

Registration number: 01767386

# Howden Joinery Corporate Services Limited

Annual Report and Financial Statements

for the Period from 27 December 2020 to 25 December 2021

# **Howden Joinery Corporate Services Limited**

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# **Howden Joinery Corporate Services Limited**

## **Company Information**

|                          |   |
|--------------------------|---|
| <b>Registered office</b> | 40 Portman Square<br>London<br>W1H 6LT                                      |
| <b>Auditor</b>           | Deloitte LLP<br>1 New Street Square<br>London<br>United Kingdom<br>EC4A 3HQ |

## **Howden Joinery Corporate Services Limited**

### **Strategic Report for the Period from 27 December 2020 to 25 December 2021**

The directors present their strategic report for the period from 27 December 2020 to 25 December 2021.

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

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

- Fair review of the business (pgs 2 - 37)
- Description of the principal risks and uncertainties facing the Group and its subsidiary undertakings (pgs 38 - 45)
- Financial and non-financial KPIs (pgs 29 - 31)
- Future developments (pgs 19, 27 - 28, 36)
- Information about environmental matters, social, community and human rights issues (pgs 46-66)
- Description of culture, purpose, market, business model and strategy (pgs 8-15)
- Information in relation to Group employees, including gender statistics, employee involvement and Group policy on the employment of disabled persons (pgs 99 - 100, 145)

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

## Howden Joinery Corporate Services Limited

### Strategic Report for the Period from 27 December 2020 to 25 December 2021

#### Section 172 statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging their section 172 duties the directors of the Company have regard to the factors set out above. They also have regard to other factors which they consider relevant to the decision being made. The directors acknowledge that every decision they make will not necessarily result in a positive outcome for all of the Company's stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the directors do, however, aim to make sure that their decisions are consistent and predictable.

As is normal for large companies, the directors delegate authority for day-to-day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. How the Group's key stakeholders have been identified and interests taken into consideration, in accordance with the directors' section 172 duties of the Companies Act 2006 and the 2018 UK Corporate Governance Code, is noted in detail in Howden Joinery Group Plc's Annual Report and Accounts for the year ended 25 December 2021

([www.howdenjoinerygroupplc.com/investors/financial-reports/annual-reports](http://www.howdenjoinerygroupplc.com/investors/financial-reports/annual-reports)). As the Company forms part of the Group, the framework adopted by the ultimate parent has been disseminated and applied by the subsidiary Company.

Approved by the Board on 3 May 2022 and signed on its behalf by:



Forbes McNaughton  
Company secretary

## Howden Joinery Corporate Services Limited

### Directors' Report for the Period from 27 December 2020 to 25 December 2021

The directors present their annual report and the audited financial statements for the period from 27 December 2020 to 25 December 2021.

#### Directors

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

Theresa Keating

Paul Hayes (appointed 27 December 2020)

Kirsty Homer (appointed 27 December 2020)

#### Dividends

No dividend was proposed or paid during the current or prior period.

#### Financial instruments

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

These are managed on a Group basis. Further information can be found on pages 36-37 of the Howden Joinery Group Plc 2021 Annual Report and accounts, which is available at <https://www.howdenjoinerygroupplc.com/investors/financial-reports/annual-reports>

#### Political donations

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

#### Charitable donations

During the period the company made charitable donations of £355,186. The individual donations are shown below:

|                                       | £             |
|---------------------------------------|---------------|
| QEST                                  | 150,000       |
| I Can I Am                            | 100,000       |
| British Asian Trust                   | 36,000        |
| The Children's Hospital Charity       | 20,000        |
| Winchester Hospice                    | 13,995        |
| Itchen Kitchen                        | 12,421        |
| Other Charitable donations under £10k | <u>22,770</u> |

## **Howden Joinery Corporate Services Limited**

### **Directors' Report for the Period from 27 December 2020 to 25 December 2021**

#### **Going concern**

After making enquiries and taking into consideration the profitability and financial position of the Company, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

This judgement is based on a written commitment of financial support from its ultimate parent company, Howden Joinery Group Plc. In assessing the quality of the commitment of support from its ultimate parent company, the directors noted the parent company's assessment of the Howden Joinery Group's going concern in its 2021 Consolidated Annual Report, dated 24 February 2022, which includes a description of how the parent company has considered and modelled possible effects of COVID 19 and Brexit on consolidated Group trading, and has concluded that it was appropriate for the consolidated Group results to be prepared on a going concern basis.

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

#### **Disclosure of information to the auditors**

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

#### **Principal activity**

The principal activity of the company is providing and managing employees, professional fees and IT services for other Group companies. There has been no change in the Company's principal activities during the period.

#### **Engagement with suppliers, customers and other relationships**

The Company has limited direct dealings with external business partners as these activities are undertaken at Group level. Details of the Howden Joinery Group's business relationships at Group level are set out in the Annual Report and Accounts for Howden Joinery Group Plc for the year ended 25 December 2021 ([www.howdenjoinerygroupplc.com/investors/financial-reports/annual-reports](http://www.howdenjoinerygroupplc.com/investors/financial-reports/annual-reports)).

Approved by the Board on 3 May 2022 and signed on its behalf by:



Forbes McNaughton  
Company secretary

## **Howden Joinery Corporate Services Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Howden Joinery Corporate Services Limited**

### **Independent auditor's report to the members of Howden Joinery Corporate Services Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Howden Joinery Corporate Services Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 25 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

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

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

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Howden Joinery Corporate Services Limited**

### **Independent auditor's report to the members of Howden Joinery Corporate Services Limited**

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Howden Joinery Corporate Services Limited**

### **Independent auditor's report to the members of Howden Joinery Corporate Services Limited**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

## **Howden Joinery Corporate Services Limited**

### **Independent auditor's report to the members of Howden Joinery Corporate Services Limited**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

##### **Matters on which we are required to report by exception**

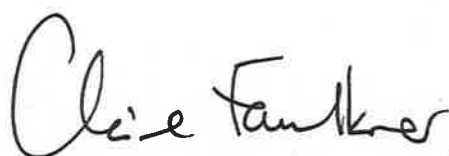
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

##### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Claire Faulkner (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

6 May 2022

## Howden Joinery Corporate Services Limited

### Profit and Loss Account for the Period from 27 December 2020 to 25 December 2021

|                                       | Note | 52 weeks to<br>25 December<br>2021<br>£ 000 | 52 weeks to<br>26 December<br>2020<br>£ 000 |
|---------------------------------------|------|---|---|
| Turnover                              | 4    | 52,006                                      | 39,562                                      |
| Administrative expenses               |      | <u>(60,946)</u>                             | <u>(60,648)</u>                             |
| Operating loss                        | 5    | (8,940)                                     | (21,086)                                    |
| Interest payable and similar expenses | 6    | <u>(457)</u>                                | <u>(708)</u>                                |
| Loss before tax                       |      | (9,397)                                     | (21,794)                                    |
| Tax on loss                           | 10   | <u>2,104</u>                                | <u>4,552</u>                                |
| Loss for the period                   |      | <u><u>(7,293)</u></u>                       | <u><u>(17,242)</u></u>                      |

The above results were derived from continuing operations.

The notes on pages 15 to 40 form an integral part of these financial statements.

# Howden Joinery Corporate Services Limited

## Statement of Comprehensive Income for the Period from 27 December 2020 to 25 December 2021

|   |        | 27 December<br>2020 to 25<br>December 2021 | 29 December<br>2019 to 26<br>December 2020 |
|---|--------|--|--|
|   | Note   | £ 000                                      | £ 000                                      |
| Loss for the period   |        | (7,293)                                    | (17,242)                                   |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |        |  |  |
| Actuarial gain/(loss) on pension scheme, and associated deferred tax      | 23, 10 | <u>134,484</u>                             | <u>(9,207)</u>                             |
| Total comprehensive income for the period                                 |        | <u><u>127,191</u></u>                      | <u><u>(26,449)</u></u>                     |


The notes on pages 15 to 40 form an integral part of these financial statements.

# Howden Joinery Corporate Services Limited

(Registration number: 01767386)  
Balance Sheet as at 25 December 2021

|  | Note | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|--|------|------------------------------|------------------------------|
| <b>Fixed assets</b>  |      |                              |                              |
| Intangible assets  | 11   | 3,663                        | 3,343                        |
| Property, plant and equipment                                  | 12   | 6,453                        | 6,589                        |
| Right of use assets  | 19   | 2,692                        | 4,126                        |
| Defined benefit pension asset                                  | 23   | 140,801                      | -                            |
| Investment in shares of ultimate parent company                | 13   | 75,054                       | 74,393                       |
| Deferred tax assets  | 10   | 3,397                        | 10,709                       |
|  |      | <u>232,060</u>               | <u>99,160</u>                |
| <b>Current assets</b>  |      |                              |                              |
| Trade and other receivables                                    | 14   | 1,198,520                    | 930,874                      |
| Cash at bank and in hand                                       | 15   | 207                          | 129                          |
|  |      | <u>1,198,727</u>             | <u>931,003</u>               |
| <b>Creditors: Amounts falling due within one year</b>          |      |                              |                              |
| Trade and other payables                                       | 17   | (1,482,587)                  | (1,202,673)                  |
| Current portion of long term lease liabilities                 | 19   | (981)                        | (1,759)                      |
| Income tax liability   | 10   | (35,202)                     | -                            |
| Creditors: Amounts falling due within one year                 |      | <u>(1,518,770)</u>           | <u>(1,204,432)</u>           |
| Net current liabilities  |      | <u>(320,043)</u>             | <u>(273,429)</u>             |
| Total assets less current liabilities                          |      | (87,983)                     | (174,269)                    |
| <b>Creditors: Amounts falling due after more than one year</b> |      |                              |                              |
| Long term lease liabilities                                    | 19   | (2,169)                      | (3,065)                      |
| Provisions for liabilities                                     | 22   | (750)                        | -                            |
| Defined benefit pension liability                              | 23   | -                            | (47,671)                     |
| Net liabilities  |      | <u>(90,902)</u>              | <u>(225,005)</u>             |
| <b>Capital and reserves</b>                                    |      |                              |                              |
| Called up share capital  | 18   | 12,358                       | 12,358                       |
| Capital contribution reserve                                   |      | 280,315                      | 280,315                      |
| Share-based payments reserve                                   |      | 37,125                       | 30,757                       |
| Retained earnings  |      | <u>(420,700)</u>             | <u>(548,435)</u>             |
| Shareholders' deficit  |      | <u>(90,902)</u>              | <u>(225,005)</u>             |

Approved by the Board on 3 May 2022 and signed on its behalf by:

 Theresa Keating, Director

The notes on pages 15 to 40 form an integral part of these financial statements.

# Howden Joinery Corporate Services Limited

## Statement of Changes in Equity for the Period from 27 December 2020 to 25 December 2021

|                                  | Called up share capital<br>£ 000 | Capital contribution reserve<br>£ 000 | Share-based payments reserve<br>£ 000 | Retained earnings<br>£ 000 | Total<br>£ 000 |
|----------------------------------|----------------------------------|---------------------------------------|---------------------------------------|----------------------------|----------------|
| Brought forward                  | 12,358                           | 280,315                               | 30,757                                | (548,435)                  | (225,005)      |
| Loss for the period              | -                                | -                                     | -                                     | (7,293)                    | (7,293)        |
| Other comprehensive income       | -                                | -                                     | -                                     | 134,484                    | 134,484        |
| Total comprehensive income       | -                                | -                                     | -                                     | 127,191                    | 127,191        |
| Deferred tax on share schemes    | -                                | -                                     | -                                     | 544                        | 544            |
| Share based payment transactions | -                                | -                                     | 6,368                                 | -                          | 6,368          |
| At 25 December 2021              | 12,358                           | 280,315                               | 37,125                                | (420,700)                  | (90,902)       |
|                                  |                                  | Capital contribution reserve<br>£ 000 | Share-based payments reserve<br>£ 000 | Retained earnings<br>£ 000 | Total<br>£ 000 |
| At 29 December 2019              | 12,358                           | 280,315                               | 30,773                                | (521,927)                  | (198,481)      |
| Loss for the period              | -                                | -                                     | -                                     | (17,242)                   | (17,242)       |
| Other comprehensive income       | -                                | -                                     | -                                     | (9,207)                    | (9,207)        |
| Total comprehensive income       | -                                | -                                     | -                                     | (26,449)                   | (26,449)       |
| Current tax on share schemes     | -                                | -                                     | -                                     | 39                         | 39             |
| Deferred tax on share schemes    | -                                | -                                     | -                                     | (98)                       | (98)           |
| Share based payment transactions | -                                | -                                     | (16)                                  | -                          | (16)           |
| At 26 December 2020              | 12,358                           | 280,315                               | 30,757                                | (548,435)                  | (225,005)      |

"Share based payment transactions" is the net of the share based payment charge for the year and any cash received from employees on exercising share options.

The notes on pages 15 to 40 form an integral part of these financial statements.



## **Howden Joinery Corporate Services Limited**

### **Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021**

#### **1 General information**

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

The address of its registered office is:

40 Portman Square

London

W1H 6LT

England

These financial statements were authorised for issue by the Board on 3 May 2022.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Basis of preparation**

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

##### **Summary of disclosure exemptions**

In these financial statements, the company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payment, business combinations, non-current assets held for sale, financial instruments, fair value measurements, capital management, revenue from contracts with customers, presentation of comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment property, presentation of a cash-flow statement, the effects of new standards not yet effective, impairment of assets and disclosures in respect of the compensation of key management personnel and of transactions with a management entity that provides key management personnel services to the company.

##### **Going concern**

The financial statements have been prepared on a going concern basis. No material uncertainties were identified. Further information about the process and basis of the going concern assessment can be found in the "Going concern" section of the Directors' Report, which details how the assessment of going concern relates to continued support from the ultimate parent company and how the Directors have assessed the quality of the commitment of that support.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 27 December 2020 have had a material effect on the financial statements.

##### **Revenue recognition**

###### *Recognition*

The company earns revenue from the provision of services relating to providing employees, professional services and IT services for other Group companies. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 2 Accounting policies (continued)

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than assets under construction - which are not depreciated - over their estimated useful lives, as follows:

##### Asset class

Plant, machinery and vehicles

Leasehold property

Fixtures and fittings

##### Depreciation method and rate

4 - 20 years

the period of the lease, or the individual asset's life if shorter

10 years

## **Howden Joinery Corporate Services Limited**

### **Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021**

#### **2 Accounting policies (continued)**

##### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the income statement. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the income statement on disposal.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Amounts payable and receivable to and from fellow Group subsidiaries**

Howden Joinery Group plc has ultimate control of 100% of both this Company and a number of other wholly-owned subsidiaries (together, called "the Howden Joinery Group"). Debtors and creditors between this Company, Howden Joinery Group plc and any other Howden Joinery Group company do not bear interest and are repayable on demand.

##### **Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) 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 of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

##### **Share based payments**

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using a binomial option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

##### **Investments**

Investments represent shares in the ultimate parent company, Howden Joinery Group Plc, which are held by employee share ownership trusts. The investments are initially recorded at cost, including purchase expenses.

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 2 Accounting policies (continued)

##### Share capital

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

##### Leases

###### *Definition*

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

###### *Initial recognition and measurement*

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

###### *Subsequent measurement*

After the commencement date, the company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 2 Accounting policies (continued)

##### *Lease modifications*

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

##### *Short term and low value leases*

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

Lease payments on short term leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term lease payments are included in operating expenses in the income statements.

The company recognises low value leases as leases.

##### *Sub leases*

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

##### **Cash and cash equivalents**

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

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 2 Accounting policies (continued)

##### Financial instruments

###### *Initial recognition*

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

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

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

###### **Defined benefit pension obligation**

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

#### 3 Significant accounting judgements and major sources of estimation uncertainty

The Company makes some judgements when applying its accounting policies which can have a significant effect on the amounts recognised in these financial statements. The Company also makes assumptions concerning the future and other major sources of estimation uncertainty that can result in a material adjustment to the carrying amounts of assets and liabilities within the next financial period. We discuss these below.

##### **Actuarial assumptions**

The Company operates a defined benefit scheme for its employees. There is significant judgement involved in selecting appropriate measurement bases for the actuarial assumptions used to measure the pension deficit. There is also estimation uncertainty which means that reasonable alternative assumptions could have led to measurement at a materially different amount, or that a reasonably possible change in an assumption during the next period could lead to a material change in the valuation.

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

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 4 Turnover

The analysis of the Company's revenue for the period from continuing operations is as follows:

|  | <b>27 December<br/>2020 to 25<br/>December 2021<br/>£ 000</b> | <b>29 December<br/>2019 to 26<br/>December 2020<br/>£ 000</b> |
|--|---|---|
| Management services recharged to other Group companies | <u>52,006</u>   | <u>39,562</u>   |

#### 5 Operating loss

Arrived at after charging/(crediting)

|  | <b>27 December<br/>2020 to 25<br/>December 2021<br/>£ 000</b> | <b>29 December<br/>2019 to 26<br/>December 2020<br/>£ 000</b> |
|--|---|---|
| Depreciation expense - PPE                                 | 1,783   | 1,770   |
| Amortisation expense                                       | 1,684   | 1,244   |
| Loss on disposal of property, plant and equipment          | -   | 3   |
| Depreciation on right of use assets - Machinery & Vehicles | 588   | 306   |
| Depreciation on right of use assets - Property             | <u>946</u>  | <u>959</u>  |

#### 6 Interest payable and similar expenses

|  | <b>27 December<br/>2020 to 25<br/>December 2021<br/>£ 000</b> | <b>29 December<br/>2019 to 26<br/>December 2020<br/>£ 000</b> |
|--|---|---|
| Interest on bank overdrafts and borrowings | -   | 33  |
| Pensions finance charge                    | 400   | 600   |
| Interest expense on leases                 | <u>57</u>   | <u>75</u>   |
|  | <u>457</u>  | <u>708</u>  |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

|  | 52 weeks to<br>25 December<br>2021<br>£ 000 | 52 weeks to<br>26 December<br>2020<br>£ 000 |
|--|---|---|
| Wages and salaries                         | 10,698                                      | 10,464                                      |
| Social security costs                      | 3,646                                       | 1,317                                       |
| Pension costs, defined contribution scheme | 248   | 108   |
| Pension costs, defined benefit scheme      | 6,801                                       | 23,797                                      |
| Share-based payment expenses               | 6,367                                       | (16)  |
|  | <u>27,760</u>                               | <u>35,670</u>                               |

The defined benefit scheme charge in both periods relates to the cost of providing defined benefit pensions to the whole Howden Joinery Group, for the reasons explained at Note 23.

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

|                            | 27 December<br>2020 to 25<br>December 2021<br>No. | 29 December<br>2019 to 26<br>December 2020<br>No. |
|----------------------------|---|---|
| Administration and support | <u>46</u>   | <u>47</u>   |

#### 8 Directors' remuneration

The directors' remuneration for the period was as follows:

|                         | 27 December<br>2020 to 25<br>December 2021<br>£ 000 | 29 December<br>2019 to 26<br>December 2020<br>£ 000 |
|-------------------------|---|---|
| Remuneration            | 1,323   | 3,602   |
| Defined benefit pension | 10  | 26  |
|                         | <u>1,333</u>  | <u>3,628</u>  |



## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 8 Directors' remuneration (continued)

During the period the number of directors who were receiving benefits and share incentives was as follows:

|   | <b>52 weeks to<br/>25 December<br/>2021<br/>No.</b> | <b>52 weeks to<br/>26 December<br/>2020<br/>No.</b> |
|---|---|---|
| Received or were entitled to receive shares under long term incentive schemes | 3   | 4   |
| Exercised share options   | -   | 2   |
| Accruing benefits under defined benefit pension scheme                        | 1   | 2   |
| Accruing benefits under money purchase pension scheme                         | <u>2</u>  | <u>1</u>  |

In respect of the highest paid director:

|              | <b>52 weeks to<br/>25 December<br/>2021<br/>£ 000</b> | <b>52 weeks to<br/>26 December<br/>2020<br/>£ 000</b> |
|--------------|---|---|
| Remuneration | 474   | 1,501   |

During the period the highest paid director received or was entitled to receive shares under a long term incentive scheme.

#### 9 Auditor's remuneration

|                                   | <b>27 December<br/>2020 to 25<br/>December 2021<br/>£ 000</b> | <b>29 December<br/>2019 to 26<br/>December 2020<br/>£ 000</b> |
|-----------------------------------|---|---|
| Audit of the financial statements | <u>50</u>   | <u>45</u>   |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 10 Income tax

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

|  | 52 weeks to<br>25 December<br>2021<br>£ 000 | 52 weeks to<br>26 December<br>2020<br>£ 000 |
|--|---|---|
| <b>Current taxation</b>  |   |   |
| UK corporation tax   | (2,908)                                     | (8,216)                                     |
| UK corporation tax adjustment to prior periods   | (275)                                       | (120)                                       |
|  | <u>(3,183)</u>                              | <u>(8,336)</u>                              |
| <b>Deferred taxation</b>   |   |   |
| Arising from origination and reversal of temporary differences                                     | 1,088                                       | 4,085                                       |
| Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods | (9)   | (301)                                       |
|  | <u>1,079</u>                                | <u>3,784</u>                                |
| Total deferred taxation  | <u>1,079</u>                                | <u>3,784</u>                                |
| Tax receipt in the profit and loss account   | <u>(2,104)</u>                              | <u>(4,552)</u>                              |

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

|   | 52 weeks to<br>25 December<br>2021<br>£ 000 | 52 weeks to<br>26 December<br>2020<br>£ 000 |
|---|---|---|
| Loss before tax   | <u>(9,397)</u>                              | <u>(21,794)</u>                             |
| Corporation tax at standard rate  | (1,785)                                     | (4,141)                                     |
| Increase (decrease) in tax from adjustment for prior periods  | (284)                                       | (420)                                       |
| Increase (decrease) from effect of capital allowances depreciation                                  | (68)  | -   |
| Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss) | 832   | 112   |
| Increase (decrease) from effect of exercise employee share options                                  | (324)                                       | 1   |
| Deferred tax expense (credit) relating to changes in tax rates or laws                              | <u>(475)</u>                                | <u>(105)</u>                                |
| Total tax credit  | <u>(2,104)</u>                              | <u>(4,553)</u>                              |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 10 Income tax (continued)

##### Deferred tax

Deferred tax movement during the period:

|                                 | At 27<br>December<br>2020<br>£ 000 | Recognised in<br>income<br>£ 000 | Recognised in<br>other<br>comprehensive<br>income<br>£ 000 | Recognised in<br>equity<br>£ 000 | At<br>25 December<br>2021<br>£ 000 |
|---------------------------------|------------------------------------|----------------------------------|--|----------------------------------|------------------------------------|
| Pension benefit obligations     | 9,063                              | (2,287)                          | (41,978)   | -                                | (35,202)                           |
| Accelerated tax<br>depreciation | 1,497                              | 394                              | -  | -                                | 1,891                              |
| Share-based payment             | 11                                 | 829                              | -  | 543                              | 1,383                              |
| Leases                          | 139                                | (15)                             | -  | -                                | 123                                |
| Net tax assets/(liabilities)    | <u>10,710</u>                      | <u>(1,079)</u>                   | <u>(41,978)</u>  | <u>543</u>                       | <u>(31,805)</u>                    |

Deferred tax movement during the prior period:

|                                 | At 29<br>December<br>2019<br>£ 000 | Recognised in<br>income<br>£ 000 | Recognised in<br>other<br>comprehensive<br>income<br>£ 000 | Recognised in<br>equity<br>£ 000 | At<br>26 December<br>2020<br>£ 000 |
|---------------------------------|------------------------------------|----------------------------------|--|----------------------------------|------------------------------------|
| Pension benefit obligations     | 9,625                              | (4,055)                          | 3,493  | -                                | 9,063                              |
| Accelerated tax<br>depreciation | 1,049                              | 448                              | -  | -                                | 1,497                              |
| Share-based payment             | 247                                | (139)                            | -  | (98)                             | 11                                 |
| Leases                          | -                                  | (36)                             | -  | 175                              | 139                                |
| Net tax assets/(liabilities)    | <u>10,921</u>                      | <u>(3,782)</u>                   | <u>3,493</u>   | <u>78</u>                        | <u>10,710</u>                      |

The Finance Act 2021 increased the corporation tax rate to 25% with effect from 1 April 2023. The changes announced during the Budget were granted Royal Assent on 10 June 2021 and so the changes were substantively enacted as at the 2021 balance sheet date. Therefore, all deferred tax balances have been recalculated to recognise them at the appropriate tax rate at the point the deferred tax balances are expected to unwind. As such, a blended rate of between 19% and 25% has been used to calculate the deferred tax on the taxable timing differences with the adjustment recognised in the 2021 total tax charge.

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 11 Intangible assets

In April 2021, the IFRS Interpretations Committee ("IFRIC") published an agenda decision on accounting for configuration and customisation costs incurred in implementing cloud-based software-as-a-service contracts. This decision clarified that where the customer doesn't control the underlying software and where the configuration and customisation costs don't create a separate intangible asset then the configuration and customisation costs should be expensed.

Following the publication of this agenda decision the Group carried out a review of its intangible assets and concluded that there were assets with a net book value of £0.6m which it would not have capitalised if the IFRIC agenda decision had been effective when the related costs were incurred. These amounts were written off in the current period and are included as part of the intangible asset disposals shown above.

The Company has amended its accounting policy for intangible assets to address the IFRIC decision.

|                                      | Asset under<br>construction<br>£ 000 | Other<br>intangible<br>assets<br>£ 000 | Total<br>£ 000 |
|--------------------------------------|--------------------------------------|--|----------------|
| <b>Cost or valuation</b>             |                                      |  |                |
| At 27 December 2020                  | 325                                  | 12,789                                 | 13,114         |
| Additions                            | 854                                  | 1,963                                  | 2,817          |
| Disposals                            | (85)                                 | (3,908)                                | (3,993)        |
| Transfers                            | (241)                                | 241                                    | -              |
| At 25 December 2021                  | <u>853</u>                           | <u>11,085</u>                          | <u>11,938</u>  |
| <b>Amortisation</b>                  |                                      |  |                |
| At 27 December 2020                  | -                                    | 9,771                                  | 9,771          |
| Amortisation charge                  | -                                    | 1,684                                  | 1,684          |
| Amortisation eliminated on disposals | -                                    | (3,180)                                | (3,180)        |
| At 25 December 2021                  | <u>-</u>                             | <u>8,275</u>                           | <u>8,275</u>   |
| <b>Carrying amount</b>               |                                      |  |                |
| At 25 December 2021                  | <u>853</u>                           | <u>2,810</u>                           | <u>3,663</u>   |
| At 26 December 2020                  | <u>325</u>                           | <u>3,018</u>                           | <u>3,343</u>   |

# Howden Joinery Corporate Services Limited

## Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

### 12 Property, plant and equipment

|                          | Leasehold<br>property<br>£ 000 | Fixtures &<br>fittings<br>£ 000 | Assets under<br>construction<br>£ 000 | Other<br>property, plant<br>and equipment<br>£ 000 | Total<br>£ 000 |
|--------------------------|--------------------------------|---------------------------------|---------------------------------------|--|----------------|
| <b>Cost or valuation</b> |                                |                                 |                                       |  |                |
| At 27 December 2020      | 4,023                          | 539                             | 3,333                                 | 38,255   | 46,150         |
| Additions                | 7                              | 18                              | 1,407                                 | 239  | 1,671          |
| Disposals                | (531)                          | (13)                            | -                                     | (897)  | (1,441)        |
| Transfers                | -                              | -                               | (3,333)                               | 3,333  | -              |
| At 25 December 2021      | 3,499                          | 544                             | 1,407                                 | 40,930   | 46,380         |
| <b>Depreciation</b>      |                                |                                 |                                       |  |                |
| At 27 December 2020      | 3,395                          | 512                             | -                                     | 35,654   | 39,561         |
| Charge for the period    | 212                            | 18                              | -                                     | 1,553  | 1,783          |
| Eliminated on disposal   | (531)                          | (12)                            | -                                     | (874)  | (1,417)        |
| At 25 December 2021      | 3,076                          | 518                             | -                                     | 36,333   | 39,927         |
| <b>Carrying amount</b>   |                                |                                 |                                       |  |                |
| At 25 December 2021      | 423                            | 26                              | 1,407                                 | 4,597  | 6,453          |
| At 26 December 2020      | 628                            | 27                              | 3,333                                 | 2,601  | 6,589          |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 13 Investments

|   | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|---|------------------------------|------------------------------|
| Investment in shares of ultimate parent company | <u>75,054</u>                | <u>74,393</u>                |
| <b>Cost</b>                                     |                              |                              |
| At 27 December                                  | 74,393                       | 73,568                       |
| Additions                                       | 1,013                        | 1,172                        |
| Disposals                                       | <u>(352)</u>                 | <u>(347)</u>                 |
| At 25 December                                  | <u>75,054</u>                | <u>74,393</u>                |
| <b>Carrying amount</b>                          |                              |                              |
| At 25 December                                  | <u>75,054</u>                | <u>74,393</u>                |

The investment is in the listed ordinary shares of the Company's ultimate parent, Howden Joinery Group Plc. The shares are held in employee share ownership trusts.

#### 14 Trade and other debtors

|                                      | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|--------------------------------------|------------------------------|------------------------------|
| Trade debtors                        | 7                            | -                            |
| Debts from fellow Group subsidiaries | 1,186,970                    | 920,350                      |
| Prepayments                          | 9,735                        | 8,436                        |
| Other debtors                        | <u>1,808</u>                 | <u>2,088</u>                 |
|                                      | <u>1,198,520</u>             | <u>930,874</u>               |

#### 15 Cash at bank and in hand

|              | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|--------------|------------------------------|------------------------------|
| Cash at bank | <u>207</u>                   | <u>129</u>                   |

## **Howden Joinery Corporate Services Limited**

### **Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021**

#### **16 Share-based payments**

The ultimate parent company, Howden Joinery Group Plc ("the Group") operates various share-based payment schemes for employees in its subsidiary companies, all of which relate to shares in the Group. There are no share-based payment schemes relating to the shares in the Company. The various Group schemes are described below.

##### **Share Incentive Plan ("SIP")**

##### **Scheme description**

This is a UK tax-advantaged 'all-employee' share plan under which the Company may grant the following types of awards to eligible UK employees:

(i) Free Shares, the vesting and forfeiture period for which is three years commencing on the date of grant and subject to continued employment. The shares are not subject to any performance conditions. Dividends are payable on the Free Shares during the vesting period. Voting rights are attached to Free Shares during the vesting period.

(ii) Partnership Shares, which do not have a vesting period as they are purchased using deductions from the gross pay of participating employees. The shares are not subject to any performance conditions. Dividends are payable on the Partnership Shares from grant. Voting rights are attached to Partnership Shares from grant.

(iii) Matching Shares, the vesting and forfeiture period for which is three years commencing on the date of grant and subject to continued employment and retention of the associated Partnership Shares in the SIP trust. Matching Shares are granted to participants in a ratio determined by the Company up to a maximum of two free Matching Shares for each Partnership Share purchased. Matching Shares are not subject to any performance conditions. Dividends are payable on the Matching Shares during the vesting period. Voting rights are attached to Matching Shares during the vesting period.

(iv) Dividend Shares, which do not have a vesting period as they are purchased using dividend monies payable on existing SIP shares held in the SIP trust. The shares are not subject to any performance conditions. Dividends are payable on the Dividend Shares from grant. Voting rights are attached to Dividend Shares from grant.

Free Shares, Partnership Shares, and Matching Shares must be kept in the SIP trust for five years from the date of grant to be capable of being sold or transferred out of the SIP trust free of income tax and National Insurance contributions (exceptions apply for 'good leaver' scenarios). Dividend Shares must be held in the SIP trust for three years from the date of grant to be capable of being sold or transferred out of the SIP trust free of income tax liability.

## **Howden Joinery Corporate Services Limited**

### **Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021**

#### **16 Share-based payments (continued)**

##### **Howden Joinery Group Long Term Incentive Plan ("LTIP")**

###### **Scheme description**

This is a discretionary plan under which the Group may grant different types of awards including options, conditional awards, and restricted share awards. With the exception of (iv) below, neither dividends nor dividend equivalents are payable during the vesting period. The different types of awards are as follows:

(i) Conditional Share Awards, the vesting period for which is three years commencing on the date of grant and subject to continued employment. The shares are not subject to any other performance conditions.

(ii) Market value options, the vesting period for which was three years commencing from the date of grant with an exercise period of seven years (i.e. a total life of ten years). The vesting conditions for these options were as follows:

Date of award (a) 2012 (b) 2013 (c) 2014

Vesting based on growth in profits - from year ended December (a) 2011 (b) 2012 (c) 2013

for the three-year period ending with the year ended December (a) 2014 (b) 2015 (c) 2016

Award vests at 15% if profits over the vesting period grow by (a) 6% (b) 6% (c) 8%

Award vests at 100% if profits over the vesting period grow by (a) 12% (b) 12% (c) 20%

(iii) Performance Share Plan, the vesting period for which was three years commencing from the date of grant. The vesting conditions for these options were as follows:

Date of award (a) 2018 (b) 2019

Vesting based on growth in profits - from year ended December (a) 2017 (b) 2018

for the three-year period ending with the year ended December (a) 2020 (b) 2021

Award vests at 15% if profits over the vesting period grow by (a) 5% (b) 5%

Award vests at 100% if profits over the vesting period grow by (a) 15% (b) 15%

The 2020 award has a performance period from December 2019 to December 2022. 67% of the award is based on TSR, vesting at 15% if the Company performs at median compared to a peer group and 100% if it performs in the upper quartile. 33% of the award is based on growth in profit before tax, and vests at 15% if growth over the performance period is 5%, and vests at 100% if growth is 15%.

The 2021 award has a performance period from December 2020 to December 2023. 33% of the award is based on TSR, vesting at 15% if the Company performs at median compared to a peer group and 100% if it performs in the upper quartile. 67% of the award is based on growth in profit before tax, and vests at 15% if growth over the performance period is 5%, and vests at 100% if growth is 15%.

(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.

###### **Recruitment Plan**

###### **Scheme description**

This is a discretionary plan under which the Group may grant employees conditional rights to acquire shares subject to conditions as determined by the Group. The awards granted under this plan may only be satisfied with existing shares.



## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 17 Trade and other payables

|                                       | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|---------------------------------------|------------------------------|------------------------------|
| Trade payables                        | 8,134                        | 8,708                        |
| Accrued expenses                      | 16,840                       | 10,418                       |
| Amounts due to fellow Group companies | 1,456,579                    | 1,182,703                    |
| Social security and other taxes       | 985                          | 842                          |
| Other payables                        | 49                           | 2                            |
|                                       | <u>1,482,587</u>             | <u>1,202,673</u>             |

#### 18 Share capital

##### Allotted, called up and fully paid shares

|                            | No. 000       | 25 December<br>2021<br>£ 000 | No. 000       | 26 December<br>2020<br>£ 000 |
|----------------------------|---------------|------------------------------|---------------|------------------------------|
| Ordinary shares of £1 each | <u>12,358</u> | <u>12,358</u>                | <u>12,358</u> | <u>12,358</u>                |

#### 19 Right of use assets

|                                    | Machinery<br>£ 000 | Property<br>£ 000 | Total<br>£ 000 |
|------------------------------------|--------------------|-------------------|----------------|
| <b>2021</b>                        |                    |                   |                |
| Additions                          | 99                 | -                 | 99             |
| Depreciation charge for the period | 588                | 946               | 1,534          |
| Carrying amount at year end        | <u>162</u>         | <u>2,530</u>      | <u>2,692</u>   |
| <b>2020</b>                        |                    |                   |                |
| Additions                          | 678                | 51                | 729            |
| Depreciation charge for the period | 306                | 959               | 1,265          |
| Carrying amount at year end        | <u>650</u>         | <u>3,476</u>      | <u>4,126</u>   |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 20 Leases

##### Leases included in creditors

|  | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|--|------------------------------|------------------------------|
| Current portion of long term lease liabilities | 981                          | 1,759                        |
| Long term lease liabilities                    | <u>2,169</u>                 | <u>3,065</u>                 |

##### Lease liabilities maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

|  | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|--|------------------------------|------------------------------|
| Less than one year                     | 1,020                        | 1,815                        |
| One to five years                      | <u>2,195</u>                 | <u>3,128</u>                 |
| Total lease liabilities (undiscounted) | <u>3,215</u>                 | <u>4,943</u>                 |

##### Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

|                      | 25 December<br>2021<br>£ 000 | 26 December<br>2020<br>£ 000 |
|----------------------|------------------------------|------------------------------|
| <b>Payment</b>       |                              |                              |
| Repayment of capital | 1,773                        | 1,471                        |
| Interest             | 57                           | 74                           |
| Short term leases    | <u>152</u>                   | <u>-</u>                     |
| Total cash outflow   | <u>1,982</u>                 | <u>1,545</u>                 |

#### 21 Commitments

##### Capital commitments

Purchases of tangible and intangible non-current assets:

The total amount contracted for but not provided in the financial statements was £155,214 (2020 - £96,241).

#### 22 Other provisions

|                       | Leases<br>£ 000 | Total<br>£ 000 |
|-----------------------|-----------------|----------------|
| Additional provisions | <u>750</u>      | <u>750</u>     |
| At 25 December 2021   | <u>750</u>      | <u>750</u>     |

## **Howden Joinery Corporate Services Limited**

### **Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021**

#### **22 Other provisions (continued)**

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.

In these cases, 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 either (i) if the landlord serves an interim schedule of dilapidations part-way through a lease, or (ii) as we draw 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.

#### **23 Pension and other schemes**

##### **Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £248,748 (2020 - £108,248).

## **Howden Joinery Corporate Services Limited**

### **Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021**

#### **23 Pension and other schemes (continued)**

##### **Defined benefit pension schemes**

##### **Howden Joinery Group Defined Benefit Plan**

##### **Plans that share risks between entities under common control**

Characteristics and risks of the plan:

The Howden Joinery 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 April 2013.

The plan shares risks between wholly-owned Group subsidiaries which are each under the control of the ultimate parent company. These risks are shared between this Company and two other wholly-owned Group subsidiaries.

There is no contractual agreement or stated policy for charging the net defined benefit cost between the participating subsidiaries and this Company is the sponsoring employer, so the entire net defined benefit pension cost, and the entire pension deficit, appears in this Company's accounts.

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 April 2013. In November 2020, the Company entered into a consultation process with affected employees and collective bargaining groups regarding the potential closure of the defined benefit Howden Joinery Pension Plan to future accrual. The outcome of the consultation was that the Plan closed to future accrual from 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, two independent trustees, and three Group-appointed trustees. All trustees are required to act in the best interests of the plan beneficiaries.

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

The Group's contributions in the current and prior periods are shown in the tables below. The Group has an agreement with the pension plan trustees to make additional deficit contributions to the plan, over and above the normal level of contributions, of £30m per year until June 2023. Under the agreement, the scheme's funding position is monitored on a monthly basis and deficit contributions are to be suspended if the scheme's funding position is 100% or greater for two consecutive months on a Technical Provisions basis, and is resumed if the funding position subsequently falls back to below 100%.

The scheme's funding reached 100% on a Technical Provisions basis part way through 2021 and remained in surplus on that basis until the year end. Additional deficit contributions were suspended throughout this time.

The Group's estimated total cash contributions to the defined benefit plan in the 52 weeks ending 24 December 2022 are £3m. This is on the assumption that the scheme remains in surplus on the Technical Provisions basis and that there are no additional deficit contributions in the year.

Contributions payable to the pension scheme at the end of the period are £Nil (2020 - £Nil).

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 23 Pension and other schemes (continued)

##### Accounting and actuarial valuation

Contributions are charged to the consolidated income statement so as to spread the cost of pensions over the employees' working lives with the Group. The present value of the defined benefit obligation, the related current service cost, and past service cost are determined by a qualified actuary using the projected unit method. The most recent completed actuarial valuation was carried out at 5 April 2020 by the plan actuary. The actuary advising the Group has subsequently rolled forward the results of the 5 April 2020 valuation to 25 December 2021. 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 25 December 2021. We are using CMI 2020 mortality tables, being the most recent tables available.

As is mandatory under International Financial Reporting Standards, the Group values its pension deficit in these accounts on an IAS19 basis. As shown below, the IAS19 surplus at the current period end is £140.8m. On a funding basis (also known as a "Technical Provisions basis", being the basis on which the triennial actuarial valuations are carried out), the funding surplus at the current period end is estimated at £65.6m, this estimate being based on an approximate roll-forward of the 2020 triennial funding valuation, updated for market conditions.

##### Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

|  | <b>25 December<br/>2021<br/>£ m</b> | <b>26 December<br/>2020<br/>£ m</b> |
|--|-------------------------------------|-------------------------------------|
| Fair value of scheme assets                      | 1,653                               | 1,593                               |
| Present value of scheme liabilities              | <u>(1,513)</u>                      | <u>(1,641)</u>                      |
| Defined benefit pension scheme surplus/(deficit) | <u>140</u>                          | <u>(48)</u>                         |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 23 Pension and other schemes (continued)

Scheme assets

Changes in the fair value of scheme assets are as follows:

|  | 25 December<br>2021<br>£ m | 26 December<br>2020<br>£ m |
|--|----------------------------|----------------------------|
| Fair value at start of period  | 1,593                      | 1,429                      |
| Interest income  | 21                         | 28                         |
| Return on plan assets, excluding amounts included in interest income/(expense) | 58                         | 132                        |
| Employer contributions   | 25                         | 46                         |
| Benefits paid  | (44)                       | (42)                       |
| Fair value at end of period  | <u>1,653</u>               | <u>1,593</u>               |

Analysis of assets

The major categories of scheme assets are as follows:

|                           | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|---------------------------|---------------------------|---------------------------|
| Cash and cash equivalents | 21                        | 39                        |
| Equity instruments        | 173                       | 144                       |
| Debt instruments          | 668                       | 661                       |
| Investment funds          | 791                       | 749                       |
|                           | <u>1,653</u>              | <u>1,593</u>              |

#### Equity instruments

Equity instruments can be further categorised as follows:

|                  | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|------------------|---------------------------|---------------------------|
| <b>Quoted</b>    |                           |                           |
| Passive equities | 173                       | 141                       |
| <b>Unquoted</b>  |                           |                           |
| Private equity   | <u>1</u>                  | <u>3</u>                  |
|                  | <u>174</u>                | <u>144</u>                |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 23 Pension and other schemes (continued)

##### Debt instruments

Debt instruments can be further categorised as follows:

|                  | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|------------------|---------------------------|---------------------------|
| <b>Quoted</b>    |                           |                           |
| Corporate bonds  | 232                       | 238                       |
| Government bonds | 436                       | 423                       |
|                  | <u>668</u>                | <u>661</u>                |

##### Investment funds

Investment funds can be further categorised as follows:

|                             | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|-----------------------------|---------------------------|---------------------------|
| <b>Quoted</b>               |                           |                           |
| Commercial property fund    | 114                       | 103                       |
| Absolute return fund        | 91                        | 85                        |
| Asset-backed securities     | 11                        | 105                       |
|                             | <u>216</u>                | <u>293</u>                |
| <b>Unquoted</b>             |                           |                           |
| Commercial property fund    | 176                       | 118                       |
| Fund of hedge funds         | 149                       | 138                       |
| Insurance-linked securities | 101                       | 72                        |
| Other Secure Income         | 150                       | 129                       |
|                             | <u>576</u>                | <u>457</u>                |
|                             | <u>792</u>                | <u>750</u>                |

As set out in the plan's 2021 Annual Report and Accounts, signed in September 2021, the plan trustees' long-term asset allocation strategy is to target a 60% allocation of assets to "return-seeking assets" and a 40% allocation to "risk-reducing assets".

The plans accounts then goes on to explain these classes of assets as follows:

"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 bonds and could also possibly include other financial instruments such as interest rate and inflation swaps.

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 23 Pension and other schemes (continued)

Actual return on scheme's assets

|                                | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|--------------------------------|---------------------------|---------------------------|
| Actual return on scheme assets | 79                        | 161                       |

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

|  | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|--|---------------------------|---------------------------|
| Present value at start of period   | 1,641                     | 1,485                     |
| Current service cost   | 5                         | 21                        |
| Administration Cost  | 2                         | 3                         |
| Actuarial gains and losses arising from changes in financial assumptions | (133)                     | 166                       |
| Actuarial gains and losses arising from experience adjustments           | 20                        | (20)                      |
| Interest cost  | 21                        | 28                        |
| Benefits paid  | (44)                      | (42)                      |
| Present value at end of period   | 1,512                     | 1,641                     |

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

|  | 25 December<br>2021<br>% | 26 December<br>2020<br>% |
|--|--------------------------|--------------------------|
| Discount rate                                  | 2.00                     | 1.30                     |
| Future salary increases                        | 4.00                     | 3.95                     |
| Future pension increases - from 2.25% to 3.35% | 4.00                     | 3.35                     |
| Inflation - RPI                                | 3.00                     | 2.95                     |

*Post retirement mortality assumptions*

|  | 25 December<br>2021<br>Years | 26 December<br>2020<br>Years |
|--|------------------------------|------------------------------|
| Current UK pensioners at retirement age - male   | 22                           | 22                           |
| Current UK pensioners at retirement age - female | 23                           | 23                           |
| Future UK pensioners at retirement age - male    | 23                           | 23                           |
| Future UK pensioners at retirement age - female  | 25                           | 26                           |



## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 23 Pension and other schemes (continued)

Amounts recognised in the income statement

|  | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|--|---------------------------|---------------------------|
| <b>Amounts recognised in operating profit</b>        |                           |                           |
| Current service cost                                 | (5)                       | (21)                      |
| Administrative expenses paid                         | (2)                       | (3)                       |
| Recognised in arriving at operating profit           | (7)                       | (24)                      |
| <b>Amounts recognised in finance income or costs</b> |                           |                           |
| Net interest   | -                         | (1)                       |
| Total recognised in the income statement             | (7)                       | (25)                      |

Amounts taken to the Statement of Comprehensive Income

|  | 25 December<br>2021<br>£m | 26 December<br>2020<br>£m |
|--|---------------------------|---------------------------|
| Actuarial gains and losses arising from changes in financial assumptions       | 112                       | (146)                     |
| Return on plan assets, excluding amounts included in interest income/(expense) | 58                        | 133                       |
| Amounts recognised in the Statement of Comprehensive Income                    | 170                       | (13)                      |

## Howden Joinery Corporate Services Limited

### Notes to the Financial Statements for the Period from 27 December 2020 to 25 December 2021

#### 23 Pension and other schemes (continued)

##### Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

|  | 25 December<br>2021 |              |                 | 26 December<br>2020 |              |                 |
|--|---------------------|--------------|-----------------|---------------------|--------------|-----------------|
| <b>Adjustment to discount rate</b>                   | <b>+ 0.1%</b>       | <b>0.0%</b>  | <b>- 0.1%</b>   | <b>+ 0.1%</b>       | <b>0.0%</b>  | <b>- 0.1%</b>   |
|  | <b>£ 000</b>        | <b>£ 000</b> | <b>£ 000</b>    | <b>£ 000</b>        | <b>£ 000</b> | <b>£ 000</b>    |
| Present value of total obligation                    | (1,351)             | (1,513)      | (1,675)         | (1,455)             | (1,641)      | (1,827)         |
|  |                     |              |                 |                     |              |                 |
|  | 25 December<br>2021 |              |                 | 26 December<br>2020 |              |                 |
| <b>Adjustment to rate of inflation</b>               | <b>+ 0.1%</b>       | <b>0.0%</b>  | <b>- 0.1%</b>   | <b>+ 0.1%</b>       | <b>0.0%</b>  | <b>- 0.1%</b>   |
|  | <b>£ 000</b>        | <b>£ 000</b> | <b>£ 000</b>    | <b>£ 000</b>        | <b>£ 000</b> | <b>£ 000</b>    |
| Present value of total obligation                    | (1,426)             | (1,513)      | (1,600)         | (1,551)             | (1,641)      | (1,731)         |
|  |                     |              |                 |                     |              |                 |
|  | 25 December<br>2021 |              |                 | 26 December<br>2020 |              |                 |
| <b>Adjustment to mortality age rating assumption</b> | <b>+ 1 Year</b>     | <b>None</b>  | <b>- 1 Year</b> | <b>+ 1 Year</b>     | <b>None</b>  | <b>- 1 Year</b> |
|  | <b>£ 000</b>        | <b>£ 000</b> | <b>£ 000</b>    | <b>£ 000</b>        | <b>£ 000</b> | <b>£ 000</b>    |
| Present value of total obligation                    | (1,460)             | (1,513)      | (1,566)         | (1,584)             | (1,641)      | (1,698)         |

The weighted average duration of the defined benefit obligation at both the current and prior period ends was 21 years.

#### 24 Parent and ultimate parent undertaking

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

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

The most senior parent entity producing publicly available financial statements, and the only other entity who produces consolidated financial statements which include this company is Howden Joinery Group Plc. These financial statements are available on request from 40 Portman Square, London W1H 6LT, or <http://howdenjoinerygroupplc.com/investors/financial-reporting/reports/index.asp>