

Wolseley H Limited

Annual report and financial statements

for the year ended 31 July 2008

Registered number : 3603372



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Directors and advisors

Directors

M J R Verrier
S P Webster
Wolseley Directors Limited

Company secretary

A Drew

Registered office

Parkview 1220
Arlington Business Park
Theale
Reading
RG7 4GA
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
Chartered accountants and registered auditors
1 Embankment Place
London WC2N 6RH
United Kingdom

Directors' report for the year ended 31 July 2008

The directors present their annual report and the audited financial statements of the Company for the year ended 31 July 2008.

Principal activities and business review

The Company is a wholly owned subsidiary of Wolseley plc and operates within the Wolseley Group's general corporate division.

The Group's principal business activities are the distribution of heating and plumbing products to the professional market and the supply of building materials throughout Europe and North America. The principal activity of the Company is that of a group financing company. There have been no significant changes in the Company's principal activity in the year under review. The directors do not foresee, at the date of this report, that there will be any major changes in the Company's activities in the next year.

The Company continues to invest in measures to limit the financial risks to the Group structure including cost-effective borrowing structures. This has enabled the Group to adjust its funding profile to match more precisely its investment profile. The directors regard this type of investment as necessary for the continuing success in the medium to long term future.

The balance sheet on page 8 of the financial statements shows the Company's financial position at the year end. Details of amounts due from and to its parent company and other group undertakings are shown in notes 6 and 7 on page 10.

There have been no significant events in the year under review.

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 general corporate division of Wolseley plc, which includes the Company, is discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

The Company does not operate external to the Group and therefore its financial risks are governed by the Group policies and procedures. The Group is exposed to market risks arising from its international operations. The Group has well defined and consistently applied policies for the management of foreign exchange and interest rate exposures. There has been no change since the year end in the major financial risks faced by the Group. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The treasury committee of the Wolseley plc Board reviews and agrees policies for managing each of these risks at Group level and these policies are regularly reviewed.

Group risks are discussed in depth in the Group's Annual Report which does not form part of this report.

Directors' report for the year ended 31 July 2008 (continued)

Health, safety and environment

The Group recognises the importance of its environmental responsibilities. A key driver of the Wolseley Group's success has been the high degree of autonomy which has been afforded to local management, allowing them to serve local markets in the most appropriate manner. Within this decentralised structure, the Board has set down a number of health, safety and environment principles with which all businesses are required to comply. The principles relating to environment cover: the integration of environmental management into business operations; a commitment to the adoption and achievement of best practice wherever this is practicable; a commitment to prevent pollution; compliance with local environmental legislation; the adoption where practicable of local formal environmental management systems; a commitment to strive for continual improvement; and a commitment to ensure proper communication with employees on environmental matters.

The Company operates in accordance with Group policies which are described in the Group's Annual Report which does not form part of this report.

Results and dividends

The results of the Company for the year ended 31 July 2008 are set out in the profit and loss account on page 7.

During the year, no dividends have been paid or proposed (2007: £nil). The profit of £697,000 (2007: £567,000) has been transferred to reserves.

Post balance sheet events

There are no significant post balance sheet events.

Directors

The directors of the Company during the year ended 31 July 2008 were:

M J R Verrier
S P Webster
Wolseley Directors Limited

Statement of directors' responsibilities in respect of the Annual report and the financial statements

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). The financial statements are required by law to 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.

Directors' report for the year ended 31 July 2008 (continued)

Statement of directors' responsibilities in respect of the Annual report and the financial statements (continued)

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 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.

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, are willing to continue in office and have been re-appointed.

By order of the Board,



A Drew
Secretary

01/05/2009

Independent auditors' report to the members of Wolseley H Limited

We have audited the financial statements of Wolseley H Limited for the year ended 31 July 2008 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. 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.

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

Independent auditors' report to the members of Wolseley H Limited (continued)

Opinion

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 July 2008 and of its profit 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

1 May 2009

Profit and loss account for the year ended 31 July 2008

	Notes	2008 £'000	2007 £'000
Interest receivable and similar income	4	986	810
Profit on ordinary activities before taxation		986	810
Tax charge on profit on ordinary activities	5	(289)	(243)
Profit for the financial year	9	697	567

All results derive from continuing operations.

The Company has no recognised gains or losses other than those included in the profit and loss account for the financial year above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Balance sheet as at 31 July 2008

		2008	2007
	Notes	£'000	£'000
Current assets			
Debtors	6	14,429	14,672
Cash at bank and in hand		4,383	3,397
		18,812	18,069
Creditors: amounts falling due within one year	7	(5,200)	(5,154)
Net current assets		13,612	12,915
Net assets		13,612	12,915
Capital and reserves			
Called up share capital	8	-	-
Share premium account	9	6,253	6,253
Profit and loss reserve	9	7,359	6,662
Total shareholders' funds	10	13,612	12,915

The notes on pages 9 to 11 form part of these accounts.

The financial statements on pages 7 to 11 were approved by the Board on 01/05/2009 and signed on its behalf by:



M J R Verrier
Director

Notes to the financial statements for the year ended 31 July 2008

1. Accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently applied are set out below.

Dividends payable

Dividends on ordinary shares are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the shareholders of the Company (generally in the case of the final dividend) or paid (in the case of interim dividends).

Cash flow statement

Wolseley plc, the ultimate parent company, has included a cash flow statement in its Group accounts for the year ended 31 July 2008. Under paragraph 5 of Financial Reporting Standard 1 "Cash flow statements" (revised 1996), no cash flow statement is therefore required in the accounts of this Company.

2. Employees and directors' remuneration

The Company had no employees during the year under review (2007: none).

None of the directors received any emoluments in respect of their services to the Company during the year (2007: £nil).

3. Audit fees

The audit fee for the year was borne by Wolseley (Group Services) Limited and was not recharged to the Company (2007: £nil).

4. Interest receivable and similar income

	2008 £'000	2007 £'000
Interest receivable from Wolseley plc	567	470
Interest receivable from group undertakings	419	340
	986	810

Notes to the financial statements for the year ended 31 July 2008 (continued)

5. Tax charge on profit on ordinary activities

	2008 £'000	2007 £'000
Tax at UK Corporation tax rate of 29.33% (2007: 30%)	289	243

The standard rate of Corporation tax in the UK changed from 30% to 28% with effect from 1st April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 29.33% and will be taxed at 28% in the future.

There are no significant reconciling items between the actual and effective tax rate for the year ended 31 July 2008.

6. Debtors

	2008 £'000	2007 £'000
Amount due from Wolseley plc	8,267	8,510
Amounts due from group undertakings	6,162	6,162
	14,429	14,672

Amounts due from Wolseley plc and group undertakings are unsecured, have no fixed repayment terms and are interest bearing at a rate of LIBOR + 0.5%.

7. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts due to Wolseley plc	5,055	5,033
Corporation Tax	145	121
	5,200	5,154

Amounts owed to Wolseley plc are unsecured, have no fixed repayment terms and are non-interest bearing.

8. Called up share capital

	2008 and 2007	
	Number	£
Authorised:		
Ordinary shares of £1 each	1,000	1,000
Issued, allotted and fully paid:		
Ordinary shares of £1 each	2	2

Notes to the financial statements for the year ended 31 July 2008 (continued)

9. Reserves

	Share premium account £'000	Profit and loss reserve £'000
As at 1 August 2007	6,253	6,662
Profit for the financial year	-	697
As at 31 July 2008	6,253	7,359

10. Reconciliation of movements in total shareholders' funds

	2008 £'000	2007 £'000
Opening shareholders' funds	12,915	12,348
Profit for the year	697	567
Closing shareholders' funds	13,612	12,915

11. Contingent liabilities

The Company, together with certain other Group companies, has given its main UK clearing bank authority at any time to transfer any sum outstanding to the credit of the Company against or towards satisfaction of the liability to the bank of these other Group undertakings.

12. Related party transactions

The Company has taken advantage of the exemption available under FRS8 "Related party disclosures" to dispense with the requirement to disclose transactions with fellow subsidiaries, 90% or more whose voting rights are held within the Group, and which are included in the consolidated financial statements of Wolseley plc.

13. Ultimate parent company and controlling party

The immediate parent company is Wolseley Finance (Gentoo) Limited. The ultimate parent company and controlling party is Wolseley plc which is registered in England and is the smallest and largest parent undertaking to consolidate these financial statements. Copies of the Group accounts may be obtained from The Secretary, Wolseley plc, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.

14. Post balance sheet events

There are no significant post balance sheet events.