

**Wolseley H Limited**

**Annual report and financial statements**

**for the year ended 31 July 2009**

Registered number: 3603372



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## **Directors' report for the year ended 31 July 2009**

The directors present their report and the audited financial statements of the Company for the year ended 31 July 2009.

### **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 in 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 7 of the financial statements shows the Company's financial position at the year end.

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

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The key performance indicators 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 2009 (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 2009 are set out in the profit and loss account on page 6.

During the year, no dividends have been paid or proposed (2008: £nil). The profit of £693,000 (2008: £697,000) has been transferred to reserves.

### **Directors**

The directors of the Company during the year ended 31 July 2009 and up to the date of signing the financial statements were:

M J R Verrier  
S P Webster  
Wolseley Directors Limited

### **Statement of directors' responsibilities**

The Directors are responsible for preparing the Directors' 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). 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:

**Directors' report for the year ended 31 July 2009 (continued)**

**Statement of directors' responsibilities (continued)**

- select suitable accounting policies and then 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 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.

**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.

**Directors' indemnities**

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors.

By order of the Board,



A Drew  
Company Secretary

*20 January 2010*

**Registered office:**  
Parkview 1220  
Arlington Business Park  
Theale  
Reading  
RG7 4GA  
United Kingdom

## **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 2009 which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on pages 2 and 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.



**David Reeman (Senior Statutory Auditor)**  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

*20 January 2010*

**Profit and loss account for the year ended 31 July 2009**

	Notes	2009 £'000	2008 £'000
Interest receivable and similar income	4	962	986
<b>Profit on ordinary activities before taxation</b>		<b>962</b>	<b>986</b>
Tax charge on profit on ordinary activities	5	(269)	(289)
<b>Profit for the financial year</b>	<b>9</b>	<b>693</b>	<b>697</b>

The Company has no recognised gains or losses other than those included in the profit and loss account 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.



**Wolseley H Limited**  
**Annual report and financial statements**  
**for the year ended 31 July 2009**

**Balance sheet as at 31 July 2009**

	Notes	2009 £'000	2008 £'000
<b>Current assets</b>			
Debtors	6	14,429	14,429
Cash at bank and in hand		5,346	4,383
		<b>19,775</b>	18,812
<b>Creditors: amounts falling due within one year</b>	7	<b>(5,470)</b>	(5,200)
<b>Net current assets</b>		<b>14,305</b>	13,612
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Share premium account	9	6,253	6,253
Profit and loss account	9	8,052	7,359
<b>Total shareholders' funds</b>	10	<b>14,305</b>	13,612

The notes on pages 8 to 10 form part of these financial statements.

The financial statements on pages 6 to 10 were approved by the Board on *20 January 2010* and signed on its behalf by:



**M J R Verrier**  
**Director**

**Wolseley H Limited**  
**Registered number: 3603372**

## **Notes to the financial statements for the year ended 31 July 2009**

### **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 2006 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 financial statements for the year ended 31 July 2009. Under paragraph 5 of FRS 1 "Cash flow statements" (revised 1996), no cash flow statement is therefore required in the financial statements of this Company.

### **2. Employees and directors' remuneration**

The Company had no employees during the year under review (2008: none).

None of the directors received any emoluments in respect of their services to the Company during the year (2008: £nil).

### **3. Audit fees**

The audit fee for the year £2,000 (2008: £2,000) was borne by Wolseley (Group Services) Limited and was not recharged to the Company.

### **4. Interest receivable and similar income**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Interest receivable from Wolseley plc	<b>551</b>	567
Interest receivable from Group undertakings	<b>411</b>	419
	<b>962</b>	986

**Notes to the financial statements for the year ended 31 July 2009 (continued)**

**5. Tax charge on profit on ordinary activities**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Tax at UK Corporation tax rate of 28% (2008: 29.33%)	<b>269</b>	<b>289</b>

The standard rate of Corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the Company's profits for the prior accounting period were taxed at an effective rate of 29.33%.

There are no significant reconciling items between the actual and effective tax rate for the year ended 31 July 2009.

**6. Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amount owed by Wolseley plc	<b>8,267</b>	<b>8,267</b>
Amounts owed by Group undertakings	<b>6,162</b>	<b>6,162</b>
	<b>14,429</b>	<b>14,429</b>

Amounts owed by Wolseley plc and Group undertakings are unsecured, have no fixed repayment terms and are interest bearing at rates that vary between LIBOR plus 0.5% and LIBOR plus 2.0%.

**7. Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to Wolseley plc	<b>5,335</b>	<b>5,055</b>
Corporation Tax	<b>135</b>	<b>145</b>
	<b>5,470</b>	<b>5,200</b>

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

**8. Called up share capital**

	<b>2009 and 2008</b>	
	<b>Number</b>	<b>£</b>
<b>Authorised:</b>		
Ordinary shares of £1 each	<b>1,000</b>	<b>1,000</b>
<b>Allotted and fully paid:</b>		
Ordinary shares of £1 each	<b>2</b>	<b>2</b>

**Notes to the financial statements for the year ended 31 July 2009 (continued)**

**9. Reserves**

	<b>Share premium account £'000</b>	<b>Profit and loss account £'000</b>
As at 1 August 2008	6,253	7,359
Profit for the financial year	-	693
<b>As at 31 July 2009</b>	<b>6,253</b>	<b>8,052</b>

**10. Reconciliation of movements in shareholders' funds**

	<b>2009 £'000</b>	<b>2008 £'000</b>
Opening shareholders' funds	13,612	12,915
Profit for the financial year	693	697
<b>Closing shareholders' funds</b>	<b>14,305</b>	<b>13,612</b>

**11. Related party transactions**

The Company has taken advantage of the exemption available under FRS 8 "Related party disclosures" to dispense with the requirement to disclose transactions with fellow subsidiaries, all of whose voting rights are held within the Group, and which are included in the consolidated financial statements of Wolseley plc.

**12. 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 financial statements may be obtained from The Company Secretary, Wolseley plc, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.