor's remuneration for audit services	(1.5)	(1.4)

All of the items above relate to continuing operations.

A more detailed analysis of auditor's total remuneration is given below:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Audit services:		
Fees paid to the Company's auditor for the audit of the Company's annual financial statements	(0.3)	(0.3)
Fees paid to the Company's auditor and their associates for other services to the Group:		
- the audit of the subsidiary companies pursuant to legislation	(1.2)	(1.1)
Total audit fees	(1.5)	(1.4)
Other services:		
Audit-related assurance services	(0.1)	(0.1)
Non-audit-related assurance services	(0.1)	(0.1)
Total non-audit fees	(0.2)	(0.2)

Details of the Group's policy on the use of auditors for non-audit services, the reasons why the auditor was used rather than Report. No services were provided pursuant to contingent fee arrangements.

5 Finance income

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Bank interest receivable	13.1	9.9
	13.1	9.9

6 Finance costs

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Interest expense on lease liabilities	(23.4)	(20.7)
Other finance expense - pensions	(0.1)	(0.3)
Total finance costs	(23.5)	(21.0)

7 Current and deferred tax

Accounting policy

Income tax

The tax expense represents the sum of current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is based on taxable profit for the financial period and any adjustments to tax payable or receivable for prior years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other financial years as well as items that are never taxable or deductible.

It is calculated as the best estimate of the tax expected to be paid or received. It reflects any uncertainty related to income taxes and is measured using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on the temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is accounted for using the balance sheet liability method. It is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised, based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction (other than in a business combination) that affects neither the taxable profit nor the accounting profit.

The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Financial Statements

Notes to the consolidated financial statements continuedEarnings continued

Current tax:

(a) Tax in the income statement

	52 weeks to 27 December 2025 £m	53 weeks to 28 December 2024 £m
Current tax:		
Current year	67.5	60.5
Adjustments in respect of previous periods	(12.8)	(6.8)
Total current tax	54.7	53.7
Deferred tax:		
Current year	13.6	21.2
Adjustments in respect of previous periods	8.9	3.9
Total deferred tax	22.5	25.1
Total tax charged in the income statement	77.2	78.8

UK Corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the period. Tax for other countries is calculated at the rates prevailing in the respective jurisdictions.

(b) Tax relating to items of other comprehensive income or changes in equity

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Deferred tax (credit)/charge to other comprehensive income on actuarial difference on pension scheme	(1.1)	3.2
Deferred tax credit to equity on share schemes	(0.4)	(0.1)
Current tax credit to equity on share schemes	(0.4)	(0.5)
Total credit to other comprehensive income or changes in equity	(1.9)	2.6

(c) Reconciliation of the total tax charge

The total tax charge for the period can be reconciled to the result per the income statement as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Profit before tax	344.9	328.1
Tax at the UK corporation tax rate of 25.0% (2024: 25.0%)	86.2	82.0
IFRS2 share scheme charge	(0.9)	0.1
Expenses not deductible for tax purposes	1.4	1.7
Tax losses not recognised	6.3	6.3
Non-qualifying depreciation	1.8	1.6
Patent box claim	(13.7)	(10.0)
Other tax adjustments in respect of previous years	(3.9)	(2.9)
Total tax charged in the income statement	77.2	78.8

The Group's effective rate of tax is 22.4% (2024: 24.0%).

Deferred tax:

Analysis of deferred tax assets and liabilities, and the movements on them during the period.

	Retirement benefit obligations £m	Accelerated capital allowances £m	Company share schemes £m	Leasing £m	Other temporary differences £m	Total £m
At 30 December 2023	3.2	0.4	2.2	2.9	3.6	12.3
Credit/(charge) to income statement	0.5	(25.4)	(1.6)	(0.6)	2.0	(25.1)
(Charge)/credit outside the income statement	(3.2)	-	0.1	-	-	(3.1)
At 28 December 2024	0.5	(25.0)	0.7	2.3	5.6	(15.9)
Credit/(charge) to income statement	0.4	(23.9)	1.4	(0.6)	0.2	(22.5)
Credit outside the income statement	1.1	-	0.4	-	-	1.5
At 27 December 2025	2.0	(48.9)	2.5	1.7	5.8	(36.9)
Comprising:						
Deferred tax asset	2.0	1.9	2.5	1.7	6.6	14.7
Deferred tax liability	-	(50.8)	-	-	(0.8)	(51.6)
	2.0	(48.9)	2.5	1.7	5.8	(36.9)

The deferred tax liability relating to accelerated capital allowances has increased due to 100% first-year capital allowances being claimed on qualifying capital expenditure.

The presentation in the balance sheet is as follows:

	27 December 2025 £m	28 December 2024 £m
Deferred tax assets	14.7	10.5
Deferred tax liabilities	(51.6)	(26.4)
	(36.9)	(15.9)

Deferred tax assets have not been recognised for the following items as it is not currently considered probable that future taxable profits will be available in the relevant company against which the unused losses can be utilised. All unrecognised losses may be carried forward indefinitely. It is possible that some of the losses may become accessible in the future depending on the outcome of discussions with the tax authorities.

	27 December 2025 £m	28 December 2024 £m
Total losses	235	229

Global minimum tax Legislation - Pillar Two

The Group is subject to the global minimum top-up tax under Pillar Two tax legislation. The tax expense related to Pillar Two taxes for the period is nil.

The Group has applied the temporary mandatory relief under IAS12 from accounting for deferred tax that arises under the Pillar Two rules meaning the Group is effectively exempt from providing for and disclosing deferred tax related to top-up tax.

Financial Statements

Notes to the consolidated financial statements continuedEarnings continued

8 Earnings per share

	52 weeks to 27 December 2025			52 weeks to 28 December 2024		
	Earnings £m	Weighted average number of shares m	Earnings per share p	Earnings £m	Weighted average number of shares m	Earnings per share p
From continuing operations						
Basic earnings per share	267.7	544.2	49.2	249.3	546.7	45.6
Effect of dilutive share options	-	2.6	(0.2)	-	2.1	(0.2)
Diluted earnings per share	267.7	546.8	49.0	249.3	548.8	45.4

The difference between the weighted average number of shares used in the calculation of basic earnings per share and the total number of shares in issue at the period end is due to the net effect of time-apportioned adjustments for shares held in treasury, shares held in trust which are not unconditionally vested, and shares bought back and cancelled in the period.

Operating assets and liabilities

9 Intangible assets

(a) Total amounts recognised in the balance sheet

	27 December 2025 £m	28 December 2024 £m
Goodwill - cost and carrying value	12.4	12.4
Software	50.2	45.7
	62.6	58.1

(b) Goodwill

Accounting policy

Goodwill arising on a business combination represents the excess of the cost of acquisition over the share of the aggregate fair value of identifiable net assets (including intangible assets) of the acquired business at the date of acquisition. Goodwill is initially recognised as an asset and allocated to cash-generating units that are expected to benefit from the synergies of the business combination. Goodwill is not amortised, but is reviewed at least annually for impairment. Any impairment is recognised immediately in the income statement. Goodwill is stated in the balance sheet at cost less any provisions for impairment, if required.

The goodwill shown above all arose on the acquisition of 100% of Sheridan Fabrications Ltd ('SFL') in 2022. The trading activities of SFL have been integrated into the Howden Joinery UK operations, to which we have allocated all of the related goodwill. The Howden Joinery UK operations is a group of cash-generating units comprising smaller groups of assets (for example, individual depots).

The recoverability of the goodwill is assessed by looking at the value in use of the Howden Joinery UK operations.

The Howden Joinery UK operations, as shown in the geographical analysis at note 3(b) to these financial statements, represent over 95% of the consolidated Group sales. This is reflected in their contribution to total Group profit and cashflow. Given the size and contribution of this cash-generating unit in comparison with the £12.4m cost and carrying value of the allocated goodwill, it has not been considered necessary to look further ahead than the next 12 month forecast to verify that projected cashflows from the Howden Joinery UK operations are significantly in excess of the carrying value of the associated goodwill.

(c) Software

Accounting policy

Directly attributable costs incurred for the development of computer software controlled by and for use within the business are capitalised and written off over their estimated useful lives, which are reviewed annually. No amortisation is charged on assets under construction.

Amounts paid to third parties for development of assets not controlled by the Group are expensed over the period where the Group receives the benefit of the use of these assets. Licence fees for using third-party software are expensed over the period the software is in use.

Intangible assets are amortised on a straight line basis over their useful lives, which range from 3 to 11 years.

	Intangible assets in use £m	Assets under construction £m	TOTAL £m
Cost			
At 30 December 2023	52.3	13.5	65.8
Exchange adjustments	(0.1)	-	(0.1)
Additions	9.9	10.7	20.6
Disposals	(1.2)	-	(1.2)
Reclassifications	9.0	(9.0)	-
At 28 December 2024	69.9	15.2	85.1
Exchange adjustments	0.1	-	0.1
Additions	11.0	1.7	12.7
Disposals	(7.3)	-	(7.3)
Reclassifications	11.5	(11.5)	-
At 27 December 2025	85.2	5.4	90.6
Accumulated depreciation			
At 30 December 2023	(34.7)	-	(34.7)
Charge for the period	(5.8)	-	(5.8)
Disposals	1.1	-	1.1
At 28 December 2024	(39.4)	-	(39.4)
Exchange adjustments	(0.1)	-	(0.1)
Charge for the period	(8.2)	-	(8.2)
Disposals	7.3	-	7.3
At 27 December 2025	(40.4)	-	(40.4)
Net book value at 27 December 2025	44.8	5.4	50.2
Net book value at 28 December 2024	30.5	15.2	45.7

Financial Statements

Notes to the consolidated financial statements continued

Operating assets and liabilities continued

10 Property, plant and equipment

Accounting policy

All property, plant and equipment is stated at cost (or deemed cost, as applicable) less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided to write off the difference between their cost and their residual value over their estimated lives on a straight-line basis. The current range of useful lives is as follows:

Freehold property	25 - 50 years
Leasehold property improvements and fittings	the period of the lease, or the individual asset's life, if shorter
Plant, machinery & vehicles	4 - 25 years
Fixtures & fittings	4 - 25 years

Capital work-in-progress and freehold land are not depreciated.

Residual values, remaining useful economic lives and depreciation periods and methods are reviewed regularly and adjusted if appropriate.

Property, plant and equipment is assessed for impairment at least annually, with individual depots considered to be cash-generating units for this purpose.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the income statement.

	Freehold property £m	Leasehold property improvements £m	Plant, machinery & vehicles £m	Fixtures & fittings £m	Assets under construction £m	TOTAL £m
Cost						
At 30 December 2023	77.0	121.8	231.1	307.2	61.4	798.5
Exchange adjustments	-	(0.1)	(0.4)	(1.5)	(0.1)	(2.1)
Additions	3.3	13.9	15.2	42.0	22.5	96.9
Disposals	-	(0.1)	(6.0)	(1.7)	-	(7.8)
Reclassifications	0.8	-	14.1	16.3	(31.2)	-
At 28 December 2024	81.1	135.5	254.0	362.3	52.6	885.5
Exchange adjustments	-	0.2	0.5	1.9	0.1	2.7
Additions	35.5	9.1	14.6	27.9	48.7	135.8
Disposals	-	(0.8)	(10.4)	(3.5)	-	(14.7)
Reclassifications	4.3	(5.2)	15.9	8.3	(23.3)	-
At 27 December 2025	120.9	138.8	274.6	396.9	78.1	1,009.3
Accumulated depreciation						
At 30 December 2023	(12.7)	(39.0)	(134.8)	(155.1)	-	(341.6)
Exchange adjustments	-	-	0.2	0.4	-	0.6
Charge for the period	(2.0)	(6.9)	(16.7)	(25.7)	-	(51.3)
Disposals	-	0.1	5.9	1.4	-	7.4
Reclassifications	-	-	0.5	(0.5)	-	-

	Freehold property £m	Leasehold property improvements £m	Plant, machinery & vehicles £m	Fixtures & fittings £m	Assets under construction £m	TOTAL £m
At 28 December 2024	(14.7)	(45.8)	(144.9)	(179.5)	-	(384.9)
Exchange adjustments	-	-	(0.3)	(0.7)	-	(1.0)
Charge for the period	(2.1)	(7.9)	(18.5)	(29.2)	-	(57.7)
Impairment charge	-	-	(0.5)	(2.2)	-	(2.7)
Disposals	-	0.7	10.0	2.4	-	13.1
Reclassifications	(2.6)	2.8	(0.2)	-	-	(0.0)
At 27 December 2025	(19.4)	(50.2)	(154.4)	(209.2)	-	(433.2)
Net book value at 27 December 2025	101.5	88.6	120.2	187.7	78.1	576.1
Net book value at 28 December 2024	66.4	89.7	109.1	182.8	52.6	500.6

Additions in 2025 includes £31m spent on acquiring the freehold of our manufacturing site at Runcorn. The purchase was achieved by buying 100% of the shares in ARE S1 (Logistics V1) Limited (the previous owner of the freehold, and now a wholly-owned subsidiary, see page 214). In line with IFRS 3: Business combinations, this transaction was treated as an asset purchase and not as a business combination because substantially all of the value in the acquired company lay in the fair value of the freehold. Additions to assets under construction in the period relate mainly to investment in our manufacturing sites.

11 Lease right-of-use assets and lease liabilities

Accounting policy

We assess whether a lease exists at the inception of the related contract. If a lease exists, we recognise a right-of-use asset and a corresponding lease liability with effect from the date the lease commences.

The lease liability

The lease liability is initially measured at the present value of the lease payments due. As the discount rate inherent in our leases is not readily determinable, we use an estimate of the Group's incremental borrowing rate to discount the payments and arrive at net present value.

The Group does not have a history of borrowing, and therefore it does not have a credit agency credit rating. Therefore, we derive the incremental borrowing rate by a process of:

- discussion with our bankers to estimate a reasonable proxy credit rating for the Group;
- using an independent third-party borrowing rate curve, giving indicative costs of borrowing for companies with a comparable credit rating over various durations, and
- selecting borrowing rates from the appropriate points on that curve to best match the duration of our lease portfolios. Our leases are on relatively simple terms. Lease payments included in the measurement of the lease liability comprise fixed lease payments, less any lease incentives. We do not have variable lease payments which depend on an index, residual value guarantees, purchase options or termination penalties.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

We remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments have changed as a result of a change in an index, or, as is common with property leases, to reflect changes in market rental rates. In these cases, the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

In any cases other than those described immediately above, where a lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured by discounting the revised remaining lease payments using a revised discount rate.

The lease liability is presented as a separate item in the balance sheet and is split between current and non-current portions.

Financial Statements

Notes to the consolidated financial statements continuedOperating assets and liabilities continued

The lease right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability and any initial direct costs of obtaining the lease. It is subsequently measured at cost less accumulated depreciation and any impairment losses. Whenever we incur an obligation for costs to restore a leased asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the lease term as this is always shorter than the useful life of the underlying asset. Depreciation starts at the commencement date of the lease. We do not have any leases that include purchase options or transfer ownership of the underlying asset.

The right-of-use assets are presented as a separate line item in the balance sheet.

Lease term

It is uncommon for any of our leases to have extension options, although in the case of property leases it is common for us to enter into a new lease of the same property when the current lease expires. It is also uncommon for us to exit any leases before the end of their specified maximum term. Therefore we assume on inception that our leases will run to the maximum term in the lease agreement.

Property leases treated as short-term leases when in the process of being renewed

From time to time when renewing a property lease, the new lease may not be formally signed before the end date of the previous lease. In these circumstances, although both we and the landlord will have agreed our willingness to renew the lease in principle, and we may also have protection under property law which grants us the right to renew the lease, our interpretation of IFRS 16 is that there is no enforceable right to renew the lease until the new lease is formally signed.

Therefore, we treat any lease payments made in this period between expiry and renewal as short-term lease payments under IFRS 16 and we expense them, taking advantage of the IFRS16 short-term lease exemption.

Amounts treated as variable lease payments - rent reviews

It is common for property leases to contain a clause whereby the rent is reviewed every five years and adjusted in line with prevailing market rates. The process of agreeing rent reviews can sometimes be a lengthy one, and some reviews are not agreed until after their effective date.

In these cases we will continue to pay rent at the old rate until the rent review is agreed and neither the lease asset nor the lease liability is remeasured. If the new rent is agreed at a higher rate than the old rent, there will be a one-off payment to the lessor, covering the increase in rent for the period between the date from which the rent review was effective and the date on which the rent review was agreed.

This payment is treated as a variable lease payment and is not included in the remeasurement of the lease liability.

The lease asset and liability are remeasured from the rent review agreement date, based on the future agreed cashflows at the new agreed rent.

Nature of the Group's leasing activities

Around 90% of our leases by value are for depot, warehouse, and office properties. A typical depot lease would be for a period of 10 to 15 years, with warehouse and factory leases being for significantly longer and typical office lease periods being shorter. We also lease other smaller assets such as fork lift trucks, our transport fleet, vans and cars, with typical lease periods ranging up to around 5 years.

Amounts recognised in the balance sheet

	27 December 2025 £m	28 December 2024 £m
Right-of-use assets		
Property	600.2	589.3
Vehicles, plant & machinery	65.0	53.0
	665.2	642.3
Additions to right-of-use assets in the period	158.9	96.6
	27 December 2025 £m	28 December 2024 £m
Lease liabilities		
Current	(97.0)	(89.3)
Non-current	(607.9)	(591.7)
	(704.9)	(681.0)

During the current period, the Group derecognised a property lease asset of £28.2m, and the associated lease liability of £31.2m, on purchasing the company which owned the freehold of the leased property.

Amounts recognised in the income statement

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Included in net operating expenses		
Depreciation of right-of-use assets:		
- property	80.5	76.5
- vehicles, plant & machinery	21.4	20.6
Impairment and net gain/(loss) on lease termination	0.3	(0.1)
Total - recognised in net operating costs	102.2	97.0
Expense relating to short-term leases	4.0	3.4
Variable lease payments, not included in the measurement of lease liabilities	4.5	2.7
Included in finance costs		
Interest expense on lease liabilities	23.4	20.7

Cash flows and maturity analysis of lease liabilities

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Total cash outflow for leases	123.9	113.4
	27 December 2025 £m	28 December 2024 £m
Maturity analysis of lease liabilities		
Contractual undiscounted cashflows due		
- within 1 year	115.9	108.4
- 1 to 5 years	335.4	329.5
- more than 5 years	343.1	371.6
	794.4	809.5

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Notes to the consolidated financial statements continuedOperating assets and liabilities continued

Sublettings

From time to time the Group has leases on properties which it no longer requires. The Group will sublease any such properties wherever possible.

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Sublease income recognised in the period	0.9	0.7

12 Inventories

! Estimation uncertainty - allowances against the carrying values of inventories

In order to achieve the accounting objective that inventories are stated at the lower of cost and net realisable value, the Group carries an allowance against products which it estimates may not sell at a price above cost, or where we may be holding levels of product in excess of estimated future demand. The Group bases these estimates on regular reviews of stock levels, as well as of product lifecycles, selling prices achieved in the market and historical sales profiles of products. These estimates are regularly reviewed against actual experience, and revised to reflect any differences, but the accuracy of the estimates at any point in time can be affected by the extent to which sales of current products may not follow historical patterns.

Both the gross inventory balance and the amount of the allowance against carrying value are material items and we would expect this to remain the case as the Group grows in size, and as consumer demand for regular introductions of new product continues.

We derive our allowance against carrying value based on specific kitchen ranges and stock items where a decision has been made to discontinue future sales or where our monitoring of current sales indicates that the rate of sales is in decline and the product may be coming to the end of its life cycle. The level of judgement and estimation involved requires assessing the obsolescence risk across a high volume of SKUs, which can have different risk profiles. As such, the allowance is specific in nature and does not lend itself to meaningful sensitivity analysis in the same way as a figure which is derived by a general formula. The potential range of reasonable outcomes could be material. In the analysis of the allowance below, we have separately identified the aggregate gross value of stock against which an allowance has been made.

Once a decision is made to discontinue future sales of a product, it will still be available for sale in depots for a standard period of time, after which any remaining units of that product will be removed from sale. Our stock allowance is calculated so that the carrying value of any unsold units is progressively written down to nil over the period during which they are available for sale. The rate at which the units are written down to nil is based on actual historical experience of realised selling prices for previous similar products, and recognises that higher selling prices are typically achievable at the beginning of the period than at the end of the period. Rates are reviewed regularly against historical experience and are adjusted if necessary.

Accounting policy

Inventories are stated at the lower of cost and net realisable value. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity, calculated using a standard cost which is regularly updated to reflect average actual costs. An allowance is made for obsolete, slow-moving, or defective items where appropriate.

	27 December 2025 £m	28 December 2024 £m
Raw materials	25.0	25.9
Work in progress	10.9	9.5
Finished goods and goods for resale	422.6	400.2
Allowance against carrying value of inventories	(49.3)	(44.9)
	409.2	390.7

The aggregate carrying amount of specific inventories against which allowances have been made is given below:

	2025		2024	
	Gross value of stock £m	Allowance against carrying value £m	Gross value of stock £m	Allowance against carrying value £m
Stock with no allowance against it	367.8	-	351.9	-
Stock with an allowance	90.7	(49.3)	83.7	(44.9)
	458.5	(49.3)	435.6	(44.9)

13 Trade and other receivables

Accounting policy

Trade receivables do not contain a significant financing component and are stated at their nominal value, reduced by an allowance for expected credit losses. This approximates to their fair value.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due.

To determine expected credit losses, the Group uses historical observed default rates for these different groups of receivables, adjusted for forward-looking estimates. The default rates and forward-looking estimates are revised at each reporting date.

	27 December 2025 £m	28 December 2024 £m
Trade receivables (net of allowance)	218.6	217.1
Prepayments	49.6	39.1
Other receivables	10.6	8.4
	278.8	264.6

An analysis of the Group's allowance for expected credit losses on debtors is as follows:

	27 December 2025 £m	28 December 2024 £m
Balance at start of period	16.9	18.0
(Decrease)/increase in allowance recognised in the income statement	(0.6)	(1.1)
Balance at end of period	16.3	16.9

Trade receivables - exposure to credit risk and allowance for expected credit losses

We have no significant concentration of credit risk, as our exposure is spread over a large number of customer accounts. We charge interest at appropriate market rates on balances which are in litigation.

Before accepting any new credit customer, we obtain a credit check from an external agency to assess the potential customer's credit quality, and then we set credit limits on a customer-by-customer basis. We review credit limits regularly, and adjust them if circumstances change. In the case of one-off customers, our policy is to require immediate payment at the point of sale, and not to offer credit terms.

The historical level of customer default is low as a percentage of sales, and we consider the credit quality of period end trade receivables to be high. We regularly review trade receivables which are past due but not impaired, and we make an allowance against them based on any expected credit losses. We base our assessment both on past experience and also on whether there are any other likely significant future factors which might affect recoverability and influence our assessment of expected credit losses. We maintain regular contact with customers with overdue debts and, where necessary, we take legal action to recover the receivable.

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Notes to the consolidated financial statements continuedOperating assets and liabilities continued

We wrote off £9.0m of debts in the period (2024: £9.8m). Included within our aggregate trade receivables balance are specific debtor balances with customers totalling £45.7m before allowance for expected credit losses (2024: £47.0m before allowance) which are past due as at the reporting date. We have assessed these balances for recoverability and we believe that their credit quality remains intact.

An ageing analysis of these past due trade receivables is as follows:

	27 December 2025 £m	28 December 2024 £m
1-30 days past due	21.4	21.7
31-60 days past due	5.6	5.9
61-90 days past due	3.6	4.0
90+ days past due	15.1	15.4
Total overdue amounts, excluding allowance for doubtful receivables	45.7	47.0

The Group does not renegotiate credit terms.

14 Trade and other payables

Accounting policy

Trade payables are not interest-bearing and are stated at their nominal value, which approximates to their fair value.

Current liabilities	27 December 2025 £m	28 December 2024 £m
Trade payables	158.4	178.6
Other tax and social security	81.5	77.4
Other payables	34.3	33.3
Accruals	109.8	97.5
	384.0	386.8

The average credit taken for trade purchases during the period, based on total operations, was 49 days (2024: 52 days).

The Group's policy on payment of creditors is to agree terms of payment prior to commencing trade with a supplier, and to abide by those terms on the timely submission of satisfactory invoices.

15 Provisions

Accounting policy

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount required to settle the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, and are discounted to present value where the effect is material.

	Property £m	Warranty £m	Other £m	French post- employment benefits £m	Total £m
At 30 December 2023	3.8	8.2	0.2	0.3	12.5
Additional provision in the period	0.7	7.7	0.1	-	8.5
Provision released in the period	(1.1)	-	-	-	(1.1)
Utilisation of provision in the period	(0.6)	(6.6)	(0.2)	-	(7.4)
At 28 December 2024	2.8	9.3	0.1	0.3	12.5
Additional provision in the period	2.3	4.7	-	-	7.0
Provision released in the period	(0.5)	-	-	-	(0.5)
Utilisation of provision in the period	(1.1)	(5.8)	(0.1)	-	(7.0)
At 27 December 2025	3.5	8.2	-	0.3	12.0
Presented as current liabilities	2.4	5.8	-	-	8.2
Presented as non-current liabilities	1.1	2.4	-	0.3	3.8
At 27 December 2025	3.5	8.2	-	0.3	12.0

Property provision

The property provision covers obligations to make dilapidation payments to landlords of leased properties. Following the guidance in the IFRSs governing leases and provisions, our assessment is that, in general, the likelihood of a cash outflow for dilapidations at the time of signing a lease is remote, and therefore it would be unusual for us to recognise any costs relating to dilapidations at that time.

The event which changes our assessment of the likelihood of a cash outflow for dilapidations from being remote to being probable, and which therefore triggers our recognition of a provision for that probable outflow, typically occurs as we come towards the end of a lease and we can assess the condition of the leased property and the likelihood of dilapidations being payable.

The timing of any outflows from the provision is variable, and is dependent on the timing of dilapidations assessments and works. Although circumstances will differ from property to property, a typical pattern would be that the outflow would occur within 1-3 years of the provision being made. The amounts provided are specific to each property and are based on our best estimate of the cost of performing any required works or, in cases where we will not be directly contracting for the works to be done, our best estimate of the outflow required to settle any claim from the landlord. Where the amounts involved are significant, we would typically take advice on the likely costs from third-party property maintenance specialists.

For the purposes of allocating this provision between current liabilities and non-current liabilities we have used our best estimate of when we would reasonably expect outflows to occur.

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Notes to the consolidated financial statements continuedOperating assets and liabilities continued

Warranty provision

The warranty provision relates to the estimated costs of product warranties. As products are sold, the Group makes provision for claims under warranties, based on actual sales and on historical average warranty costs incurred. As claims are made, the Group utilises the provision and then uses the latest claims data to periodically revise the rate used to estimate future warranty costs.

For the purposes of allocating this provision between current liabilities and non-current liabilities we have used the historical data on timing and amount of claims to estimate the costs for the next 12 months and have classified this as a current liability.

Other

Other miscellaneous small amounts.

French post-employment benefits provision

This provision relates to a potential benefit, payable under French law to employees in our French subsidiary on retirement. It is a lump sum, not a recurring pension. There will only be an outflow from this provision if any eligible employees are employed at the time of their retirement.

The provision represents our best estimate of the potential liability and is calculated based on several factors, mainly the age profile and salary details of the current workforce in France, and the current rate of staff turnover. The calculation to estimate the required provision is revised periodically by third-party specialists and our provision is adjusted if necessary.

We have assumed that the whole of this provision is non-current.

Capital structure and risk

16 Share capital and reserves

	27 December 2025 No.	52 weeks to 28 December 2024 No.	27 December 2025 £m	52 weeks to 28 December 2024 £m
Ordinary shares of 10p each:				
Allotted, called up and fully paid				
Balance at the beginning of the period	553,591,720	553,591,720	55.4	55.4
Bought back and cancelled during the period	(12,074,517)	-	(1.2)	-
Balance at the end of the period	541,517,203	553,591,720	54.2	55.4

Share capital

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shares bought back and cancelled

During the current period, the Company bought back and cancelled 12,074,517 shares at a total cost of £100.2m, completing the share buyback programme announced in February 2025. No shares were bought back in the prior period.

Movements in Treasury share

During the current period, 286,110 shares were transferred from Treasury to the Group's share trust (2024: 1,074,044 shares) for awarding to employees on the vesting of share-based long-term incentive plans. A further 1,078,530 shares (2024: nil) were transferred direct to employees under the Group's Share Incentive Plan.

At the current period end there were 2,479,691 ordinary shares held in treasury, each with a nominal value of 10p (2024: 3,844,331 shares of 10p each).

Description of the nature and purpose of the other reserves shown in the balance sheet

The share premium represents the amounts above the nominal value received for shares sold. The capital redemption reserve represents the nominal value of share capital bought back and cancelled. The ESOP reserve relates to share-based payments and is explained at the foot of the consolidated statement of changes in equity. The treasury share reserve represents the cost of shares bought from the market and held in treasury. The retained earnings reserve represents the Group's cumulative results.

17 Dividends

Amounts recognised as distributions to equity holders in the period:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Final dividend for the 53 weeks to 30 December 2023 - 16.2p/share	-	89.0
Interim dividend for the 52 weeks to 28 December 2024 - 4.9p/share	-	26.9
Final dividend for the 52 weeks to 28 December 2024 - 16.3p/share	89.6	-
Interim dividend for the 52 weeks to 27 December 2025 - 5.0p/share	27.0	-
	116.6	115.9

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

	52 weeks to 27 December 2025 £m
Proposed final dividend for the 52 weeks to 27 December 2025 - (16.9p/share)	90.9

The Directors propose a final dividend in respect of the 52 weeks to 27 December 2025 of 16.9 per share, payable to ordinary shareholders who are on the register of shareholders on 10 April 2026, and payable on 22 May 2026.

The proposed final dividend for the current period is subject to the approval of the shareholders at the 2026 Annual General Meeting, and has not been included as a liability in these financial statements.

Dividends have been waived indefinitely on all shares held by the Group's employee share trusts which have not yet been awarded to employees.

18 Notes to the cash flow statement

(a) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, together with demand deposits and other short-term highly liquid deposits that are readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value. The carrying value of these assets approximates to their fair value.

(b) Notes to the cash flow statement

(i) Changes in liabilities arising from financing activities

The only liabilities which have changed due to financing activities are lease liabilities. The cash and non-cash changes in lease liabilities are analysed below.

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Opening balance	(681.0)	(684.5)
Cash movement: repayment of principal on lease liabilities	100.5	92.7
Cash movement: lease interest paid	23.4	20.7
Non cash movement	(147.8)	(109.9)
Closing balance	(704.9)	(681.0)

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Notes to the consolidated financial statements continuedCapital structure and risk continued

(ii) Payments to acquire property, plant and equipment and intangible assets

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Additions to PPE	135.8	96.9
Additions to intangible assets	12.7	20.6
Total additions	148.5	117.5
Cash outflow on purchase of PPE	143.9	101.2
Cash outflow on purchase of intangible assets	12.6	20.8
Total cash outflow	156.5	122.0

The difference between total cash outflow and total additions is due to the difference between opening and closing capital creditors and accruals.

19 Borrowing facility

Accounting policy

Fees relating to borrowing facilities are recorded as prepayments and released over the life of the facility.

At 27 December 2025, the Group had a £150m committed multi-currency revolving credit facility, due to expire in September 2029. The Group did not use the facility in the year.

As at 28 December 2024, the full £150m of the facility was available in addition to the Group's cash as shown on the Balance Sheet.

If the Group were to use the facility, it would carry interest at a rate of SONIA plus a margin of between 100 and 175 basis points, with the margin being dependent on the ratio of total net debt to EBITDA.

The facility has two covenants, both of which are calculated on a 12 month rolling basis twice each year, at year end and then again at half year end. Under one covenant the ratio of net debt to EBITDA has to be less than 3:1, and under the other covenant the ratio of EBITDA to net finance charges has to be greater than 4:1.

20 Financial risk management

(a) Capital risk management

The Group manages its capital structure to maximise shareholder returns through its debt and equity balance, trading-off the benefits of financial leverage with the expected future costs of financial distress.

The capital structure of the Group consists of cash and short term investments, the committed borrowing facility discussed further in note 19 - if needed - and equity attributable to equity holders of the parent (including issued share capital and reserves as disclosed in the Consolidated Statement of Changes in Equity, and in note 16).

The Board of Directors reviews the capital structure regularly, including at the time of preparing annual budgets, preparing three-year corporate plans, and considering corporate transactions. As part of this review, the Board reviews the costs and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buybacks, taking on or issuing new debt or repaying any existing debt.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are included in the relevant notes to the financial statements. An index to the notes is located between the cash flow statement and note 1.

(c) Categories of financial instruments

	27 December 2025 £m	28 December 2024 £m
Financial assets (current and non-current)		
Trade receivables	218.6	217.1
Cash and cash equivalents	344.5	343.6
Financial liabilities (current and non-current)		
Trade payables	158.4	178.6
Other payables ¹	21.0	21.0

¹ These balances are included in the total Other payables balances shown in note 14

(d) Financial risk management

General

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board has approved and monitors the risk management processes, including documented treasury policies, counterparty limits, and controlling and reporting structures. The types of risk exposure, the way in which these exposures are managed, and the quantification of the level of exposure in the balance sheet is shown below (subcategorised into credit risk, liquidity risk and market risk). The Group is actively engaged in the management of all of these financial risks in order to minimise their potential adverse impact on the Group's financial performance.

The principles, practices and procedures governing the Group-wide financial risk management process have been approved by the Board and are overseen by the Executive Committee. In turn, the Executive Committee delegates authority to a central treasury function ("Group Treasury") for the practical implementation of the financial risk management process across the Group and for ensuring that the Group's entities adhere to specified financial risk management policies. Group Treasury regularly reassesses and reports on the financial risk environment, identifying and evaluating financial risks. The Group does not take positions on derivative contracts and only enters into contractual bank deposit or lending arrangements with counterparties that have appropriate credit ratings, as detailed in section (e) below.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, together with demand deposits and other short-term highly liquid deposits that are readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value.

Arrangements are in place to ensure that cash is used most efficiently for the ongoing working capital needs of the Group's operating units and to ensure that the Group earns competitive rates of interest. The prime consideration in the investment of cash balances is the security of the asset, followed by liquidity and then yield.

Management of trade receivables is discussed in note 13.

Financial Statements

Notes to the consolidated financial statements continuedCapital structure and risk continued**(e) Credit risk**

The Group's principal financial assets are cash, and trade and other receivables. We do not consider other receivables to carry any significant credit risk. Our main credit risk is the risk of trade customers defaulting their debts. We have a policy of only dealing with creditworthy counterparties in order to mitigate the risk of defaults.

We describe our policy on dealing with trade customers in note 13. Trade receivables are spread over a large number of customers, and we do not have a significant exposure to any single counterparty.

We limit our exposure to credit risk on liquid funds and investments through adherence to a policy of minimum short-term counterparty credit ratings assigned by international credit-rating agencies (Standard & Poor's A-1 and Moody's P-1). However, when accounts are opened in new territories there may be instances where there is no appropriate partner which meets the Group's credit rating conditions. In such circumstances, arrangements with a counterparty which does not meet the Group's credit rating criteria can be made only at the specific approval of the Board and is subject to a maximum cash holding limit.

In addition, the Group Treasury function monitors counterparty risk through credit agency ratings.

Our maximum exposure to credit risk is presented in the following table:

	27 December 2025 £m	28 December 2024 £m
Trade receivables (net of allowance)	218.6	217.1
Cash	344.5	343.6
Total credit risk exposure	563.1	560.7

(f) Liquidity risk

Liquidity risk is the risk that we could experience difficulties in meeting our commitments to creditors as financial liabilities fall due for payment. The Group manages its liquidity risk by using reasonable and retrospectively-assessed assumptions to forecast the future cash-generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient cash and investment reserves, committed borrowing facilities and other credit lines as appropriate. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has agreed an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities as far as is possible. Included in note 19 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk. In addition, the Strategic Review contains a section describing the interaction of liquidity risk and the going concern review.

Maturity profile of outstanding financial liabilities

Our only outstanding financial liabilities are our trade payables and an element of our other payables as shown in part (c) above. These are capital liabilities, with no associated interest, and are payable within one year.

(g) Market risk

This is the risk that financial instrument fair values will fluctuate owing to changes in market prices. The significant market risks to which we are exposed are foreign exchange risk, and interest rate risk. These are discussed further below:

Foreign exchange risk

We are exposed to foreign exchange risk, principally as a result of costs incurred in foreign currencies, and to a lesser extent, from non-sterling revenues. Our policy is generally not to hedge such exposures. The exposure of the our financial and other assets and liabilities to currency risk is as follows:

	27 December 2025 £m	28 December 2024 £m
Euro		
Trade receivables	10.1	10.2
Other receivables	4.0	3.8
Cash and cash equivalents	20.4	17.8
Trade payables	(37.5)	(34.5)
Other payables	(9.5)	(8.5)
	(12.5)	(11.2)
US Dollar		
Other receivables	-	0.5
Cash and cash equivalents	3.5	0.4
Trade payables	(0.9)	(0.3)
	2.6	0.6
TOTAL	(9.9)	(10.6)

Interest rate risk

The Group does not have any significant exposure to interest rate risk.

(h) Financial instrument sensitivities

Financial instruments affected by market risk include deposits, trade receivables and trade payables. The following analysis, required by IFRS 7, is intended to illustrate the sensitivity of the Group's financial instruments as at its year end to changes in market variables, being exchange rates and interest rates. The sensitivity analysis has been prepared on the basis that the components of net cash and the proportion of financial instruments in foreign currencies are all constant. For floating rate instruments, the analysis is prepared assuming that the amount outstanding at the year end date was outstanding for the whole year. As a consequence, this sensitivity analysis relates to the position as at the balance sheet date. The following assumptions were made in calculating the sensitivity analysis:

- Deposits are carried at amortised cost and therefore carrying value does not change as interest rates move.
- No sensitivity is provided for accrued interest as accruals are based on pre-agreed interest rates and therefore are not susceptible to further rate movements.
- Finance lease interest payments are fixed at the inception of the contract and are not subject to repricing. They have therefore been excluded from this analysis.
- Translation of foreign subsidiaries and operations into the Group's presentation currency have been excluded from the sensitivity.

Using the above assumptions, the following analyses show the illustrative effect on the income statement and equity that would result from reasonably possible changes in the relevant foreign currency or interest rates:

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Notes to the consolidated financial statements continuedCapital structure and risk continued

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate non-derivative instruments at the balance sheet date. The Group holds no derivative financial instruments. Fixed rate instruments are not susceptible to changes in interest rates, and are omitted from the analysis below. For floating rate instruments, the analysis is prepared assuming the amount outstanding at the balance sheet date was outstanding for the whole year. A 50 basis points increase is used as this represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 50 basis points higher and all other variables were held constant, the Group's net profit and profit and loss reserve would increase by £1.6m (2024: increase by £1.6m).

For a decrease of 50 basis points, the current year figures would decrease by £1.6m (2024: decrease by £1.6m).

Exchange rate sensitivity

As noted above, the Group is mainly exposed to movements in Euro and US dollar exchange rates. The following information details our sensitivity to a 10% weakening or strengthening in Sterling against the Euro and the US Dollar. These percentages are the rates used by management when assessing sensitivities internally and represent management's assessment of the possible change in foreign currency rates. The sensitivity analysis of our exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the end of the financial period, and based on the outstanding foreign currency balances at the period end.

	27 December 2025 £m	28 December 2024 £m
10% weakening of Sterling to Euro	(1.4)	(1.2)
10% strengthening of Sterling to Euro	1.1	1.0
10% weakening of Sterling to US dollar	0.3	0.1
10% strengthening of Sterling to US dollar	(0.2)	(0.1)

Employees

21 Staff costs and number of employees

The aggregate payroll costs of employees, including executive directors, were:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Wages and salaries	(628.7)	(591.1)
Social security costs	(64.3)	(51.5)
Pension operating costs (note 22)	(46.1)	(45.4)
	(739.1)	(688.0)

Wages and salaries includes a charge in respect of share-based payments of £10.3m (2024: £9.6m).

The average monthly number of persons (including executive directors) employed by the Group during the period was as follows:

	52 weeks to 27 December 2025 No.	52 weeks to 28 December 2024 No.
UK depots, support and administration	9,224	9,382
Manufacturing, sourcing and logistics	2,582	2,481
International	759	744
	12,565	12,607

22 Retirement benefit obligations

! Significant judgement and source of estimation uncertainty

There is significant judgement involved in selecting appropriate measurement bases for the actuarial assumptions used to measure the pension liability.

There is also estimation uncertainty relating to the assumptions, as reasonable alternative assumptions could have led to measurement at a materially different amount.

The key assumptions within this calculation are discount rate, inflation rates and mortality rates. These are set out below, together with sensitivity analysis that shows the effect that these estimates can have on the carrying value of the pension deficit.

Accounting policies

Defined contribution pensions

Payments to defined contribution pension schemes are charged to the income statement as they fall due.

Defined benefit pensions

The calculation of the Group's net asset or obligation is performed by a qualified actuary using the projected unit method. When the calculation results in a potential asset, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. The Group considers that there are no restrictions caused by IFRIC 14 on recognising any pension surplus as the trustee does not have the unilateral power to either enhance member benefits or to wind up the scheme and distribute any surplus to members and therefore any surplus remaining once the final scheme benefits are paid to members would be returned to the Group under scheme rules.

Scheme liabilities are calculated by estimating the amount of future benefit that employees have earned in return for their service. That benefit is then discounted to determine its present value. The discount rate used is selected to closely approximate the yield at the balance sheet date on AA-rated bonds that have maturity dates approximating to the terms of the Group's obligations. This discount rate is also used to calculate the net pension scheme finance charge or credit.

Scheme assets are carried at fair value. More details are given in this note as part of the analysis of plan assets.

The Group determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset). Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

(a) Overview of all retirement benefit arrangements

Defined contribution plans

The Group operates an auto-enrolment defined contribution plan for employees. Under the terms of this scheme, employees make pension contributions out of their salaries, and the Group also makes additional contributions.

The total cost charged to income in respect of defined contribution pensions in the current period was £44.7m (2024: £43.5m). This represents the Group's contributions due and payable in respect of the period, as was also the case in the previous period.

Defined benefit plan

Characteristics and risks of the plan:

The Group operates a funded pension plan which provides benefits based on the career average pensionable pay of participating employees. This plan was closed to new entrants from November 2012, and closed to future accrual on 31 March 2021.

The assets of the plan are held separately from those of the Group, being held in a trustee-administered pension plan and invested with independent fund managers. The trustee directors of the plan comprise three member-elected trustees, one independent trustee, and four Group-appointed trustees. All trustees are required to act in the best interests of the plan beneficiaries.

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Notes to the consolidated financial statements continuedEmployees continued

The plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk, inflation risk and market (investment) risk.

Longevity risk is the risk that members live for longer than is currently expected. That results in pensions being paid for longer than expected, thus costing schemes more money.

Examples of interest rate risk are that a decrease in corporate bond yields increases the present value of the defined benefit obligations, or that a decrease in gilt yields results in a worsening in the Scheme's funding position.

An example of inflation risk is that an increase in inflation results in higher benefit increases for members which in turn increases the Scheme's liabilities.

Investment risk comes from three main sources: risk that the fund will fall in value, risk that the pension fund's returns will not keep pace with inflation (i.e. that real returns are negative), and risk that the pension fund does not perform well enough to keep pace with the growth in the cost of providing pension benefits.

The plan invests in a range of investments to mitigate some of these risks.

Accounting and actuarial valuation

The present value of the defined benefit obligation is determined by a qualified actuary using the projected unit method. The most recent completed actuarial valuation was carried out at 31 March 2023 by the plan actuary. The actuary advising the Group has subsequently rolled forward the results of the 31 March 2023 valuation to 27 December 2025. This roll-forward exercise involves updating all the assumptions which are market-based (i.e. inflation, discount rate, rate of increase in pensions and rate of CARE revaluation) to values as at 27 December 2025. We are using CMI 2024 mortality tables, being the most recent tables available. The weighted average duration of the plan as at 27 December 2025 is 13 years (2024: 13 years).

Funding and estimated contributions

The Group's contributions in the current and prior periods are shown in the tables below. The Group bears the plan's administration costs. The Group also has an agreement with the pension plan trustees to make additional deficit contributions to the plan of £1m per month until 31 May 2026 if the plan is underfunded on the Technical Provisions ('TP') basis. Under the agreement, the scheme's funding position is monitored on a monthly basis and deficit contributions switch on if the funding falls below 98% as at the last working day of two consecutive months on a TP basis, and switch off if the funding level is above 102% on the last working day of two consecutive months.

The main difference between the TP basis and the IAS 19 accounting basis used in these accounts is that the IAS 19 valuation requires 'best estimate' assumptions to be used whereas the TP basis uses 'prudent' assumptions. The TP basis funding percentage at the current period end is estimated at 101%, this estimate being based on an approximate roll-forward of the 2023 triennial funding valuation, updated for market conditions.

No additional benefit contributions were paid in 2025, and the Group's estimated total cash contributions to the defined benefit plan in the 52 weeks ending 26 December 2026 are also nil. As noted above, additional deficit contributions may cease and recommence during the year, depending on the scheme's funding position.

Virgin Media case

In June 2023, the UK Court of Appeal upheld the High Court's ruling in the Virgin Media v NTL Pension Trustees II court case relating to amendments to benefits for contracted-out defined benefit schemes. The ruling confirmed the need for an actuarial certificate where such schemes made changes to benefits between 6 April 1997 and 5 April 2016, and that any amendments were void without an actuarial certificate.

On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain actuarial certificates if required. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law. Following the publication of draft legislation, the directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the defined benefit obligation has not been adjusted and continues to reflect the benefits currently being administered.

(b) Total amounts charged in respect of pensions in the period

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Charged to the income statement:		
Defined benefit plan - administration cost	1.4	1.9
Defined benefit plan - total service cost	1.4	1.9
Defined benefit plan - net finance charge	0.1	0.3
Defined contribution plans - total operating charge	44.7	43.5
Total net amount charged to profit before tax	46.2	45.7
Charged to equity:		
Defined benefit plan - actuarial losses/(gains)	4.2	(12.7)
Total charge	50.4	33.0

(c) Other information - defined benefit pension plan

Key assumptions used in the valuation of the plan

	52 weeks to 27 December 2025	52 weeks to 28 December 2024
Discount rate	5.60%	5.50%
Inflation assumption - RPI	2.90%	3.15%
Inflation assumption - CPI	2.50%	2.75%
Rate of CARE revaluation capped at lower of RPI and 3%	2.20%	2.30%
Rate of increase of pensions in deferment capped at lower of CPI and 5%	2.50%	2.75%
Rate of increase of pensions in payment:		
- pensions with increases capped at the lower of CPI and 3%	2.00%	2.15%
- pensions with increases capped at lower of CPI and 5%	2.45%	2.70%
- pensions with increases capped at lower of CPI and 5%, with a 3% minimum	3.45%	3.55%
- pensions with increases capped at the lower of LPI and 2.5%	1.95%	2.00%
Life expectancy (yrs): pensioner aged 65		
- male	85.9	85.7
- female	88.0	88.0
Life expectancy (yrs): non-pensioner aged 45		
- male	86.8	86.7
- female	89.6	89.6

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Sensitivities

Assumption	Present value of scheme liabilities at 27 December 2025 £m	Projected 2026 pension cost		
		Total service cost £m	Net interest (credit)/cost £m	Net pension (credit)/expense £m
Current valuation, using the assumptions above	797	2.4	0.4	2.8
0.5% decrease in discount rate	849	2.4	3.0	5.4
0.5% increase in inflation	822	2.4	1.8	4.2
1 year increase in longevity	821	2.4	1.7	4.1

The sensitivities above are applied to the defined benefit obligation at the end of the reporting period, and the projected total service cost for 2026. Whilst the analysis does not take account of the full distribution of cash flows expected under the scheme, it does provide a reasonable approximation. The same amount of movement in the opposite direction would produce a broadly equal and opposite effect.

We note that the effect on the discount rate and inflation sensitivities of flexing them down by 0.25% or up by 1% in a linear manner would give materially correct results. The net impact of changes in conditions would likely be offset in part by movements in the plan assets.

Analysis of plan assets

	27 December 2025		28 December 2024	
	Quoted market price in an active market £m	No quoted market price in an active market £m	Quoted market price in an active market £m	No quoted market price in an active market £m
LDI*				
- fixed income (net of derivatives)	305.2		277.8	
- investment fund	6.5	-	-	-
- cash**	-	1.1	-	8.3
Alternative growth assets				
- insurance-linked securities	-	83.3	-	78.9
Commercial property funds	-	159.1	-	210.2
Other secure income	69.4	82.7	113.9	107.0
Asset-backed securities	64.9	-	0.5	-
Cash and cash equivalents**	-	17.4	-	9.3
Total	446.0	343.6	392.2	413.7

The plan assets do not include any of the Group's own financial instruments nor any property occupied by, or other assets used by, the Group.

* LDI - Liability Driven Investments - is a portfolio of investments chosen with the aim that its value is expected to move in line with movements in the value of the underlying liabilities. The LDI portfolio can include a variety of investments, the simplest being conventional and index-linked gilts with appropriate maturities. LDI portfolios often use a degree of leverage to achieve the same aim but to allow more return-seeking assets to be invested in at the same time. Derivatives and repurchase agreements are the main tools used to employ leverage.

** During the current year the Group concluded that it was more appropriate to show cash as an asset which has no quoted price in an active market and has re-presented cash on that basis in the prior year disclosure above.

Valuation of plan assets

Cash is stated at its nominal value and makes up 2.3% of total assets. All of the quoted assets have a daily price, and therefore are valued using market prices within one trading day of our Saturday year end date. Quoted assets make up 56.6% of total assets at the current year end.

Unquoted investments are stated at values provided by the fund manager in accordance with relevant guidance. 7.6% of the total funds are unquoted and are valued at a date within 5 trading days of our year end date. Of the remaining unquoted funds, some are valued on a monthly basis and others are valued on a quarterly basis. Based on asset values at the current year end, 11.6% of total assets are valued at 28 or 30 November 2025, all of them being adjusted for cash movements and rolled forwards using a suitably-correlated index if one is available. The valuations for the remaining unquoted assets, which account for 21.9% of total assets, are not available until after these consolidated financial statements are approved and so the only available valuations for these funds at the current year is the 30 September 2025 valuations from the fund managers, which are adjusted for cash movements and rolled forward to our year end date using a suitably-correlated index where one is available.

Asset-liability matching strategies

The plan's strategy, as set out in the plan's most recent (September 2024) Statement of Investment Principles, is set out below:

The Plan's asset allocation strategy was determined with regard to the characteristics of the Plan, in particular the funding level, the liability profile, the security offered by Howden Joinery Group plc to the Plan and the ability of Howden Joinery Group plc to meet the required contributions. The objective is to reduce risk as the funding level improves, using an approach based upon the expected returns (and risk) relative to the Plan's liabilities. This involves considering the Plan's assets as either 'return seeking' or 'risk-reducing'.

'Return-seeking' assets target a higher expected return than that of risk reducing/matching assets and typically have a higher associated volatility, relative to liabilities. These assets would typically involve equities and could possibly include alternative asset classes such as different types of absolute return and hedge funds, infrastructure, property and illiquid credit approaches. Assets used to predominantly manage liquidity and cashflows within the Secure Income portfolio are also deemed 'Return-seeking'.

'Risk-reducing' (or matching) assets have characteristics that are broadly similar in nature to the liabilities. These assets are predominantly government or corporate bonds and could also include other financial instruments such as interest rate and inflation swaps, credit default swaps and cash.

The Risk-reducing assets currently target interest rate and inflation hedge ratios of c90% (as a proportion of funded liabilities), measured on the Plan's long term liability basis. This section of the portfolio also provides exposure to credit markets via credit default swaps.

Balance sheet

The amount included in the balance sheet arising from the Group's obligations in respect of defined benefit retirement benefit plan is as follows:

	27 December 2025 £m	28 December 2024 £m
Present value of defined benefit obligations	(797.4)	(808.0)
Fair value of scheme assets	789.6	805.9
Deficit in the scheme, recognised in the balance sheet	(7.8)	(2.1)

Financial Statements

Notes to the consolidated financial statements continuedEmployees continued

Movements in the present value of defined benefit obligations were as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Present value at start of period	808.0	913.6
Administration cost	1.4	1.9
Interest on obligation	43.2	40.6
Actuarial losses/(gains):		
- changes in financial assumptions	(17.0)	(102.7)
- changes in demographic assumptions	1.7	(1.6)
- experience	3.8	0.3
Benefits paid, including expenses	(43.7)	(44.1)
Present value at end of period	797.4	808.0

Movements in the fair value of the plan's assets is as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Fair value at start of period	805.9	901.0
Interest income on plan assets	43.1	40.3
Employer contributions	-	-
Loss on assets excluding amounts included in net interest	(15.7)	(91.3)
Benefits paid, including expenses	(43.7)	(44.1)
Fair value at end of period	789.6	805.9

Movements in the deficit during the period are as follows:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Deficit at start of period	(2.1)	(12.6)
Administration cost	(1.4)	(1.9)
Employer contributions	-	-
Other finance charge	(0.1)	(0.3)
Total remeasurements recognised in other comprehensive income	(4.2)	12.7
Deficit at end of period	(7.8)	(2.1)

Income statement

Amounts recognised in the income statement arising from the Group's obligations in respect of the defined benefit plan are shown below.

Amount charged to operating profit:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Current service cost	-	-
Administration cost	1.4	1.9
Total pensions cost	1.4	1.9

The total pensions cost is included in Staff Costs (note 21).

Amount credited to other finance charges:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Interest income on plan assets	(43.1)	(40.3)
Interest cost on defined benefit obligation	43.2	40.6
Net charge	0.1	0.3

The actual return on plan assets was a gain of £27.4m (52 weeks to 28 December 2024: loss of £51.0m).

Statement of comprehensive income

Amounts taken to equity via the statement of comprehensive income in respect of the Group's defined benefit plan are shown below:

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Actuarial gain due to financial assumptions	17.0	102.7
Actuarial (loss)/gain due to demographic assumptions	(1.7)	1.6
Actuarial loss due to experience	(3.8)	(0.3)
Return on scheme assets less interest	(15.7)	(91.3)
Net actuarial (loss)/gain before associated deferred tax	(4.2)	12.7

Financial Statements

Notes to the consolidated financial statements continuedEmployees continued

23 Share-based payments

Accounting policy

The Group issues equity-settled share-based payments. They are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

1) Details of each scheme

The Group recognised a charge of £10.3m (2024: charge of £9.6m) in respect of share-based payments during the period. The Group has various share-based payment schemes, which are all equity-settled. The main details of all schemes which existed during the period are given below.

Share Incentive Plan ('SIP')

This is an 'all-employee' share plan. Shares shown below as 'SIP (i)' represent free shares. Shares shown as 'SIP (ii)' are matching shares which are awarded to employees who choose to take part in the Group's buy as you earn arrangement, which allows employees to purchase Group shares from pre-tax salary. Both of these share awards have no performance conditions other than continued employment, and both have a three-year vesting period.

Howden Joinery Group Long-Term Incentive Plan ('LTIP')

This is a discretionary employee share plan under which the Company may grant different types of award including options, conditional awards, and restricted share awards. Dividends are payable on (iv) awards and dividend equivalents may be payable on (i) and (iii) awards. The different types of awards are as follows:

- (i) **Conditional Share Awards**, which have a vesting period of three years, and no performance conditions other than continued employment.
- (ii) **Market value options**, Market value options, which have a vesting period of three years, and performance conditions based on growth in Group profits over the three financial years starting with the year during which they are awarded. The vesting conditions provide for a minimum level of performance, below which no shares will be awarded, as well as a maximum level of performance which must be achieved in order for the awards to vest fully.
- (iii) **Performance Share Plan awards**, which have a vesting period of three years, and performance conditions based on the three financial years starting with the year during which they are awarded.
- The vesting conditions for some of the awards depend solely on growth in Group profit, in the same way as described for the market value options above.
- For some other awards, the vesting conditions depend partly on growth in profit and partly on growth in total shareholder returns relative to comparator companies ('TSR').
- For some other awards, the vesting conditions depend on a mixture of growth in profit, TSR, return on capital employed, and environmental measures based on carbon emissions reduction targets.
- Vesting under the various measures above is determined on a straight-line basis between threshold and maximum payout. Performance below threshold will result in no awards being granted.
- (iv) **Restricted Share Awards**, where the participant receives beneficial entitlement to shares upon grant of the award. The legal interest, however, is not transferred to the participant until the forfeiture provisions and restrictions applicable to the awards cease to apply. The shares are not subject to any performance conditions other than continued employment. Dividends are payable during the vesting period.

2) Movements in the period

52 weeks to 27 December 2025	SIP (i) Number	LTIP (i) Number	LTIP (iii) Number	LTIP (iv) Number
In issue at start of period	1,691,826	790,077	2,642,893	7,208
Granted in period	334,602	33,141	942,686	-
Lapsed in period	(63,454)	(150,638)	(424,067)	-
Exercised in period	(262,431)	(414,545)	(690,261)	(7,208)
In issue at end of period	1,700,543	258,035	2,471,251	-
Exercisable at end of period	804,840	-	-	-
Number of options in the closing balance granted before 7 November 2002	8,517	-	-	-
Weighted average share price for options exercised during the period (£)	8.16	8.45	6.71	7.89
Weighted average life remaining for options outstanding at the period end (yrs)	1.70	0.79	1.46	N/A
Weighted average fair value of options granted during the period (£)	8.37	8.59	8.12	N/A
Exercise price for all options (£)	N/A	N/A	N/A	N/A

	SIP (ii) Number
In issue at beginning of period	121,972
Granted in period	56,742
Lapsed in period	(24,140)
Exercised in period	(5,204)
In issue at end of period	149,370
Exercisable at end of period	39,914
Number of options in the closing balance granted before 7 November 2002	-
Weighted average share price for options exercised during the period (£)	8.24
Weighted average life remaining for options outstanding at the period end (years)	1.72
Weighted average fair value of options granted during the period (£)	8.19
Exercise price for all options (£)	N/A

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Notes to the consolidated financial statements continuedEmployees continued

52 weeks to 28 December 2024	SIP (i) Number	LTIP (i) Number	LTIP (ii) Number	LTIP (iv) Number
In issue at start of period	1,924,596	461,777	2,793,278	12,854
Granted in period	304,980	509,374	778,873	-
Lapsed in period	(81,476)	(16,668)	(70,594)	-
Exercised in period	(456,274)	(164,406)	(858,664)	(5,646)
In issue at end of period	1,691,826	790,077	2,642,893	7,208
Exercisable at end of period	805,491	-	-	-
Number of options in the closing balance granted before 7 November 2002	9,853	-	-	-
Weighted average share price for options exercised during the period (£)	8.80	8.42	8.70	8.24
Weighted average life remaining for options outstanding at the period end (years)	1.59	1.02	1.30	0.01
Weighted average fair value of options granted during the period (£)	9.51	7.94	8.47	N/A
Exercise price for all options (£)	N/A	N/A	N/A	N/A

	LTIP (ii)		SIP (ii) Number
	Number	WAEP (£)	
In issue at beginning of period	100,899	3.79	106,741
Granted in period	-	N/A	48,617
Lapsed in period	-	N/A	(30,438)
Exercised in period	(100,899)	3.79	(2,948)
In issue at end of period	-	N/A	121,972
Exercisable at end of period	-	N/A	9,269
Number of options in the closing balance granted before 7 November 2002	N/A	N/A	-
Weighted average share price for options exercised during the period (£)	8.65	0.00	8.82
Weighted average life remaining for options outstanding at the period end (years)	-	N/A	1.57
Weighted average fair value of options granted during the period (£)	N/A	N/A	8.81
Exercise price for all options (£)	N/A	-	N/A

3) Fair value of options granted

The fair value of most of the share awards is considered to be the market value of the potential shares awarded, at market close on the day before the grant of the award.

The fair value of the Performance Share Plan ('LTIP' (iii) above) awards granted is estimated on the date of grant using a Monte Carlo option valuation model.

The key assumptions used in this model were:

	52 weeks to 27 December 2025	52 weeks to 28 December 2024
Dividend yield (%)	N/A	2.2 - 5.9
Expected life of options (years)	2.4 - 2.6	0 - 3
Expected share price volatility (%)	24.8 - 27.6	24.6 - 29.5

Other supporting notes

24 Financial commitments

Capital commitments

	27 December 2025 £m	28 December 2024 £m
Contracted for, but not provided for in the financial statements:		
- Tangible assets	32.3	16.2
- Intangible assets - software	-	0.6
	32.3	16.8

25 Related party transactions

Companies which are related parties

Transactions between Group companies, which are related parties, have been eliminated on consolidation and are not disclosed in this note. All transactions between the Group and the Group's pension schemes have been disclosed in note 22.

Remuneration of key management personnel

Key management personnel comprise the Board of Directors (including non-executive directors) and the Executive Committee. Details of the aggregate remuneration to these personnel is set out below. The figure disclosed for share-based payments represents the gain realised on the exercise of share awards in the year, albeit that those options will have been granted in previous periods. All figures include any related employer's National Insurance.

	27 December 2025 £m	28 December 2024 £m
Short-term employment benefits	10.5	6.9
Share-based payments	3.7	5.6
	14.2	12.5

Other transactions with key management personnel

There were no other transactions with key management personnel.

Other transactions with persons closely related to key management personnel

The Group purchased services on an arms-length, commercial basis from a company run by a close family member of one of the key management personnel. Total spend in the current period was less than £0.1m (2024: spend of £0.1m). At the current and prior period end, there were no balances owing.

Financial Statements

Notes to the consolidated financial statements continuedOther supporting notes continued

26 Alternative performance measures

Alternative performance measures ('APMs') are measures which provide supplementary information to assist with the understanding of the Group's financial results and with the evaluation of operating performance. APMs are not a measure of financial performance under United Kingdom-adopted international accounting standards ('UK IFRS') and should not be considered as a substitute for measures determined in accordance with UK IFRS. As the Group's APMs are not defined terms under UK IFRS they may therefore not be comparable with similarly titled measures reported by other companies. A reconciliation of APMs to the most directly comparable measures reported in accordance with UK IFRS is provided below.

Same depot sales

Sales performance can be significantly affected by the number of depots opened in the period. The table below shows the impact of sales of new depots opened in the last two years, compared to the sales of depots opened prior to the last two years, referred to as 'same depot basis'.

'International' comprises Howdens' depots in France, Belgium and the Republic of Ireland.

Revenue ¹ in £m (unless stated) £m	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m	Change %	Number of depots 2025 ³ No.
UK - same depot basis ¹	2,297.6	2,239.7	2.6%	839
- depots opened in previous two years	35.6	7.7		52
UK total	2,333.2	2,247.4	3.8%	891
International	84.8	74.7	13.5%	79
Group revenue	2,418.0	2,322.1	4.1%	970

Local currency revenue ¹ in €m (unless stated) €m	52 weeks to 27 December 2025 €m	52 weeks to 28 December 2024 €m	Change %	Number of depots 2025 ³ No.
international - same depot basis ²	94.2	86.2	9.3%	72
- depots opened in previous two years	4.8	1.9		7
	99.0	88.1	12.4%	79

¹ The information presented relates to the 52 weeks to the 27 December 2025 and the 52 weeks to the 28 December 2024 unless otherwise stated.

² Same depot basis excludes depots opened in 2024 and 2025 and closed depots.

³ There was 1 depot closed in the UK in 2025. In International, 3 depots were opened in the Republic of Ireland and 2 depots were closed in France during 2025.

Company balance sheet

	Notes	27 December 2025 £m	28 December 2024 (restated - note 8) £m
Non-current assets			
Investments in subsidiaries	3	813.5	803.2
Property, plant and equipment	4	34.6	36.3
Lease right-of-use assets	5	169.3	171.2
Amounts owed by wholly-owned subsidiary companies	6	137.5	86.6
Deferred tax assets		0.8	0.8
Long-term prepayments and other debtors		0.7	0.9
		1,156.4	1,099.0
Current assets			
Other debtors		0.3	0.3
Total assets		1,156.7	1,099.3
Current liabilities			
Lease liabilities	5	(9.1)	(6.9)
Trade and other payables		-	-
		(9.1)	(6.9)
Non-current liabilities			
Lease liabilities	5	(186.8)	(190.5)
Deferred tax liabilities		(0.7)	(0.1)
		(187.5)	(190.6)
Total liabilities		(196.6)	(197.5)
Net assets		960.1	901.8
Equity			
Share capital	7	54.2	55.4
Capital redemption reserve		11.0	9.8
Share premium		87.5	87.5
ESOP and share-based payments		25.0	21.3
Treasury shares		(12.2)	(18.8)
Retained earnings		794.6	746.6
Total equity		960.1	901.8

The Company profit after tax for the 52 weeks to 27 December 2025 was £264.8m (52 weeks to 28 December 2024: restated profit after tax of £131.0m).

The financial statements were approved by the Board and authorised for issue on 25 February 2026 and were signed on its behalf by

Jackie Callaway
Chief Financial Officer

For and on behalf of Howden Joinery Group Plc, registered number 02128710

Financial Statements

Company statement of changes in equity

	Share capital £m	Capital redemption reserve £m	Share premium account £m	ESOP and share-based payments £m	Treasury shares £m	Retained earnings £m	Total £m
At 30 December 2023 - as previously reported	55.4	9.8	87.5	-	(24.0)	653.8	782.5
Effect of restatement - note 8	-	-	-	16.6	-	77.7	94.3
Restated balances at 30 December 2023	55.4	9.8	87.5	16.6	(24.0)	731.5	876.8
Retained profit for the period (restated)	-	-	-	-	-	131.0	131.0
Movement in ESOP (restated)	-	-	-	9.9	-	-	9.9
Transfer of shares from treasury into share trust (restated)	-	-	-	(5.2)	5.2	-	-
Dividends declared and paid	-	-	-	-	-	(115.9)	(115.9)
At 28 December 2024 (restated)	55.4	9.8	87.5	21.3	(18.8)	746.6	901.8
Retained profit for the period	-	-	-	-	-	264.8	264.8
Movement in ESOP	-	-	-	10.3	-	-	10.3
Transfer of shares from treasury into share trust	-	-	-	(1.4)	1.4	-	-
Transfer of shares from Treasury to settle share awards	-	-	-	(5.2)	5.2	-	-
Buyback and cancellation of shares	(1.2)	1.2	-	-	-	(100.2)	(100.2)
Dividends declared and paid	-	-	-	-	-	(116.6)	(116.6)
At 27 December 2025	54.2	11.0	87.5	25.0	(12.2)	794.6	960.1

The item 'Movement in ESOP' consists of the share-based payment charge in the year, together with any receipts of cash from employees on exercise of share options.

We present a description of the nature and purpose of each reserve at note 7, including additional details of shares bought back and cancelled and of movements in Treasury shares.

Notes to the Company financial statements

1 Significant Company Accounting policies

General information

Howden Joinery Group Plc is a company incorporated in the United Kingdom under the Companies Act 2006. The Company's principal activity is being the parent company of the Howden Joinery Group. More information about the Group structure is given at page 214.

Basis of presentation

The Company's accounting period covers the 52 weeks to 27 December 2025. The comparative period covered the 52 weeks to 28 December 2024.

Basis of accounting

These financial statements have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the UK Companies Act.

The accounts are prepared under the historical cost convention. Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement or statement of comprehensive income.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of Cash Flows and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of Key Management Personnel.

As the Group Financial Statements include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments.

Investments in subsidiaries

These investments are shown at cost less any provision for impairment.

Share-based payments

The Company issues equity-settled share-based payments to certain employees of its subsidiaries, which are measured at fair value at the date of grant using option pricing models. The fair value is expensed on a straight line basis over the vesting period based on the Company's estimate of the number of shares expected to vest.

The issue of share incentives by the Company to employees of its subsidiaries represents additional capital contributions. An addition to the Company's investment in subsidiary undertakings is reported, with a corresponding increase in shareholders' funds.

Other accounting policies

The Company's accounting policies are the same as those for the Group, which are disclosed as part of the relevant notes to the Group consolidated financial statements.

Going concern

This Company controls, directly or through one of its 100% owned subsidiaries, the operations of the whole Group. Consequently, when assessing the going concern status of this Company, the Directors have made their assessment based on the work done to assess the going concern status of the consolidated Group as a whole.

The Directors have undertaken a robust assessment and concluded that it is appropriate to prepare the financial statements of this Company on the going concern basis. They have not identified any material uncertainties and there were no significant judgements involved in coming to this conclusion. Full details are set out in the strategic review, starting on page 62.

2 Profit and loss account information

The Company has no employees (2024: none). The fees payable to the Company's auditor for the audit of the Company's annual accounts, and directors' emoluments, were paid by another Group company in the current and prior periods.

Financial Statements

Notes to the Company financial statements continued

3 Investments in subsidiaries

Cost and carrying value:	Total £m
At 30 December 2023 - restated, see note 8	793.3
Additions to investment in 2024 - restated, see note 8	9.9
At 28 December 2024 - restated, see note 8	803.2
Share-based payments to employees of subsidiaries	10.3
At 27 December 2025	813.5

The investment represents the Company's 100% ownership and control of Howden Joinery Holdings Limited, which in turn holds 100% of all other Group companies - either directly or through one of its own 100%-owned subsidiaries. The combined results and financial position of the subsidiaries and this Company are shown in the consolidated Howden Joinery Group Plc financial statements.

The Company has no income receivable other than from transactions with its 100%-owned subsidiaries. It is therefore considered that the market capitalisation of the Group, which was significantly excess of the carrying value of the investment in subsidiaries at both the current and prior period ends, is a useful proxy for the net present value in use of expected future cashflows from the investment in subsidiaries, and that therefore there is no indicator of any impairment in the Company's investment in subsidiaries.

Any amounts owed to this Company by Howden Joinery Holdings Limited are considered as part of the impairment testing described above.

Details of all Group subsidiaries are given on page 214, which forms part of these financial statements.

4 Property, plant and equipment

	Leasehold property improvements £m	Plant, machinery & vehicles £m	Fixtures & Fittings £m	Assets under construction £m	Total £m
Cost					
At 28 December 2023	44.6	-	-	1.7	46.3
Additions	0.6	-	-	0.4	1.0
Transfers	1.6	0.1	0.2	(1.9)	-
At 28 December 2024	46.8	0.1	0.2	0.2	47.3
Additions	0.5	-	-	-	0.5
Disposals	(0.3)	-	-	-	(0.3)
Transfers	0.2	-	-	(0.2)	-
At 27 December 2025	47.2	0.1	0.2	-	47.5
Accumulated depreciation					
At 28 December 2023	(8.9)	-	-	-	(8.9)
Charge for the period	(2.0)	-	(0.1)	-	(2.1)
At 28 December 2024	(10.9)	-	(0.1)	-	(11.0)
Charge for the period	(2.1)	(0.1)	-	-	(2.2)
Disposals	0.3	-	-	-	0.3
At 27 December 2025	(12.7)	(0.1)	(0.1)	-	(12.9)
Net book value at 27 December 2025	34.5	-	0.1	-	34.6
Net book value at 28 December 2024	35.9	0.1	0.1	0.2	36.3

5 Lease right-of-use assets and lease liabilities

Nature of the Company's leasing activities

The Company is the signatory for leases relating to factory, warehouse and office properties which are used by other Group companies.

Amounts recognised in the balance sheet

	27 December 2025 £m	28 December 2024 £m
Right-of-use assets		
Property	169.3	171.2
Additions to right-of-use assets in the period	34.0	-
	27 December 2025 £m	28 December 2024 £m
Lease liabilities		
Current	(9.1)	(6.9)
Non-current	(186.8)	(190.5)
	(195.9)	(197.4)

During the current period, the Company assessed the likely termination date of one of its property leases and decided that this lease was not now likely to run to its full contractual term, as the Group had bought the leased property and would be taking steps in 2026 to formally terminate the lease. The Company decided that the most appropriate course of action was to remeasure the lease asset and liability using a new lease end date based on the first contractual break date in the existing lease. This has had the effect in the current period of reducing both the lease asset and the lease liability by £27.6m. Additions to right-of-use assets in the period relate to lease modifications.

Amounts recognised in the income statement

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Included in net operating expenses		
Depreciation of property right-of-use assets	8.2	7.9
Included in finance costs		
Interest expense on lease liabilities	4.6	4.6
Variable lease payments, not included in the measurement of lease liabilities	1.6	0.3

Cash flows and maturity analysis of lease liabilities

	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Total cash outflow for leases	11.8	11.1
	27 December 2025 £m	28 December 2024 £m
Maturity analysis of lease liabilities		
Contractual undiscounted cashflows due		
- within 1 year	13.5	11.6
- 2 to 5 years	46.2	46.8
- more than 5 years	189.5	192.8
	249.2	251.2

Financial Statements

Notes to the Company financial statements continued**6 Amounts owed by wholly-owned subsidiary companies**

These amounts are reviewed for impairment at each year end by examination of the subsidiary company financial position. If there is an indication that the counterparty will not be able to repay all or part of the balance on demand, an allowance is made for expected credit losses.

7 Share capital

Ordinary shares of 10p each:	52 weeks to 27 December 2025 No.	52 weeks to 28 December 2024 No.	52 weeks to 27 December 2025 £m	52 weeks to 28 December 2024 £m
Allotted, called up and fully paid				
Balance at the beginning of the period	553,591,720	553,591,720	55.4	55.4
Bought back and cancelled during the period	(12,074,517)	-	(1.2)	-
Balance at the end of the period	541,517,203	553,591,720	54.2	55.4

Share capital

The Company has one class of ordinary share that carries no right to fixed income. The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Shares bought back and cancelled

During the current period, the Company bought back and cancelled 12,074,517 shares at a total cost of £100.2m, completing the share buyback programme announced in February 2025. No shares were bought back in the prior period.

Movements in Treasury shares

During the current period, 286,110 shares were transferred from Treasury to the Group's share trust (2024: 1,074,044 shares) for awarding to employees on the vesting of share-based long-term incentive plans. A further 1,078,530 shares (2024: nil) were transferred direct to employees under the Group's Share Incentive Plan.

At the current period end there were 2,479,691 ordinary shares held in treasury, each with a nominal value of 10p (2024: 3,844,331 shares of 10p each).

Description of the nature and purpose of the other reserves shown in the balance sheet

The share premium represents the amounts above the nominal value received for shares sold. The capital redemption reserve represents the nominal value of share capital bought back and cancelled. The ESOP reserve relates to share-based payments and is explained at the foot of the consolidated statement of changes in equity. The treasury share reserve represents the cost of shares bought from the market and held in treasury. The retained earnings reserve represents the Group's cumulative results.

8 Prior year restatement**(a) Description of restatements**

During the current period, the Directors have reassessed the accounting for Group share-based payments and for investments in this Company's shares which are held in employee share ownership trusts, and are used to satisfy share-based payment arrangements.

The shares held by the employee share trusts had previously been recognised in the financial statements of a wholly-owned Group subsidiary. On reassessment of the terms of the share trusts the Directors have concluded that this Company is the sponsoring entity of the trusts and the company which has the obligation to settle the Group's share-based payments. This resulted in a restatement in this Company to recognise the Group ESOP and share-based payment reserve.

Following the recognition of this Company as the sponsoring entity for the share trusts, it was concluded that the appropriate accounting treatment for the share-based payments granted to employees of wholly-owned indirect subsidiaries of this Company was to recognise a credit to the ESOP and share-based payments reserve in this Company, and to recognise a corresponding increase in this Company's investment in its 100%-owned direct subsidiary, which in turn owns 100% of the shares of the subsidiaries whose employees are receiving the share-based payments. This is set out in the share-based payments accounting policy at note 1 to these financial statements.

This has led to a prior year adjustment to the opening balances of this Company's financial statements, as detailed below. This recognises the Group ESOP and share-based payments reserve, and also recognises an increase in investments in subsidiaries corresponding to the cumulative total share-based payment charge since the adoption of *IFRS2: Share-based payments*. The transfer of shares from the Treasury share reserve to settle awards and transfer shares to the Employee Benefit Trust in prior years was recognised as an irrecoverable intercompany cost in this Company. As part of this restatement this cost has been reversed through the profit for the 52 weeks ended 28 December 2024 which has resulted in a restatement of retained earnings.

There are two further restatements to the prior year figures reflecting the 2024 impact of the above adjustments. This is to recognise the increase in the company's investment in its 100% owned subsidiary and the transfer of Treasury shares to ESOP and share-based payments reserve.

Details of the adjustments made are given below.

(b) Adjustments arising from restatements

	Investment in subsidiaries £m	ESOP and share- based payments reserve £m	(Increase)/ decrease in retained earnings £m
Balances at 30 December 2023 as previously presented - before restatement	699.0	-	
Recognition of this Company as sponsor of the Group share trusts and issuer of Group share awards	94.3	(16.6)	
Balances at 30 December 2023 - after restatement	793.3	(16.6)	
Effect of restatements on balances as at 30 Dec 2023	94.3	(16.6)	(77.7)
Recognition of this Company as sponsor of the Group share trusts and issuer of Group share awards - 2024	9.9	(9.9)	-
Transfer of Treasury shares to ESOP and share-based payments reserve - 2024		5.2	(5.2)
Incremental effect of restatements in year to 28 Dec 2024	9.9	(4.7)	(5.2)
	£m		
Profit for the year to 28 December 2024 - before restatement	125.8		
Reversal of cost previously recognised in the Company as irrecoverable	5.2		
Profit for the year to 28 December 2024 - restated	131.0		