

Registered Number 514573

Wolseley Haworth Limited (formerly Murdock Haworth Limited)

Directors' Report and Financial Statements

For the year ended 31 December 2006



Wolseley Haworth Limited (formerly Murdock Haworth Limited)

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Wolseley Haworth Limited (formerly Murdock Haworth Limited)

Directors and advisers

Directors

M J Neville
N J Sibley
I Tillotson

Secretary

G Middlemiss

Registered Number

514573

Registered office

Harrison Way
Leamington Spa
Warwickshire
CV31 3HH

Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Director's report for the year ended 31 December 2006

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activity

The company's principal activity is that of a builders' merchant

On 2 October 2006 the entire issued share capital of the company was acquired by Wolseley UK Limited

Murdock Haworth Limited changed its name to Wolseley Haworth Limited on 27 March 2007

Review of Business

The results for the period and financial position of the company are as shown in the annexed financial statements.

There are no particular risks and uncertainties facing the company at this point in time
Group risks are discussed further in the Group Annual Report, which does not form part of this report

The Wolseley Group manages its operations on a segmental basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the European distribution of Wolseley plc, which includes the company, is discussed in the Group's Annual Report which does not form part of this Report.

Dividend

An interim dividend of £22.30 per ordinary share was paid during 2006, totalling £350,110 (2005: nil).
The directors do not recommend payment of a final dividend (2005: nil).

Directors

The directors during the period under review were

C Murdock	resigned 2 October 2006
M Murdock	resigned 2 October 2006
K Murdock	resigned 2 October 2006
M J Neville	appointed 2 October 2006
N J Sibley	appointed 2 October 2006
I Tillotson	appointed 2 October 2006

Post Balance Sheet Event

On 31 July 2007 the entire business and assets of Wolseley Haworth Limited were transferred to Wolseley UK Limited.

Directors' report for the year ended 31 December 2006

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to

- select appropriate accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting policies have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors and disclosure of information to auditors

So far as the directors of the company are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the 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 auditors are aware of that information.

By order of the Board



Company Secretary
G Middlemiss

31 OCTOBER 2007
Date

**Independent auditors' report to the members of Wolseley Haworth Limited
(formerly Murdock Haworth Limited)**

We have audited the financial statements of Wolseley Haworth Limited (formerly Murdock Haworth Limited) for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

**Independent auditors' report to the members of Wolseley Haworth Limited
(formerly Murdock Haworth Limited) (continued)**

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However the evidence available to us was limited because we were not appointed auditors until after the end of the company's accounting period and therefore did not observe the company's stocktaking procedures at 31 December 2006 and 31 December 2005. We have been unable to satisfy ourselves by other auditing procedures that stocks shown in the balance sheet as at 31 December 2006 and 31 December 2005, amounting to £168,758 and £285,595 respectively, are fairly stated.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation on audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence regarding the existence and value of stocks at 31 December 2006 and 31 December 2005 in our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

In respect alone of the limitation on our work relating to stocks at 31 December 2006 and 31 December 2005, we have not obtained all the information and explanations that we consider necessary for the purpose of our audit.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

31 October 2007

Wolseley Haworth Limited (formerly Murdock Haworth Limited)

Profit and loss account for the year ended 31 December 2006

		Continuing operations	
	Notes	2006	2005
		£	£
Turnover	1	3,619,560	4,593,924
Cost of sales		(2,540,243)	(3,080,910)
Gross profit		1,079,317	1,513,014
Administrative expenses		(1,239,592)	(1,346,305)
Operating (loss)/profit	2	(160,275)	166,709
Interest receivable	3a	958	-
Interest payable	3b	(5,437)	(10,422)
(Loss)/profit on ordinary activities before taxation		(164,754)	156,287
Tax on profit on ordinary activities	6	1,706	(11,160)
(Loss)/profit on ordinary activities after taxation	16	(163,048)	145,127

There are no recognised gains or losses other than the profit or loss for the above two financial years

There are no material differences between the results as described in the profit and loss account and the results on an unmodified historical cost basis

The notes on pages 8 to 14 form part of these financial statements

Wolseley Haworth Limited (formerly Murdock Haworth Limited)**Balance Sheet as at 31 December 2006**

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	8	66,588	127,560
Investments	9	-	350
		<u>66,588</u>	<u>127,910</u>
Current assets			
Stocks	10	168,758	285,595
Debtors	11	525,410	986,494
Cash at bank		1,074,849	57,310
		<u>1,769,017</u>	<u>1,329,399</u>
Creditors: amounts falling due within one year	12	<u>(1,708,931)</u>	<u>(797,065)</u>
Net current assets		<u>60,086</u>	<u>532,334</u>
Total assets less current liabilities		<u>126,674</u>	<u>660,244</u>
Creditors: amounts falling due after more than one year	13	<u>(15,644)</u>	<u>(36,056)</u>
Net assets		<u><u>111,030</u></u>	<u><u>624,188</u></u>
Capital and reserves			
Called up share capital	15	7,850	7,850
Profit and loss account	16	103,180	616,338
Equity shareholders' funds	17	<u><u>111,030</u></u>	<u><u>624,188</u></u>

The notes on pages 8 to 14 form part of these financial statements

The financial statements were approved by the Board and signed on its behalf by



Director

31 OCTOBER 2007

Date

Notes to the financial statements for the year ended 31 December 2006

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention

Under FRS 1 (revised) "Cash flow statements", the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a 100% subsidiary undertaking. The consolidated financial statements in which the subsidiary undertaking is included are publicly available.

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. The Company's activities are solely performed in the United Kingdom.

Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated with reference to original cost to write off the assets over their useful economic lives to the business.

Depreciation is charged as follows:

Plant and machinery	- 25% p a on a straight line basis
Fixtures and fittings	- 15% p a on a straight line basis
Motor vehicles	- 25% p a on a straight line basis
Leased assets	- Over lease term

Following the Company's acquisition by Wolseley UK Limited, depreciation rates were brought into line with those used throughout the group. The impact on the tangible fixed assets was to reduce the net book value by £41,535.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Investments

Fixed asset investments are stated at cost less provision for impairment in value.

Impairment of fixed assets

When events or circumstances are present which indicate that the carrying amount of a tangible or intangible asset may not be recoverable, the company estimates the net realisable value (where the asset is traded on an active market) or the present value of future cash flows expected to result from the use of the asset and its eventual disposition. Where the net realisable value or the present value of future cash flows is less than the carrying amount of the asset, the company will recognise an impairment loss.

1. Accounting policies (continued)

Stock

Stock is valued at the lower of cost and net realisable value

Cost comprises purchase invoice price. Provision is made, where necessary, for obsolescent, slow-moving and defective stocks

Net realisable value comprises the actual or estimated selling price (net of trade, but before settlement discount) less all further costs expected to be incurred to completion and disposal

Pensions

The Company operates a defined contribution scheme on behalf of certain employees. The pension costs charged in the financial statements represent the contribution payable by the company during the year. The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Deferred tax

Provision is made for deferred tax in so far as a liability or asset arises as a result of transactions that have occurred by the balance sheet date and give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. An asset has not been recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Wolseley Haworth Limited (formerly Murdock Haworth Limited)

Notes to the financial statements for the year ended 31 December 2006

2. Operating (loss)/profit	2006	2005
	£	£
Operating (loss)/profit is stated after charging		
Depreciation of tangible leased assets	103,727	62,847
Depreciation of owned tangible assets	320	-
	<u></u>	<u></u>
Audit fees are borne by the immediate parent undertaking		
 3a. Interest receivable	 2006	 2005
	£	£
Bank interest	958	-
	<u></u>	<u></u>
 3b. Interest payable	 2006	 2005
	£	£
On bank overdraft	-	3,414
Hire purchase interest	5,437	7,008
	<u>5,437</u>	<u>10,422</u>
 4a. Directors		
None of the directors received any emoluments from the company (2005 nil)		
 4b. Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were		
	2006	2005
	No.	No.
Administration	4	4
Sales and distribution	22	22
	<u>26</u>	<u>26</u>
 Employment costs	 2006	 2005
	£	£
Wages and salaries	572,459	640,354
Social security costs	57,512	66,593
Other pension costs	4,786	(1,279)
	<u>634,757</u>	<u>705,668</u>

Wolseley Haworth Limited (formerly Murdock Haworth Limited)

Notes to the financial statements for the year ended 31 December 2006

5. Pension costs

The company operated a scheme on behalf of certain employees. Contributions in respect of the scheme have been charged to the profit and loss account in the period in which they are payable.

6. Tax on (loss)/profit on ordinary activities	2006	2005
	£	£
Current year taxation		
UK corporation tax on (loss)/profit of the period	-	-
Deferred tax		
Current year	(1,706)	11,160
	<u>(1,706)</u>	<u>11,160</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30%)

The differences are explained below

	2006	2005
	£	£
(Loss)/profit on ordinary activities before tax	(164,754)	156,287
(Loss)/profit on ordinary activities multiplied by UK tax rate of 30% (2005 30%)	(49,426)	46,887
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	594
Capital allowances for period less depreciation	-	494
Group relief	-	(47,975)
Losses not recognised	<u>49,426</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

7. Dividends	2006	2005
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid £22.30 per ordinary share (2005 NIL)	<u>350,110</u>	<u>-</u>

Wolseley Haworth Limited (formerly Murdock Haworth Limited)

Notes to the financial statements for the year ended 31 December 2006

8. Tangible assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 January 2006	-	268,572	268,572
Additions	3,825	39,250	43,075
At 31 December 2006	<u>3,825</u>	<u>307,822</u>	<u>311,647</u>
Depreciation			
At 1 January 2006	-	141,012	141,012
Charge for the year	319	103,728	104,047
At 31 December 2006	<u>319</u>	<u>244,740</u>	<u>245,059</u>
Net book values			
At 31 December 2006	<u>3,506</u>	<u>63,082</u>	<u>66,588</u>
At 31 December 2005	<u>-</u>	<u>127,560</u>	<u>127,560</u>

The net book value of tangible fixed assets includes an amount of £55,644 (2005.£127,560) in respect of assets held under finance leases

9. Investments

	Unlisted Investments £
Cost and Net Book Value as at 1 January 2006	350
Impairment	(350)
Cost and net book value as at 31 December 2006	<u>-</u>

10. Stocks

	2006 £	2005 £
Goods for resale	<u>168,758</u>	<u>285,595</u>

In the opinion of the Directors there is no material difference between the replacement cost of stocks and their balance sheet value

Wolseley Haworth Limited (formerly Murdock Haworth Limited)**Notes to the financial statements for the year ended 31 December 2006****11. Debtors**

	2006	2005
	£	£
Trade debtors	482,428	578,005
Amounts owed by group undertakings	112	369,334
Prepayments	29,351	36,288
Other debtors	8,946	-
Deferred tax asset	4,573	2,867
	<u>525,410</u>	<u>986,494</u>

12. Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank overdraft	-	166,164
Trade creditors	485,442	73,599
Amounts owed to group undertaking	1,123,600	389,431
Finance leases and hire purchase contracts	46,728	44,094
Other taxes and social security costs	30,213	27,787
Other creditors	-	3,631
Accruals	22,948	92,359
	<u>1,708,931</u>	<u>797,065</u>

13. Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Finance leases and hire purchase contracts	15,644	36,056

The maturity profile of the finance leases and hire purchase contracts due after more than one year can be analysed as follows

	2006	2005
	£	£
Within one year	46,728	44,094
Two to five years	15,644	36,056
	<u>62,372</u>	<u>80,150</u>

Wolseley Haworth Limited (formerly Murdock Haworth Limited)**Notes to the financial statements for the year ended 31 December 2006****14. Bank security**

First Trust Bank, Warrenpoint, hold as security for the bank and overdraft facility, a mortgage debenture incorporating a fixed and floating charge over the assets of the company

15. Share capital	2006	2005
	£	£
Authorised equity		
40,000 Ordinary shares of 50p each	20,000	20,000
	<hr/>	<hr/>
Allotted, called up and fully paid equity		
15,700 Ordinary shares of 50p each	7,850	7,850
	<hr/>	<hr/>

16. Reserves	Profit and loss
	£
Balance at 31 December 2005	616,338
Loss for the year	(163,048)
Dividend - note 7	(350,110)
	<hr/>
Balance at 31 December 2006	103,180
	<hr/>

17. Reconciliation of movements in shareholders' funds	2006	2005
	£	£
(Loss)/profit for the year	(163,048)	145,127
Dividends paid	(350,110)	-
	<hr/>	<hr/>
Opening shareholders' funds	(513,158)	145,127
	624,188	479,061
	<hr/>	<hr/>
Closing shareholders' funds	111,030	624,188
	<hr/>	<hr/>

18. Related party transactions

The company has taken advantage of the exemption conferred by FRS 8, Paragraph 3c, not to disclose the transactions or balances between group companies. Prior to acquisition, the company purchased goods in the ordinary course of business from a subsidiary of Wolseley UK Limited at a cost of £58,499 (2005 Nil). Amounts owed by and to associated undertakings are disclosed in notes 11 and 12.

19. Post balance sheet event

On 31 July 2007 the entire business and assets of Wolseley Haworth Limited were transferred to Wolseley UK Limited.

20. Ultimate Parent Company and Parent Undertakings

The company's ultimate parent company and controlling party and the smallest and largest group to consolidate these accounts is Wolseley plc, a company registered in England and Wales which prepares group accounts. The Companies immediate parent undertaking as at the balance sheet date is Wolseley UK Limited. Copies of the group accounts may be obtained from the Company Secretary, Wolseley plc, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.