

Registration number: 05692476

Howden Kitchens Properties Limited

Annual Report and Financial Statements

for the Period from 26 December 2021 to 24 December 2022

Howden Kitchens Properties Limited

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Howden Kitchens Properties Limited

Strategic Report for the Period from 26 December 2021 to 24 December 2022

The directors present their strategic report for the period from 26 December 2021 to 24 December 2022.

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 - 35)
- Description of the principal risks and uncertainties facing the Group and its subsidiary undertakings (pgs 36 - 45)
- Financial and non-financial KPIs (pgs 28 - 29)
- Future developments (pgs 18, 26, 34)
- Information about environmental matters, social, community and human rights issues (pgs 46-70)
- 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 105 - 106, 147)

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 Kitchens Properties Limited

Strategic Report for the Period from 26 December 2021 to 24 December 2022

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 24 December 2022

(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 7 August 2023 and signed on its behalf by:



Forbes McNaughton
Company secretary

Howden Kitchens Properties Limited

Directors' Report for the Period from 26 December 2021 to 24 December 2022

The directors present their annual report and the audited financial statements for the period from 26 December 2021 to 24 December 2022.

Directors' of the company

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

Chantal Cable

Jim McManus

George Julian Lee

Paul Hayes

Theresa Keating

Principal activity and employees

The principal activity of the company is to manage properties occupied by other Group companies. The Company had no employees during the current period and staff costs amounted to nil.

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 34-35 of the Howden Joinery Group Plc 2022 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

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

Howden Kitchens Properties Limited

Directors' Report for the Period from 26 December 2021 to 24 December 2022

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 2022 Consolidated Annual Report, dated 6 March 2023, which includes a description of how the parent company 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.

Approved by the board on 7 August 2023 and signed on its behalf by:



Forbes McNaughton
Company secretary

Howden Kitchens Properties 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
 - assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Howden Kitchens Properties Limited

Independent Auditor's Report to the Members of Howden Kitchens Properties Limited

Opinion

We have audited the financial statements of Howden Kitchens Properties Limited (the 'Company') for the period from 26 December 2021 to 24 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, and related notes, including the accounting policies in note 2.

In our opinion the financial statements of Howden Kitchens Properties Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 24 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with UK Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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

Howden Kitchens Properties Limited

Independent Auditor's Report to the Members of Howden Kitchens Properties Limited

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, audit committee and remuneration committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the nature, lack of complexity and limited opportunity and ability of management to manipulate the results to a material degree despite the potential for incentive to do so.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by users outside of their expected business area and those posted to unusual accounts.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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

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

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

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

Howden Kitchens Properties Limited

Independent Auditor's Report to the Members of Howden Kitchens Properties Limited

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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.

Howden Kitchens Properties Limited

Independent Auditor's Report to the Members of Howden Kitchens Properties Limited

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



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Robert Brent (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
London
E14 5GL
United Kingdom
9 August 2023

Howden Kitchens Properties Limited

Profit and Loss Account for the Period from 26 December 2021 to 24 December 2022

			(As restated - see note 14)
	Note	2022 £ 000	2021 £ 000
Turnover	4	23,721	21,643
Cost of sales		<u>(13,937)</u>	<u>(13,698)</u>
Gross profit		9,784	7,945
Administrative expenses		<u>(18,161)</u>	<u>(19,074)</u>
Operating loss	5	<u>(8,377)</u>	<u>(11,129)</u>
Loss before tax		(8,377)	(11,129)
Tax on loss	7	<u>(1,018)</u>	<u>(1,152)</u>
Loss for the period		<u><u>(9,395)</u></u>	<u><u>(12,281)</u></u>

The above results were derived from continuing operations.

Howden Kitchens Properties Limited

Statement of Comprehensive Income for the Period from 26 December 2021 to 24 December 2022

	2022	(As restated - see note 14)
	£ 000	2021
		£ 000
Loss for the period	<u>(9,395)</u>	<u>(12,281)</u>
Total comprehensive income for the period	<u><u>(9,395)</u></u>	<u><u>(12,281)</u></u>

The notes on pages 14 to 25 form an integral part of these financial statements.

Howden Kitchens Properties Limited

(Registration number: 05692476)
Balance Sheet as at 24 December 2022

		(As restated - see note 14)	
		24 December	25 December
	Note	2022	2021
		£ 000	£ 000
Fixed assets			
Tangible assets	8	68,799	63,041
Current assets			
Debtors	9	3,504	45,442
Creditors: Amounts falling due within one year	10	<u>(78,744)</u>	<u>(105,257)</u>
Net current liabilities		<u>(75,240)</u>	<u>(59,815)</u>
Total assets less current liabilities		(6,441)	3,226
Provisions	11	(492)	(2,347)
Deferred tax liabilities	7	<u>(3,633)</u>	<u>(2,051)</u>
Net liabilities		<u>(10,566)</u>	<u>(1,172)</u>
Capital and reserves			
Retained earnings		<u>(10,566)</u>	<u>(1,172)</u>
Shareholders' deficit		<u>(10,566)</u>	<u>(1,172)</u>

Approved by the board on 7 August 2023 and signed on its behalf by:


.....
Theresa Keating
Director

Howden Kitchens Properties Limited

Statement of Changes in Equity for the Period from 26 December 2021 to 24 December 2022

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 25 December 2021, restated - note 14	-	(1,171)	(1,171)
Loss for the period	-	(9,395)	(9,395)
Total comprehensive income	-	(9,395)	(9,395)
At 24 December 2022	-	(10,566)	(10,566)
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 27 December 2020, as previously reported - note 14	-	(10,498)	(10,498)
Effect of restatement - see note 14	-	21,607	21,607
Adjusted balances at 27 December 2020	-	11,109	11,109
Loss for the period restated - note 14	-	(12,281)	(12,281)
Total comprehensive income restated - note 14	-	(12,281)	(12,281)
At 25 December 2021 restated - note 14	-	(1,172)	(1,172)

The notes on pages 14 to 25 form an integral part of these financial statements.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

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 7 August 2023.

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 26 December 2021 have had a material effect on the financial statements.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

2 Accounting policies (continued)

Revenue recognition

Recognition

The Company earns revenue from the provision of services relating to managing properties occupied by 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.

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

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided, excluding sales taxes and discounts.

Finance income and costs policy

Interest income is recognised in the income statement as it accrues, using the effective interest method.

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 or in equity is also recognised directly in other comprehensive income or equity.

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.

Property, plant and equipment

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.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

2 Accounting policies (continued)

Depreciation

Depreciation is charged on a straight line basis so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	the period of the lease, or the individual asset's life if shorter
Freehold buildings	50 years

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.

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.

Financial instruments

Initial recognition

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

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

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

Share capital

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

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.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

3 Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgements or sources of estimation uncertainty which have a significant effect on the amounts recognised in these financial statements.

4 Turnover

The company turnover for the period all derives from continuing operations in the UK and is analysed as follows:

	2022 £ 000	2021 £ 000
Provision of property services	<u>23,721</u>	<u>21,643</u>

5 Operating loss

Arrived at after charging

	2022 £ 000	2021 £ 000
Depreciation expense	2,825	2,786
Loss on disposal of property, plant and equipment	<u>-</u>	<u>4</u>

6 Auditor's remuneration

	26 December 2021 to 24 December 2022 £ 000	27 December 2020 to 25 December 2021 £ 000
Audit of the financial statements	<u>-</u>	<u>30</u>

This Company's audit fees in the current year have been paid by a fellow wholly-owned subsidiary of this Company's ultimate parent.

7 Income tax

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

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

7 Income tax (continued)

	2022	2021
	£ 000	£ 000
		(As restated - note 14)
Current taxation		
UK corporation tax	(726)	438
UK corporation tax adjustment to prior periods	161	(13)
	<u>(565)</u>	<u>425</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	1,000	184
Arising from changes in tax rates and laws	186	108
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	397	435
	<u>1,583</u>	<u>727</u>
Total deferred taxation	<u>1,583</u>	<u>727</u>
Tax expense in the profit and loss account	<u>1,018</u>	<u>1,152</u>

The tax on profit/loss before tax for the period is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022	(As restated - see note 14)
	£ 000	2021
		£ 000
Loss before tax	<u>(8,377)</u>	<u>(11,129)</u>
Corporation tax at standard rate	(1,591)	222
Increase in current tax from adjustment for prior periods	347	96
Increase from effect of different UK tax rates on some earnings	397	435
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	1,865	399
	<u>1,018</u>	<u>1,152</u>
Total tax charge	<u>1,018</u>	<u>1,152</u>

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

7 Income tax (continued)

Deferred tax

Deferred tax balances in 2021 have been restated - see note 14.

Deferred tax assets and liabilities:

Deferred tax movement during the period:

	At 26 December 2021	Recognised in income	At 24 December 2022
	£ 000 , restated - see note 14	£ 000	£ 000
Accelerated tax depreciation	(2,051)	(1,582)	(3,633)
Leases	-	-	-
Net tax assets/(liabilities)	(2,051)	(1,582)	(3,633)

Deferred tax movement during the prior period:

	At 27 December 2020	Recognised in income	At 25 December 2021
	£ 000	£ 000 , restated - see note 14	£ 000 , restated - see note 14
Accelerated tax depreciation	(1,656)	(395)	(2,051)
Leases	332	(332)	-
Net tax assets/(liabilities)	(1,324)	(727)	(2,051)

The company has capital losses of £0.9m (2021: £0.9m). These losses are available indefinitely for offset against future UK chargeable gains. No deferred tax asset has been recognised in respect of these losses as no further utilisation is currently anticipated.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

8 Property, plant and equipment

	Land and buildings £ 000	Assets under construction £ 000	Total £ 000
Cost or valuation			
At 27 December 2020	77,387	821	78,208
Additions	2,334	171	2,505
Disposals	(2,545)	-	(2,545)
Transfers	597	(597)	-
	<u>77,773</u>	<u>395</u>	<u>78,168</u>
At 25 December 2021	77,773	395	78,168
At 26 December 2021	77,773	395	78,168
Additions	7,390	1,193	8,583
Transfers	57	(57)	-
	<u>85,220</u>	<u>1,531</u>	<u>86,751</u>
At 24 December 2022	85,220	1,531	86,751
Depreciation			
At 27 December 2020	14,881	-	14,881
Charge for period	2,786	-	2,786
Eliminated on disposal	(2,540)	-	(2,540)
	<u>15,127</u>	<u>-</u>	<u>15,127</u>
At 25 December 2021	15,127	-	15,127
At 26 December 2021	15,127	-	15,127
Charge for the period	2,825	-	2,825
	<u>17,952</u>	<u>-</u>	<u>17,952</u>
At 24 December 2022	17,952	-	17,952
Carrying amount			
At 24 December 2022	<u>67,268</u>	<u>1,531</u>	<u>68,799</u>
At 25 December 2021	<u>62,646</u>	<u>395</u>	<u>63,041</u>

Included within the net book value of land and buildings above is £29,908,860 (2021 - £30,827,059) in respect of freehold land and buildings and £37,359,525 (2021 - £31,819,414) in respect of short leasehold land and buildings.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

9 Trade and other debtors

		(As restated - see note 14)
	24 December 2022	25 December 2021
	£ 000	£ 000
Trade and other debtors falling due within one year		
Trade debtors	-	12
Amounts due from fellow Group subsidiaries	-	44,323
Prepayments	3,468	78
Other debtors	36	1,029
	<u>3,504</u>	<u>45,442</u>

10 Creditors: amounts falling due within one year

		(As restated - see note 14)
	24 December 2022	25 December 2021
	£ 000	£ 000
Trade creditors	134	199
Accrued expenses	107	342
Amounts due to fellow Group subsidiaries	78,503	104,716
	<u>78,744</u>	<u>105,257</u>

11 Other provisions

	Property provisions £ 000	Total £ 000
At 26 December 2021	2,347	2,347
Additional provisions	50	50
Provisions used	(695)	(695)
Unused provision reversed	(1,210)	(1,210)
At 24 December 2022	<u>492</u>	<u>492</u>
Non-current liabilities	<u>492</u>	<u>492</u>

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

11 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.

12 Share capital

The Company's share capital at both the current and prior period end consists of 1 £1 ordinary share

13 Parent and ultimate parent undertaking

The company's immediate parent is Howden Joinery Limited.

The ultimate parent is Howden Joinery Group Plc.

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

The ultimate controlling party is Howden Joinery Group Plc.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

14 Prior year restatement

During the current period, the Directors have reassessed the Company's accounting for leases. This has led to prior year adjustments to the Company financial statements, as detailed below. There is no impact on the consolidated Group financial statements of this Company's ultimate parent..

Property lease accounting

On adoption of IFRS16: Leases, the Directors determined that the companies who actively manage and operate the leased properties should record the lease liabilities and right-of-use lease assets. This approach has been revisited and the revised conclusion was that leases should be accounted for in the financial statements of the company who is the signatory to the lease.

A review of the Group's leases identified that there were five leases where this Company was signatory to the lease. Accordingly, an adjustment has been made to remove these leases from the financial statements of the 100%-owned subsidiary company in which they had previously been reported, and to record these leases on the Company balance sheet. There is no impact on the consolidated Group position of this Company's ultimate parent.

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

14 Prior year restatement (continued)

Adjustments arising from restatements

Adjustments to opening balances as at 26 Dec 2020

Property lease accounting - transfer leases between fellow subsidiaries

Effect of restatements on opening balances as at 26 Dec 2020

Adjustments in year to 25 Dec 2021

Property lease accounting - incremental effect in 2021

Tax effect of 2021 restatements

Incremental effect of restatements on year to 25 Dec 2021 figures

	Lease right-of-use assets £ 000	Current lease liabilities £ 000	Non-current lease liabilities £ 000	Amounts due to fellow Group subsidiaries £ 000	Deferred tax £ 000	Net effect of restatements on reserves £ 000
	(188,299)	6,747	203,159	-	-	21,607
	(188,299)	6,747	203,159	-	-	21,607
	7,758	(2,826)	(3,921)	(12,382)	-	(11,371)
	-	-	-	-	(402)	(402)
	7,758	(2,826)	(3,921)	(12,382)	(402)	(11,773)

Howden Kitchens Properties Limited

Notes to the Financial Statements for the Period from 26 December 2021 to 24 December 2022

14 Prior year restatement (continued)

Adjustments arising from restatements (continued)

Adjustments to other comprehensive income - 2021

	£ 000
(Increase)/decrease in administrative expenses	(15,924)
(Increase)/decrease in interest payable and similar charges	4,553
(Increase)/decrease in tax on profit	<u>(402)</u>
Increase/(decrease) in other comprehensive income	<u><u>(11,773)</u></u>

