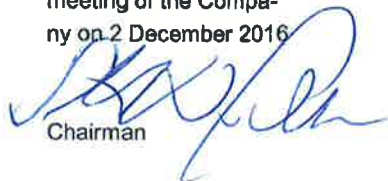

DT Group Holdings A/S

Gladsaxe Møllevej 5, 2860 Søborg

Annual Report 1 August 2015 – 31 July 2016

CVR-no. 29 68 90 83

The Annual Report was
presented and adopted
at the Annual General
meeting of the Compa-
ny on 2 December 2016



Chairman

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Management's Statement on the Annual Report

The Executive and Supervisory Boards have today considered and adopted the Annual Report of DT Group Holdings A/S (Parent) for the financial year 1 August 2015 – 31 July 2016.

The Consolidated Annual Report of the Parent and its subsidiaries (together the Group) have been prepared in accordance with the International Financial Reporting Standards, as adopted by EU and the Annual Report of the Parent have been prepared in accordance with the Danish Financial Statements Act. The Consolidated Annual Report of the Group and the Annual Report of the Parent have furthermore been prepared in accordance with additional Danish Financial Statement act. The management's review has been prepared in accordance with Danish disclosure requirements.

In our opinion, the Consolidated Annual Report and the Annual Report of the parent give a true and fair view of the financial position of the Group and the Parent as at 31 July 2016 and of the results of the Group and the Parent's operations and of the Group's cash flows for the financial year 2015/16.

In our opinion, the management's review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent, and the results for the year and of the financial position of the Group and the Parent as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Gladsaxe, on 2 December 2016

Executive Board



Søren P. Olesen
CEO

Supervisory Board



Edward Grosvenor Walker



Søren P. Olesen



Christine Tuxen

Independent Auditors' Reports

To the Shareholder of DT Group Holdings A/S.

Report on Consolidated Financial Statements and Parent company Financial Statements

We have audited the consolidated financial statements and parent financial statements of DT Group Holdings A/S for the financial year 01.08.2015 - 31.07.2016, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the Group as well as the Parent. The consolidated financial statements and parent financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.07.2016 and of the results of their operations and cash flows for the financial year 01.08.2015 - 31.07.2016 in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

Further, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31.07.2016, and of the results of its operations for the financial year 01.08.2015 - 31.07.2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

Pursuant to the Danish Financial Statements Act, we have read Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in Management's review is consistent with the consolidated financial statements and parent financial statements.

Copenhagen, on 2 December 2016

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56


Kim Takata Mücke
State-Authorised
Public Accountant

Company Information

Company	<p>DT Group Holdings A/S Gladsaxe Møllevej 5 2860 Søborg Denmark</p> <p>Telephone: +45 3955 9700 Fax: +45 3955 9799 Website: www.dtgroup.dk</p> <p>CVR No: 29 68 90 83 Financial period: 1 August - 31 July Municipality of reg. office: Gladsaxe</p>
Supervisory Board	<p>Edward Grosvenor Walker (Chairman) Søren P. Olesen Christine Tuxen</p>
Executive Board	<p>Søren P. Olesen (CEO)</p>
Auditors	<p>Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København Denmark</p>
Annual General Meeting	<p>An ordinary general meeting will be held on 2 December 2016.</p>

Management's review

The Group delivered net sales of DKK 18.438 million and a result after exceptional items for the year of DKK 267 million. After a positive result in the first half of the year, the Group was impacted in the second half by a downturn in the construction markets in the Nordics. Whilst the Swedish and Norwegian businesses delivered positive results, the Finnish and Danish businesses did not meet expectations. Group like-for-like net sales across the Nordic region increased by 0.6%.(financial year 2014/15: 5.5%).

Group executive management is satisfied overall with the Group's net sales performance in challenging and highly competitive markets. The decrease in the overall trading profit for the year is not satisfactory and management will focus on reviewing and implementing new strategic priorities across the Group in the financial year ending 31 July 2017 to support an improved trading profit and result. In addition, management have initiated a review of the operating strategy of the business to restore it to profitable growth.

Main activities

The Group is the largest distributor of building materials in the Nordic region with number one national market positions in Denmark and Sweden. It consists of five businesses, operating a total of 256 branches across four countries, supported by five distribution centres. The businesses predominantly serve residential RMI and new construction markets. At 31 July 2016 there were 6,167 employees.

There is some overlap in the product ranges of the businesses creating significant synergies from economies of scale in the procurement process. Each Group businesses strives to satisfy customer needs by providing professional advice, specific product knowledge and enhanced customer-centric solutions. Each Group business optimizes the business model to reflect current local market conditions, as well as local customers' needs and wants.

Key product categories

Building materials and tools	
Timber	
Work wear, tools and tool hire	
Insulation and plaster board	
Doors and joinery	
Fixings and adhesives	

The Group operates through strong brands STARK, Silvan, Neumann Bygg and Beijer Byggmaterial.



Stark Denmark is the largest Nordic business with 37 per cent of total Nordic revenue. It distributes heavy timber, building materials and tools across Denmark to both professional contractors and consumers. Approximately half the stores have a DIY section.

Stark Finland (25 per cent of Nordic revenue) distributes building supplies, timber and board products, hardware, tools and interior decoration supplies to professional contractors, construction companies and consumers.

Beijer byggmaterial (23 per cent of Nordic revenue) is the leading builders' merchant in Sweden operating through combi-stores, serving both professional customers and consumers.

Silvan (9 per cent of Nordic revenue) is a Danish chain of DIY retail stores selling a wide range of products including building materials and garden supplies.

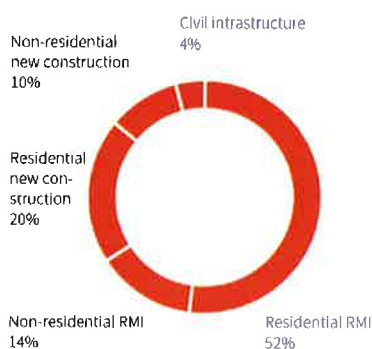
Neumann (6 per cent of Nordic revenue) is a builders' merchant in Norway supplying consumers and professional customers as well as industry and retailers.

Management's review

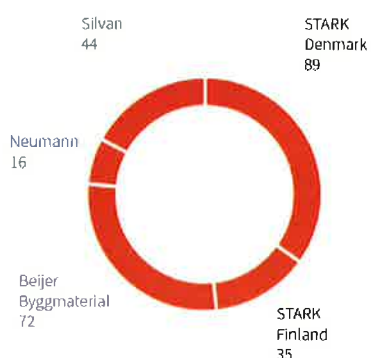


Revenue by market sector

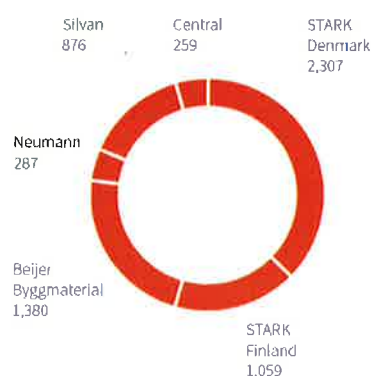
% of revenue



Branches by Business Unit



Employees by Business Unit



Key strategic priorities

Management has refocused the businesses around fewer strategic priorities that apply to all of the Group's businesses. The key priorities are centered on the following themes:

- (A) Best in class customer service
- (B) Invest in employees
- (C) Protect and improve gross margin
- (D) Improve sales and marketing execution
- (E) Cost process development
- (F) Test new and adjacent business models
- (G) Focus on mergers and acquisitions in Sweden and Norway.

Market position and competitive environment

Each country in the Nordic region has distinct markets with their own national, regional and local competition. However, there are several major competitors operating across the region in the building materials and DIY markets and several new channels to market that compete with the traditional markets. The national market positions of the main businesses are estimated as follows:

Market position

STARK Denmark (building materials)	1
Beijer Byggmaterial (building materials)	1
STARK Finland (building materials)	2
Silvan (DIY)	3
Neumann (building materials)	5

Management's review

Performance

Development in activities and financial conditions

Net sales from the ongoing businesses at DKK 18,438 million were marginally higher than last year (2014/15: DKK 18.413 million). Group like-for-like net sales across the Nordic region increased by 0.6%.(financial year 2014/15: 5.5%).

Gross profit decreased slightly from DKK 4,839 million in 2014/2015 to DKK 4,781 million. Gross margins were lower in the second half mainly due to a higher mix of revenue from direct business from large contractors.

Operating costs increased by 1%. These were affected by continued investment in strategic initiatives such as customer service, adding new skills to the organization, improvements in the store network and core infrastructure. There were also significant IT investments, including a new ecommerce platform, to increase the efficiency of processes around ordering and delivery of products.

Trading profit amounted to DKK 573 million against DKK 714 million in financial year 2014/15.Trading profit decreased in all business units except Neumann. The trading margin for the ongoing businesses was 3.1% (financial year 2014/15: 3.9%).

The results for the year before exceptional items amounted to DKK 274 million against DKK 349 million in financial year 2014/15.

Equity was at DKK 3,555 million, after the transfer of profit for the year (31 July 2015: DKK 3,367 million).

Net cash from continuing operating activities (before financial items and tax) was DKK 672 million (31 July 2015: DKK 951 million). Net cash outflow from investing activities was DKK 354 million of which 360 million related to purchases of land, property and equipment. Cash flow from financing activities was DKK 552 million (31 July 2015: negative cash flow of DKK 622 million). The main driver was the issuance of new long-term loans to affiliated companies in the Wolseley Group.

Significant events, transactions and exceptional items

Ole Mikael Jensen left the Group on 30 September 2015. Following a short period in which Ian Meakins led the Group directly in addition to his role as CEO of Wolseley Group. Søren P. Olesen was appointed as interim Chief Executive Officer (CEO) of the Group in February 2016, in addition to his role as CEO of Stark Denmark.

The Group CFO Søren Strøm has left the Company in October before approval of the annual report.

Labour costs in the Norwegian business were adjusted in July 2016 to reflect two one-off plan amendments to the local defined benefit pension scheme, in addition to actuarial valuation. The plan changes related to pension indexation and reduced past service cost by NOK 14.5 million.

The Group disposed of two businesses in the financial year 2015/16. The Group's Finnish kitchen furniture distribution business, Helatukku, and its Estonian wholesale business, Puukeskus, were non-core and the disposal resulted in a gain of 20 million.

The Group acquired a 50% shareholding in Bra Byggare from Villaägarna, the Swedish Homeowners Association. Bra Byggare is an intermediate service helping consumers find reliable builders and will be run as a stand-alone entity. In June 2016, the Swedish business also entered into an agreement to purchase one branch in Mölnlycke in southeastern Gothenburg. The transaction is closed on 3 October 2016.

A detailed analysis of the trend to urbanization in Finland and changes in customer behaviour has led management to conclude that the Finnish store network requires some reorganization. Management want to focus on areas where there is the most growth potential in the future. Consequently, in October 2016, consultation with employee representatives commenced regarding a plan to close six stores and merge stores in two other locations. The plan, according to initial estimates, if effected without change would lead to reductions in around 170 personnel in Finland.

Expectations for 2016/17

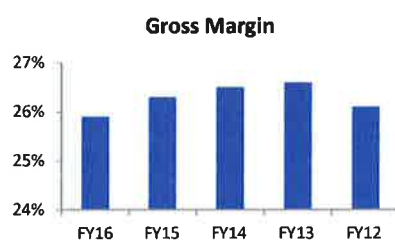
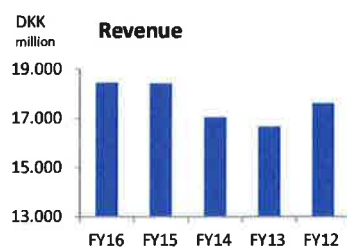
Trends in market sales of building materials have at the beginning of the new financial year developed in line with the development in the second half of 2015/16. In the light of the continuing weak markets and strong competition, the Group is focused on reviewing and implementing its key strategic priorities to drive improved performance.

It is the management's expectations that the current market situation will continue in the financial year 2016/17.

Management's review

DKK million

Financial highlights of the Group



Financial highlights for the Group

DKK million	2015/16 (12 months)	2014/15 (12 months)	2013/14 (12 months)	2012/13 (12 months)
Trading profit	573	714	725	801
Trading margin	3,1%	3,9%	4,2%	4,8%
Net sales	18.438	18.413	17.041	16.654
Gross profit	4.781	4.839	4.513	4.432
Operating results before depreciation	837	921	724	754
Results before financial items	530	(1.766)	256	222
Financial items	(82)	(87)	(19)	38
Net income	259	(1.714)	131	312
Total assets	12.485	12.292	14.998	15.386
Inventory	2.385	2.277	2.322	2.115
Trade receivables	1.893	1.920	1.810	1.725
Investments in fixed assets	360	307	364	281
Equity	3.555	3.367	5.174	6.929
Financial ratios				
Profit margin	2,9%	(9,6%)	1,5%	1,3%
Solvency ratio	28,5%	27,4%	34,6%	45,0%
Return on assets	4,2%	(14,4%)	1,7%	1,4%
Return on Equity	7,5%	(40,0%)	2,2%	4,6%

Management's review

For definition of financial ratios please refer to the section of applied accounting principles adjusted for exceptional items.

In accordance with the Financial Statements Act s 128 (3), only comparative figures for the last 4 years have been prepared, as DT Group Holdings A/S has prepared consolidated financial statements from 2012/13 and onwards.

Sustainability

The Group is committed to a new "Better business" framework. This comprises 13 material issues which actively support our growth, improve employee engagement, address our top risks and compliance requirements or are important to our ultimate shareholders, customers and suppliers.

The Group strives to make these issues an integral part of how it does business. The overall "Better business" framework will be reviewed annually to test the ongoing materiality of the issues identified. Where appropriate, quantified targets are set for each material issue. Group-wide KPIs have not been set for all issues as it is not always practical to bring distinct local methods under one unified metric. Improved performance is the primary goal. Business units management monitor performance throughout the year and performance discussed between Nordic and business unit management at regular intervals.

	Our material issues	Our principles
Our people	Talent management and development	We are committed to people development at every level of the organisation.
	Competitive pay and reward	We offer competitive remuneration to our people.
	Employee engagement	We value our people and actively work to improve employee engagement.
	Diversity and inclusion	We understand, respect and value personal and cultural differences.
	Health and safety	We will not compromise the health or safety of any individual.
	Ethical behaviour and human rights	We adhere to strict HR policies and comply with our own Code of Conduct.
Our products	Product quality and integrity	We work with our suppliers to maintain excellent standards of product quality and safety.
	Responsible sourcing	We expect our suppliers, contractors and agents to adhere to our Code of Conduct and to adopt similar standards.
	Promoting "eco" products	We are a positive link in the sustainable construction supply chain.
Our operations	Environmental efficiency	We run efficient operations that consume less energy and produce less waste.
	Compliance with the law	We are committed to observing both the spirit and the letter of the law.
	Protecting information	We protect both digital and physical information on behalf of our stakeholders.
Our communities	Active corporate citizen	We voluntarily contribute our time and our financial support to the communities in which we work.

Management's review



Our people

Talent management and development, employee engagement and competitive pay and reward

During 2015/16 we reviewed our approach to talent management, employee engagement and remuneration, and have plans in place to improve our practices further.

We strive to offer competitive remuneration to our people in line with the industry sector in which we operate. During 2015/16 we made changes to our sales bonus models to reflect feedback from our employees.

Diversity and inclusion

One of the core Group values is that we value our people. We aim to recruit, retain and develop a high quality and diverse workforce. To achieve our objective, we hire the best candidates available from the widest range of knowledge, skills and experience. Our diversity policy statement is at www.dtgroup.dk.

Our efforts in setting diversity targets for each of our businesses, and ensuring that there is at least 1 diverse candidate in the selection process for each of our recruitments, particularly at senior and managerial levels, has increased the proportion of women with management positions. In 2016, 26 % of the Group's employees were women. 20 % of women are in the Group's top 60 managers group and this is also reflected in the top management committee of the Group (18% female). Compared to 2015, 18 % of the top 60 management group were women and 8% at top management committee level. We still believe that our continuing focus on women and leadership works and will support our objectives for increased representation of women in the management.

We have a target that 40 % of the board of our main trading company, DT Group Danmark A/S, will be women by the end of 2017 or at least in line with Danish corporate best practice. In March 2016 the Danish Business Authority published updated guidance on targets and policies for gender diversity that clarified the obligations on Danish corporates in this area. It also published guidelines on adequate gender balance. At the date of this report the supervisory board consists of 3 elected members: 2 men and 1 woman. This is in line with the published guidance.

Health and safety

We aim to have a safe, healthy and stimulating work environment where all employees are given the best opportunities for physical and mental health. This makes it attractive to be employed at each workplace, while promoting quality and efficiency in the daily work tasks.

We monitor our health and safety performance through three key performance indicators: 1) incident rates, 2) lost workday rates, 3) internal branch audit pass rates and scores. We have set targets to reduce each of the three health and safety metrics during the year under review. We work systematically and in accordance with the OHSAS 18001 standard to identify and control any risks at work. We have a Nordic HSE team of 7 dedicated and engaged business partners.

Injury Rate	4.7% deterioration (0.90 per 100,000 hours worked)
Lost workday rate	7.7% improvement (8.7 per 100 employees)

The increase in injury rate is disappointing and initiatives have been taken to reverse this trend.

Ethical behavior and human rights

Our focus in 2015/16 was to continue to ensure that our compliance programmes in relation to fraud, bribery and corruption and anti-trust laws were fully embedded in business practice. Management support continued focused in this area.

Business partners and suppliers are expected to conform to the Group's code of conduct. The code of conduct is detailed on the Group website www.dtgroup.dk. Our suppliers are also subject to external ethical standards assessment as part of our commitment to product quality. Our employees are expected to register all material gifts and entertainment given and received in the course of their work in order to promote a spirit of openness in our dealings with third parties. The register is held centrally and open to inspection and audit by risk and compliance teams and by Group management.

Our legal and compliance teams regularly train our employees on anti-trust laws and carry out annual testing of crisis response controls, including, where practicable, a review of electronic communications using third party e-discovery technology.

Both the United Nations Global Compact and Universal Declaration of Human Rights have been considered in determining the human rights issues that are material to the Group as part of our membership of the Wolseley group of companies. These topics include employee policies (covering topics such as anti-discrimination), health and safety and ethics and conduct. All of these issues are managed through policies and programmes of work and are regularly monitored for compliance.

Management's review



Our products

Product quality, integrity and responsible sourcing

Sourcing and supplying safe, quality products improves our margins, enhances customer's satisfaction and confidence and enables branch employees to devote more time to sales and customer services. The Group's legal and compliance teams have been supporting each business since 2013 to implement appropriate procedures and controls in our product sourcing. Each business has a supplier assessment procedure which ensures that the Group sources product from suppliers who have appropriate financial covenants, ethical standards, contract and insurance cover and legal compliance, commensurate in each case with the product category risk being purchased.

The Group will invest further in its internal product quality capability and knowledge during the year ending 31 July 2017, particularly in relation to the Group's own brand product offering. The Group has rolled out improved action plans designed to protect both the Group and its customers in the event of a product failure or breach of regulation in the supply chain.

Promoting "eco" products

Energy prices, government subsidies, consumer confidence and cultural differences have for the most part not supported increased sales of "eco" products during the year. However, our businesses continue to promote these products where there is customer demand.



Our operations

Environmental efficiency

Where opportunities exist, we can gain market share by stocking sustainable construction products and by offering training and advice to our customers.

Compliance with the letter and the spirit of the law and a commitment to high ethical standards strengthens our reputation with customers and suppliers.

The reduction of consumption of energy, fuel and water and the reduction of waste helps the environment but also decreases cost and improves both operational efficiencies and profit margins.

Each business has set new five-year targets for carbon and waste reduction and for the increase in the percentage of waste that is recycled. At a Group level, our targets for 2021 are a 10 and 6 per cent reduction in carbon emissions from operations and transport respectively, a 17 per cent reduction in waste (both per DKKm revenue) and an increase in the proportion of our recycled waste to 63 per cent.

Compliance with the law

Legal and compliance teams across the Group work with the businesses to help them adhere to all legal and regulatory requirements.

Protecting information

As our channels to market develop so too does the technology that we employ and the data that we hold. We are committed to protecting the security of our systems and information so that customers can transact with us safe in the knowledge that we have the appropriate safeguards in place. The Group operates within an IT governance framework, including a full set of dedicated IT policies, aligned to known security and operational risks. A broader Group information security policy, data protection policy and records retention policy determine how we protect all information wherever it exists and in whatever form (electronic or hard-copy). As part of a wider information security compliance programme, the Group has committed resources to developing its processes, controls and procedures to meet the required standards under the EU Data Protection Regulation. The Group is working to improve its highest risk processes and procedures during the year ending 31 July 2017.



Our communities

Active corporate citizen

Engagement with communities in which we operate promotes our business, attracts high quality recruits, teaches us about our customers and enhances employee skills and engagement. Members of the board of DT Group Danmark A/S are also members of the board of Stark Fonden / Silvan Fonden. That foundation's purpose is to support young trades people in their education particularly within the timber industry and other charitable purposes in connection with that industry. Grants are made annually by the foundation in line with this purpose.

Management's review

More information about the better business framework and sustainability

DT Group Holdings A/S is included in the Consolidated Financial Statements for Wolseley plc and is regards to an explanation of corporate social responsibility covered by the exemption clause provided in the Financial Act s 99 a (7). Please refer to the Consolidated Financial Statements of Wolseley plc for more information about our better business framework, policies and results in the section "Sustainability" and at dtgroup.dk.

<http://www.wolseley.com/files/pdf/reports/annualreport/WOS-AR-2016.pdf>

Risk management at DT Group

The Group management and Board believes that positive risk management plays a key part in the growth and prosperity of the Group and protects the fundamentals that underpin the Group's success – its reputation, its assets and earnings, as well as our shareholder's investment.

Risk framework

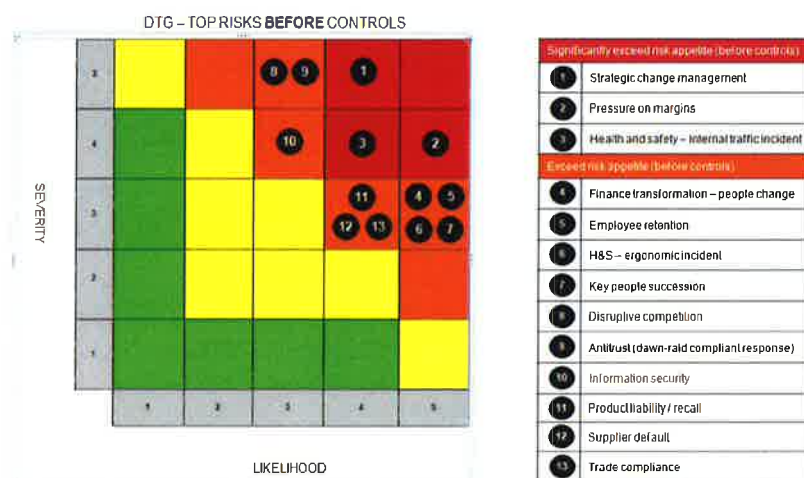
The President and Chief Executive Office of DT Group is accountable for the Group's risk management framework. The General Counsel of DT Group, as risk director, is responsible for the coordination of the risk management programme within the Group and the preparation of risk reports on each DT Group business unit. The managing director of each business is responsible for risk management within his or her business. Each business unit management team is required to have procedures in place to identify, monitor and control the risks which affect its business.

The principal risks of the Group are reviewed formally by Group management, with support from the General Counsel, every 6 months, at the half-year and the year-end, in the context of the Group's strategic plan and objectives. Throughout the year, information is provided directly from front line operations, via corporate functions and independent audits. In addition, the Group has established a committee of risk champions that act as experts in their specific areas and each provide business and Group risk directors with a baseline assessment of risk and current controls in that area. They identify external and internal factors (both historic and in the future) that may impact risk in the business and comment on the strength of current controls, actions and risk data.

The overall system of identification, assessment and monitoring risk is consistent with the system used by other Wolseley plc group companies.

Principal business risks

The chart shows management's assessment of material risks before mitigation.



Various strategies are employed to reduce these inherent risks to an acceptable level. The effectiveness of these mitigation strategies can change over time, for example with the acquisition or disposal of businesses. Some of these risks remain beyond the direct control of management. The risk management programme, including risk assessments, can therefore only provide reasonable but not absolute assurance that risks are managed to an acceptable level. The Group faces many other risks which, although important and subject to regular review, have been assessed as less significant and are not listed here. These include, for example, certain financial risks, which are summarised starting on page 14. People-related risks and opportunities, including employee development and retention and health and safety risks are described in the Sustainability section starting on page 10.

Management's review

Top 5 principal risks and their management

(1) Strategic change management

To respond to changing customer needs the Group is introducing new business models and changing traditional ways of working. These changes are underway in all of our businesses and will continue for several years. The Group must successfully implement these changes without disrupting existing operations. The Group's ability to successfully execute these changes will affect its ability to grow profitably in the future. Execution of key strategic initiatives in each market continues. Close attention is paid to the execution of these programmes at all levels of the organisation. To support faster execution, greater focus has been paid to a smaller number of initiatives capable of delivering the greatest value. Each business unit has a clear strategy for continuously developing its business model and a defined programme of work to execute the strategy. Group management discuss progress with each business unit during regular performance reviews.

(2) Pressure on margins

The Group's ability to maintain attractive profit margins can be affected by a range of factors. These include levels of demand and competition in our markets, the arrival of new competitors with new business models, the flexibility of the Group's cost base, changes in the cost of commodities or goods purchased, customer or supplier consolidation or manufacturers shipping directly to customers. There is a risk that the Group may not identify or respond effectively to changes in these factors. If it fails to do so, the amount of profit generated by the Company could be significantly reduced. Pressure on margins remained high during the period under review, primarily due to levels of competition. In response, the Group continues to manage its cost base in line with changes in expected growth rates. Business unit performance, including margins achieved, were monitored monthly throughout the year. The Group's strategy for tackling this issue remains unchanged. This includes continuous improvements in customer service, product availability and inventory management. Revenues from e-commerce continue to expand. The performance of each business unit is closely monitored and corrective action taken when appropriate.

(3) Health and safety (internal traffic incident)

See page 10 which sets out how health and safety risks are managed within the Group.

(4) Finance transformation (people change)

The Group is currently rolling out a finance transformation programme. Finance systems will be renewed in all businesses over time and certain roles moved to a shared service centre in Denmark. The transformation programme requires changes in roles and employees numbers across the Nordic countries. To manage this risk, the Group has implemented a programme management organisation, employed a dedicated programme manager, invested in an ongoing communications programme and engaged project teams, together with a high degree of senior management oversight throughout the implementation period.

(5) Employee retention

There is a risk that key employees will leave the business, taking knowledge, experience and commercial relationships with them that would impact material strategic projects or material revenue streams. In addition, there is an increased risk of key processes being operated by employees without sufficient corporate memory to identify or mitigate key risks. These employee risks are at an enhanced level given the Group's strategy to introduce new business models and change traditional ways of working to drive business performance. In response, the Group has introduced a new incentive model for all key employees following employee feedback, regular monitoring of employee satisfaction levels, a programme to strengthen the Group's employment contracts and closely monitors regret leavers at monthly business review meetings with Group management. A new Group HR director was appointed following the year end and will re-focus the Group's efforts to improve employee engagement and satisfaction.

Financial risks

Capital risk management

The Group's source of funding currently comprise cash flows generated by operations, loans from group companies in Wolseley group and borrowings from banks and other financial institutions.

Liquidity risk

The Group maintains a policy of ensuring sufficient borrowing headroom to finance all investment and capital expenditure included in the strategic plan, with additional contingent safety margin. The mandate requires the achievement of a competitive return and high liquidity on the location of excess liquidity. In order to achieve an effective management of cash resources, the group uses cash pools.

Currency risks

The extent of the Group's currency risks is limited by the fact that the wages and purchases of supplies are largely incurred in the same currency as that in which sales are invoiced. Currency risks arise primarily in connection with international purchases and sales of goods in other currencies than the local currency.

The Group does not engage in speculative currency transactions in accordance with our internal policies. Only Wolseley treasury engages in external forward contracts if deemed appropriate.

Management's review

Interest rate risk

The Group is due to its operating, investing and financial exposed to changes in the interest rates with significant exposure on mortgage deeds related to land and buildings.

Credit risk

The counterparty risk is reduced by only entering into money and market deposits with selected financial counterparties that have satisfactory credit quality. Furthermore, maximum credit limit for each financial counterparty applies.

The Group has no material risks relating to an individual client or business partner. The Group's policy for accepting credit risks that all major customers and other partners are credit rated continuously.

The Group's credit risk related to accounts receivables and cash. The maximum credit risk related to financial assets correspond to balance sheet values recognized.

The group is external insured through the owner Wolseley with a high deductible. The Group has an internal insurance programme with a lower deductible. Every year a premium allocation is decided for each BU based on the past year's insurance claims.

Customer insurance

The Group has no material risks relating to an individual client or business partner. The Group's policy for accepting credit risks ensures that all major customers and other partners are credit rated continuously.

Group Income Statement 1 August – 31 July

DKK million	2015/16 Before exceptional items	2015/16 Exceptional items (note 10)	2015/16 IFRS Total	2014/15 Before exceptional items	2014/15 Exceptional items (note 10)	2014/15 IFRS Total
Note						
	Continuing operations					
2	Net sales	-	18.438	18.413	-	18.413
	Cost of sales	-	(13.657)	(13.575)	1	(13.574)
	Gross Profit	-	4.781	4.838	1	4.839
	Other external operating expenses	2	(1.457)	(1.458)	9	(1.449)
3	Staff costs	1	(2.547)	(2.500)	4	(2.496)
	Other operating income	(21)	78	35	-	35
	Other operating expenses	-	-	(8)	-	(8)
	Operating results before depreciation	(18)	855	907	14	921
	Amortisation, depreciation and writedown of non-current assets	-	(307)	(374)	(2.313)	(2.687)
4	Results before financial items	(18)	548	533	(2.299)	(1.766)
5	Financial income	-	28	35	-	35
6	Financial expenses	-	(110)	(122)	-	(122)
	Share of profit in a joint venture	-	-	(122)	-	(122)
	Results before tax	(18)	466	446	(2.299)	(1.853)
7	Tax for the year	-	(181)	(93)	267	174
	Results for the year from continuing operations	(18)	285	353	(2.032)	(1.679)
	Discontinued operations					
8	Results for the year from discontinued operations	3	(11)	(4)	(31)	(35)
	Results for the year	(15)	274	349	(2.063)	(1.714)
	Non-GAAP performance measures					
9	reporting package		573			714

Group Comprehensive Income Statement 1 August – 31 July

DKK million

2015/16

2014/15

Note

Results for the year	259	(1.714)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange loss on translation of foreign operations	(46)	(77)
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss) on retirement benefit plans	(27)	(29)
Tax on actuarial gain/(loss) on retirement benefit plans	5	6
Other comprehensive income/(expense) for the year	(68)	(100)
Total comprehensive income/(expense) for the year attributable to shareholders of the Company	191	(1.814)

Group Statement of Financial Position as at 31 July

Assets as of 31 July

DKK million		2015/16	2014/15
Note			
	Non-current assets		
	Intangible non-current assets		
11	Goodwill	800	815
12	Other intangible assets	297	343
	Total intangible non-current assets	1.097	1.158
	Tangible non-current assets		
13	Land and buildings	4.841	4.835
14	Plant and equipment	320	284
15	Tangible assets under construction and prepayments for tangible assets	62	50
	Total tangible non-current assets	5.223	5.169
	Financial non-current assets		
	Investment in a joint venture	7	-
16	Receivables from Group companies	619	626
	Total financial non-current assets	626	626
	Total non-current assets	6.946	6.953
	Current assets		
17	Inventory	2.385	2.277
18	Trade receivables	1.893	1.920
	Receivables from Group companies	-	500
	Receivable from income taxes	-	44
	Other receivables	271	279
19	Prepayments	32	31
	Cash and cash equivalents	918	188
	Total current assets	5.499	5.239
13	Assets held for sale	40	100
	Total assets	12.485	12.292

Group Statement of Financial Position as at 31 July

Liabilities and Equity as of 31 July

DKK million		2015/16	2014/15
Note			
	Equity		
20	Share capital	2	2
	Reserves	3.553	3.365
	Total equity	3.555	3.367
	Non-current liabilities		
22	Deferred tax	471	412
23	Other provisions	185	227
24	Employee benefit obligations	355	339
26	Banks and credit institutions	1.122	1.125
	Total non-current liabilities	2.133	2.103
	Current liabilities		
24	Employee benefit obligations	11	10
26	Banks and credit institutions	154	106
	Trade payables	4.233	4.138
25	Debt to group companies	1.673	1.722
27	Accrued income taxes	55	56
	Other debt	671	790
	Total current liabilities	6.797	6.822
	Total liabilities	8.930	8.925
	Total equity and liabilities	12.485	12.292

Group Statement of Changes in Equity

DKK million

Note	Reserves			Total equity
	Share capital	Translation reserve	Retained earnings	
	2	(322)	5.494	5.174
	Equity at 1 August 2014			
	Changes in equity for 2014/15			
			(1.714)	(1.714)
		(77)	(23)	(100)
		(77)	(1.737)	(1.814)
	Comprehensive income			
28			7	7
	2	(399)	3.764	3.367
	Equity at 31 July 2015			
	2	(399)	3.764	3.367
	Equity at 1 August 2015			
	Changes in equity for 2015/16			
			259	259
		(46)	(22)	(68)
		(46)	237	191
	Comprehensive income			
28			(3)	(3)
	2	(445)	3.998	3.555
	Equity at 31 July 2016			

Group Cash Flow Statement 1 August – 31 July

DKK million	2015/16	2014/15
Note		
	Cash generated from operating activities	
	Results for the year from continuing operations	267 (1,679)
29	Adjustments for non cash items	552 2,556
30	Change in working capital	(147) 74
	Cash flows from continuing operating activities before financial items and tax	672 951
	Interest received	28 35
	Interest paid	(110) (122)
	Tax paid	(53) (118)
8	Net cash (used)/generated from discontinued operations	- 2
	Net cash from operating activities	537 748
	Cash flows from investing activities	
31	Acquisition of business (net of cash acquired)	(7) (25)
32	Disposals of businesses (net of cash disposed of)	32 19
	Purchases of land, property, plant and equipment	(360) (307)
	Proceeds from sale of land, property, plant and equipment	- 26
	Purchase of intangible assets	(19) 23
	Net cash (used in)/generated from investing activities	(354) (264)
	Cash flows from financing activities	
	Repayments of borrowings	(3) (710)
	Finance lease capital payments	- (4)
	Issue of long-term loans	548 92
	Loans to/received from cash pool	7 -
	Net cash used by financing activities	552 (622)
	Net cash (used)/generated	735 (138)
	Effects of exchange rate changes	(5) -
	Net (decrease)/increase in cash, cash equivalents	730 (138)
	Cash, cash equivalents at the beginning of the year	188 326
33	Cash, cash equivalents at the end of the year	918 188

Overview of notes (Group)

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Notes to the Group Annual Report

1 Accounting Policies

Basis of Preparation

The Group Annual Report of DT Group Holdings A/S for 2015/16 has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU as well as additional Danish requirements applying to presentation of annual reports of large enterprises of reporting class C.

The Group Annual Report has been prepared in accordance with the standards and interpretations in force at 31 July 2016.

The Annual Report for 2015/16 is presented in DKK million.

General

The annual report is prepared under the historical cost convention modified by that certain financial assets measured at fair value. After the initial recognition of assets the descriptions below are followed.

Accounting developments and changes

The following standards have been published, but not yet applied:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"
- IFRS 16 "Leasing"

The Group will apply these standards when they become applicable, currently expected to be in the year ending 31 July 2019.

The Directors anticipate that the adoption of these standards in future periods will have no material impact on the financial statements of the Group.

IFRS 16 will impact the majority of the Group's operating lease arrangement and will be reflected on the balance sheet with a depreciation and financing charge included in the income statement.

No other issued standard or interpretation would have a material impact on the consolidated financial statements.

Critical accounting estimates and judgements

In accordance with the Group's accounting policies, determination of the carrying amounts of certain assets and liabilities requires management's estimates on future events. Management bases its estimates on historical experience and various other assumptions that are held to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

The Management has made significant estimates in the following accounting entries: impairments of assets, supplier rebates, valuation of inventories, trade receivables and provisions.

The measurement of intangible assets, including goodwill, may be significantly affected negatively by significant changes in the estimates and assumptions underlying the calculation of values. Additional details about the estimates and assumptions, refer to note 11.

The Group enters into agreements with many of its vendors that provide rebates. Many of these agreements apply to purchases in a calendar year rather than the Group's financial year, and under certain agreements the rebate rises as a proportion of purchases as higher quantities or values of purchases are made. The Group adjusts the cost of purchases to reflect estimated rebates receivable, which can depend on the projected volume, value and mix of purchases from a vendor through to the end of the qualifying period. Actual rebates receivable from vendors may differ materially from the estimates on which the cost of purchases is based.

Inventory comprises finished goods. Provisions are made against slow-moving, obsolete and damaged inventories for which the net realisable value is estimated to be less than the cost. Inventories which are damaged or obsolete are written down as identified. The risk of obsolescence of slow-moving inventory is assessed by comparing the level of inventory held to future sales projected on the basis of historical experience. The actual realisable value of inventory may differ materially from the estimated value on which the provision is based. The Group held provisions in respect of inventory balances at 31 July 2016 amounting to DKK 197 million (2015: DKK 207 million).

Trade receivables are carried at amortised cost less write-downs for any loss. Provision is made for bad debt losses, which are estimated to occur if a customer subsequently is not able to pay. If the customer's financial condition were to deteriorate, and thus are not able to handle the payments, it may be necessary to make further writedowns in future periods. In connection with the assessment of whether the Group's provisions for bad and doubtful debts is sufficient, Management analyzes accounts receivable, including historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms.

Provisions for legal claims, environmental restoration and onerous leases are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Such provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money.

Notes to the Group Annual Report

1 Accounting Policies (continued)

Management considers the carrying amounts recognised in relation to the key accounting estimates as described above and further in detail described in the specific notes to the consolidated financial statements to be reasonable and appropriate based on currently available information.

Currency

Items in the financial statements of each of the Group's enterprises are presented in the primary economic environment in which the enterprises operates. The Consolidated Financial Statements are presented in Danish kroner (DKK) which is the functional currency and presentation of the Parent and the Group. Other currencies are considered as foreign currency.

Translation of foreign currency

Transactions in foreign currencies are translated to an entity's functional currency using the exchange rate at transaction date. Monetary items denominated in foreign currencies are translated at the closing rate. Adjustments arising from the difference between the exchange and the transaction date for monetary items are recognised in the income statement as a financial item. When converting entities with a functional currency other than DKK, balance sheet items are translated using the exchange rates, at balance sheet date and income statement are translated using average rates for the year. Exchange rate adjustments arising in this context are recognised directly in other comprehensive income.

Derivative financial instruments

Derivative financial instruments, are used to manage the financial risks arising from the business activities of the Group and the financing of those activities. There is no trading activity in derivative financial instruments.

At the inception of a hedging transaction entailing the use of derivative financial instruments, the Group documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction. The Group also documents its assessment, both at the inception of the hedging relationship and subsequently on an ongoing basis, of the effectiveness of the hedge in offsetting movements in the fair values or cash flows of the hedged items.

Derivative financial instruments are recognised as assets and liabilities measured at their fair values at the balance sheet date with fair value changes presented in other comprehensive income. Where derivative financial instruments do not fulfil the criteria for hedge accounting contained in IAS 39, changes in their fair values are recognised in the income statement.

Consolidation

The consolidated financial information includes the results of the parent and its subsidiary undertakings drawn up to 31 July 2016. The trading results of businesses operations are included in profit on ordinary activities from continuing operations from the date of acquisition or up to the date of sale. Intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated on consolidation, with the exception of gains/losses required under relevant IFRS accounting standards.

Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement category to assist in the understanding of the trading and financial results of the Group.

Examples of such items that are considered by the Directors for designation as exceptional items include, but are not limited to:

- Restructuring and other expenses relating to the integration of an acquired business
- Gains/losses on disposal of businesses
- Acquisition related costs principally relating to professional fees
- Costs arising as a result of material and non-recurring regulatory and litigation matters

Discontinued operations

When the Group has disposed off or intends to dispose off a business component that represents a separate major line of business or geographical area of operations it classifies such operations as discontinued. The post-tax profit or loss of the discontinued operations and gain or loss on disposal is shown as a single line on the face of the income statement, separate from the other results of the Group.

Notes to the Group Annual Report

1 Accounting Policies (continued)

Business combinations

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Acquisition related costs are expensed.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

If the cost of acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired negative goodwill, the difference is recognised directly in the income statement.

If the fair value of the identifiable assets, liabilities or contingent liabilities subsequent differ from the values calculated at the time of the acquisition, the statement is adjusted, including goodwill until 12 months after the date of acquisition and comparatives are adjusted. Subsequently, goodwill is not adjusted. Changes in estimates of contingent consideration are generally recognized in the income statement.

Goodwill on acquisition of a business are recognized in the balance sheet under intangible assets in the consolidated financial statements and are tested at least annually for impairment.

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Revenue is reported by business segments and geographical areas.

Cost of sales

Cost of sales includes costs for the goods sold and consumed in order to obtain net sales for the year.

The Group enters into arrangements with certain vendors providing for inventory purchase rebates. These purchase rebates are accrued as earned and are recorded initially as a reduction in inventory with a subsequent reduction in cost of sales when the related product is sold.

Other external operating expenses

Other external operating expenses comprise administration costs as well as other expenses for operation and maintenance.

The Group incurs no research costs. Development costs and start-up costs incurred before start-up of new stores are expensed as they incur.

Staff expenses

Staff expenses comprise wages, salaries, pensions and other staff expenses for the Group's employees.

Share-based payments

Share-based incentives are provided to employees under the Wolseley global Group's executive share option, long-term incentive, employee share purchase and ordinary share plan schemes. The Group recognises a compensation cost in respect of these schemes that is based on the fair value of the awards, measured using Binomial and Monte Carlo valuation methodologies. For equity-settled schemes, the fair value is determined at the date of grant (including the impact of any non-vesting conditions such as a requirement for employees to save) and is not subsequently remeasured unless the conditions on which the award was granted are modified. For cash-settled schemes, the fair value is determined at the date of grant and is remeasured at each balance sheet date until the liability is settled. Generally, the compensation cost is recognised on a straight-line basis over the vesting period.

The option and shares are issued by the ultimate parent company, Wolseley Plc. and the Group are charged annually for their share of the expenses relating to the current year, which is calculated according to IFRS. No liability is recognised in the Financial Statements for the Group.

Notes to the Group Annual Report

1 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets, property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to other comprehensive income and equity transactions is recognised directly in other comprehensive income and equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Parent is jointly taxed with the Danish consolidated companies. The foreign subsidiaries are not included in the joint taxation.

DT Group Holdings A/S operates as the management company in the Danish joint taxation. The total Danish tax on the Danish subsidiaries' taxable income is paid by DT Group Holdings A/S.

The tax effect of the joint taxation with the Danish subsidiaries is distributed on both profits and losses of the subsidiaries in proportion to their taxable income. The jointly taxed companies are included in the tax prepayment scheme.

Balance Sheet

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary undertakings is included within intangible assets. Goodwill is allocated to cash generating units or aggregations of cash generating units (together "CGUs") where synergy benefits are expected. CGUs are independent sources of income streams and represent the lowest level within the Group at which the associated goodwill is monitored for management purposes. No CGU is larger than the operating segments determined in accordance with IFRS 8 "Operating Segments".

Goodwill is not amortised but is tested at least annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets - other

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Intangible assets, primarily brands, trade names and customer relationships, acquired as part of a business combination are capitalised separately from goodwill and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the reducing balance method for customer relationships and the straight-line method for other intangible assets. The cost of the intangible assets is amortised over their estimated useful lives as follows:

Customer relationships	4 - 25 years
Trade names and brands	1 - 15 years
Other	1 - 4 years

Computer software that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Costs include software licences, consulting costs attributable to the development, design and implementation of the computer software and internal costs directly attributable to the development, design and implementation of the computer software. Costs in respect of training and data conversion are expensed as incurred. Amortisation is calculated using the straight-line method so as to charge the cost of the computer software to the income statement over its estimated useful life as follows:

Software	3 - 5 years
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Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Notes to the Group Annual Report

1 Accounting Policies (continued)

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Interest expenses on loans raised for financing the construction of property, plant, machinery and equipment and which are related to the period of construction are recognised in the income statement.

Depreciation based on cost is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Office buildings	50 years
Commercial buildings and office premises in connection herewith	25 years
Plant and equipments	3 - 10 years

Land and property assets under construction are not depreciated.

At balance sheet date, the assessment of the residual values, useful life left and amortisation pattern. Changes are accounted as changes in accounting estimates.

Gains and losses on disposals or retirements of a fixed asset are recognised in the income statement as other operating income or other operating expenses.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are on initial recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. The cost of operating leases (net of any incentives received from the lessor) is charged to the income statement on a straight-line basis over the period of the leases.

Joint ventures

A joint venture arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint Control is the contractually agreed sharing of the control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The result and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method.

Assets and disposal groups held for sale

Assets are classified as held for sale if their carrying amount will be recovered by sale rather than by continuing use in the business. Where a group of assets and their directly associated liabilities are to be disposed off in a single transaction, such disposal groups are also classified as held for sale. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition, and management must be committed to and have initiated a plan to sell the asset or disposal group which, when initiated, was expected to result in a completed sale within 12 months. Assets that are classified as held for sale are not depreciated. Assets or disposal groups that are classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Impairment of assets

Assets that have an indefinite useful life, such as goodwill, are not subject to amortisation or depreciation and are tested for impairment annually and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation or depreciation and assets under construction are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The value in use is in most cases based on the discounted present value of the future cash flows expected to arise from the cash generating unit to which the goodwill relates, or from the individual asset or asset group.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value. The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

Notes to the Group Annual Report

1 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Group's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning the subsequent financial year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet to the extent that there is no legal right of offset and/or no practice of net settlement with cash balances.

Cash, which is not freely available to the Group, is disclosed as restricted cash.

Share capital

The share capital constitutes the nominal value of the Groups' share capital.

Reserves

The foreign currency translation reserve comprises all translation adjustments arising from the translation of financial statements of Group companies with another functional currency than Danish kroner.

Dividend

Proposed dividend for the financial year is recognised in retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Employee Benefit obligations

Contributions to defined contribution pension plans and other post-retirement benefits are charged to the income statement as incurred.

For defined benefit pension plans the cost of providing benefits is determined annually using the projected unit credit method by independent qualified actuaries. Cost of defined benefit plans is recorded within the income statement. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. The asset/liability recognised in the balance sheet in respect of defined benefit pension plans is the fair value of plan assets less the present value of the defined benefit obligation at the end of the reporting period. Where a plan is in surplus, the asset recognised is limited to the present value of any amount which the Group expects to recover by way of refunds or a reduction in future contributions.

Corporation tax and deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years.

Tax receivables and liabilities are offset to the extent that there are legal right of set-off, and items are expected to settle net or simultaneously.

Financial debts

Loans from credit institutions are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash flow statement

The Group's cash flow statement, which is prepared according to the indirect method, shows the Group's cash flows for the year broken down by operating, investing and financing activities as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Group Annual Report

1 Accounting Policies (continued)

Cash flows from operating activities are calculated as the net profit for the year adjusted for items with no cash flow effect, paid net financials, paid corporation taxes and changes in working capital.

Cash flow from investing activities comprise payments in connection with acquisition and divestment of enterprises and acquisition and disposal of property, plant and equipment as well as intangible assets.

Cash flow from financing activities comprise cash flows from the raising and repayment of loans and payment of dividend.

The Group's cash comprises the Group's cash and cash equivalents.

Financial highlights information

Profit margin	= $\frac{\text{Results before financials} \times 100}{\text{Net sales}}$
Solvency ratio	= $\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on assets	= $\frac{\text{Results before financials} \times 100}{\text{Total assets}}$
Return on equity	= $\frac{\text{Results for the year} \times 100}{\text{Average equity}}$
Trading profit	= Operating results from continuing operations, before amortisation and depreciation of intangible fixed assets and before exceptional items.
Trading margin	= $\frac{\text{Trading profit} \times 100}{\text{Net sales}}$

The financial highlights have been prepared in accordance with Danish Society of Financial Analysts' "Recommendations and Financial Ratios 2015" with appropriate adaptation to the Group performance measures.

Notes to the Group Annual Report

DKK million	2015/16	2014/15
Note		
2 Net sales		
Sale of goods	18.438	18.413
Total net sales	18.438	18.413
Geographical markets:		
Denmark	8.475	8.357
Sweden	4.321	4.161
Norway	1.112	1.261
Finland	4.446	4.563
Estonia	84	71
Total	18.438	18.413
3 Staff costs		
Salary and wages	2.171	2.115
Pensions - contribution plan	169	170
Pensions - defined benefit plan	7	14
Other expenses for social security	200	197
Total staff costs	2.547	2.496
Management salary	13	9
Management pension	1	1
Cost of shares and share options allotted	1	2
Total Remuneration to the Executive Management	15	12
Average number of fulltime employees	5.874	5.983
Number of employees at the end of the financial year	6.167	6.293

In the financial year 2014/2015, CEO Ole Mikael Jensen was part of the executive management. Ole Mikael Jensen left the Company in September 2015, and management salary for 2015/16 includes cost of severance package. Søren P. Olesen was appointed as the new interim CEO from February 2016.

Ordinary share program and share options

The management participates in an ordinary share program and a share option program for the ultimate parent company, Wolseley plc.

Shares and share options issued by the ultimate parent company, Wolseley plc, are charged annually for the share of the costs relevant to Group, calculated in accordance with IFRS, which relates to the financial year. As a result, no liabilities are recognised at 31 July 2016 concerning share-based compensation.

The management in DT Group Holdings A/S has the following outstanding shares and share options under the program:

	Share- Options Numbers	Average price in pence (UK)
Outstanding at the beginning of the financial year	54.897	2.815
Granted	-	-
Exercised or vested	(14.552)	1.855
Outstanding at the end of the financial year	40.345	3.161

The ordinary share programme has a life of three years from the date of grant. The vesting of the shares is conditional on the option-holder being employed at the time of vesting.

Exchange rate 31 July 9.09 GBP/DKK.

Notes to the Group Annual Report

DKK million

Note

3 Staff costs (continued)

Share program (continued)

The Management in DT Group Holdings A/S has been granted following conditional and unconditional shares:

	OSP Numbers	LTIP Numbers	ISP Numbers
Shares at the beginning of the financial year	748	21.606	856
Granted	6.736	-	1.221
Exercised or vested	(94)	(6.467)	(823)
Shares allotted at the end of the financial year	7.390	15.139	1.254

OSP = Ordinary Share Plan

LTIP = Long Term Incentive Plan

ISP = International Share Save Plan

ESOP = Employee Saving Option Plan

The shares, which have been granted under the OSP scheme, are conditional for three years. The condition for the shares is that the holder is employed at the end of the three-year period.

The shares, which have been granted under the LTIP scheme, are conditional for three years. The conditions of the shares are:

- 1) that Wolseley within each three-year period achieves a relatively higher total return for the shareholders than a defined number of companies.
- 2) that the holder is not under notice at the end of the three-year period.

	2015/16	2014/15
4 Amortisation, depreciation and writedown of non-current assets		
Other Intangible assets	51	2.464
Buildings	225	195
Fixtures, fittings, tools and equipment	31	28
Total amortisation, depreciation and writedown	307	2.687
5 Financial income		
Interest from group companies	21	28
Foreign exchange gain	2	2
Other financial income	5	5
Total financial income	28	35
6 Financial expenses		
Interest to group companies	62	68
Foreign exchange loss	-	4
Other financial expenses	48	50
Total financial expenses	110	122

Notes to the Group Annual Report

DKK million

2015/16

2014/15

Note

7 Tax for the year

Current tax	92	204
Deferred tax	60	(404)
Adjustment of current tax regarding previous years	27	4
Adjustment of deferred tax regarding previous years	2	22
Total income tax for the year	181	(174)

Tax on items (charged)/credited to the statement of other comprehensive income:

Deferred tax (charge)/credit on actuarial gain/loss on retirement benefits	(5)	(6)
Total tax on items (charged)/credited to other comprehensive income	(5)	(6)

Tax on items credited to equity:

Deferred tax credit on share-based payments	3	(7)
Total tax on items credited to OCI	3	(7)

Tax reconciliation:

	%	%
Danish corporation tax rate	22,0	23,5
Non-deductible and non-taxable items	11,5	(13,5)
Adjustments relating to prior years	6,4	(1,4)
Reduction of corporate tax rates	-	-
Other adjustments	-	0,8
Tax rate on profit before tax	39,9	9,4

8 Results for the year from discontinued operations

Net sales	-	4
Cost of sales	(12)	(5)
Gross Profit	(12)	(1)
Expenses	1	(42)
Results before tax	(11)	(43)
Tax for the year	3	8
Results for the year from discontinued operations	(8)	(35)

Cash flows from discontinued operations

Net cash flow from operations	-	2
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net cash (used)/generated from discontinued operations	-	2

Notes to the Group Annual Report

DKK million

Note

8 Results for the year from discontinued operations (continued)

The Group's activities in following businesses is reported as discontinued operations in the years ended 31 July 2016 and 2015:

	Date	Country
Cheapy	April 2014	Sweden
Oscar Peschardt	July 2014	Norway

Cheapy chain, the Group's discount chain in Sweden, was divested in FY13/14. Cost related to the discontinued business Cheapy in FY15/16 were primarily interest costs of 1.3 DKK million.

Oscar Peschardt, a small branch in Kristianssand, Norway, was divested in FY13/14. Cost related to the discontinued business Oscar Peschardt in FY15/16 were primarily a provision for claims of 12.2 DKK million.

9 Non-GAAP performance measures

Trading profit is defined as operating profit before exceptional items and the amortisation and impairment of acquired intangibles. It is a non-GAAP measure. The Group considers that trading profit present valuable additional information to users of the financial statements.

	2015/16	2014/15
Results before financial items	530	(1.766)
Add back of amortisation and impairment of acquired intangibles	51	2.464
Add back of exceptional items in operating profit	18	(14)
Add back of Group contribution	34	28
Other	(60)	2
Trading profit	573	714

10 Continuing operations

Impairment of goodwill and other intangible assets	-	2.313
Acquisition and integration costs	3	(14)
Loss on closure of businesses and revaluations of held for sale disposal businesses	(21)	-
Total included in results before tax	(18)	2.299
Tax of exceptional items	-	(267)
Total included in continuing operations	(18)	2.032

Discontinued operations

Loss on closure of businesses and revaluations of held for sale disposal businesses	3	38
Total included in results before tax	3	38
Tax of exceptional items	-	(7)
Total included in discontinued operations	3	31
Total exceptional items	(15)	2.063

Prior year impairment of goodwill and other intangible assets relates to the impairment assessment based on expectations at January 2015. Further details are given in note 11.

Acquisition and integration costs relates to the acquisition of Puukeskus in Finland, which includes transaction costs, onerous leases and redundancy costs linked to the closure of a number of branches as part of the integration plan. In FY 14/15 an unused provision relating to estimated cost of integration was reversed as an exceptional item as it was reported such in FY14.

Loss on disposals primarily relates to closing down of Cheapy in Sweden and Oscar Pescharat in Norway.

Notes to the Group Annual Report

DKK million	2015/16	2014/15
Note		
11 Goodwill		
Cost at the beginning of the year	7.239	7.317
Exchange rate adjustment	(26)	(38)
Divestment	-	(3)
Last year acquisition	-	(41)
Reversal of negative goodwill	-	4
Cost at the end of the year	7.213	7.239
Impairment losses at the beginning of the year	(6.424)	(5.106)
Exchange rate adjustment	11	10
Impairment charge for the year	-	(1.328)
Accumulated impairment losses at the end of the year	(6.413)	(6.424)
Carrying amount at the end of the year	800	815
The carrying amount of goodwill by segment is as follows:		
Denmark	-	-
Sweden	675	683
Norway	125	132
Finland	-	-
Group	800	815

Goodwill and intangible assets acquired during the year have been allocated to the individual cash generating units or aggregated cash generating units (together "CGUs") which are deemed to be the smallest identifiable group of assets generating independent cash inflows. CGUs have been aggregated in the disclosure above at a regional level. However, impairment reviews were performed for each individual CGU during the year ended 31 July 2016. Except for segment "Denmark", the above classification by segments coincide with the smallest identifiable CGU where impairment test is performed. The segment "Denmark" consists of STARK and Silvan. Recognised goodwill relating to segment "Denmark", relates solely to the division STARK.

The relevant inputs to the value-in-use calculations of each CGU were:

Cash flow forecasts for years one to three are derived from the most recent board approved strategic plan; the forecast for year five represents an estimate of "mid-cycle" trading performance for the CGU based on historic analysis. Year four is calculated as the average of the final year of the strategic plan and year five's mid-cycle estimate.

The cash flow is discounted using risk-adjusted, pre-tax discount rate, calculated by reference to the weighted average cost of capital ("WACC") of country of 8.2 percent (FY 2015: 9,6 percent to 10,9 percent). The equivalent post-tax discount rate ranges from 6.9 percent to 7.5 percent (FY 2015: 7.7 percent to 7.9 percent).

Long-term growth rate of 1-1,5 percent was applied.

The strategic plan is developed based on analyses of sales, markets and costs at a regional level. Consideration is given to past events, knowledge of future contracts and the wider economy. It takes into account both current business and future initiatives.

The impairment review did not result in impairment charges.

Management has performed a sensitivity analysis on each key assumption (like-for-like revenue growth, post-tax discount rate and long-term growth rate), keeping all other assumptions constant. Sweden and Norway still hold goodwill and acquired intangibles at the year-end, both with headroom at 31 July 2016.

Management believes the assumptions are realistic. It is possible that an impairment charge would be identified if the key assumptions above are changed significantly.

Notes to the Group Annual Report

DKK million

Note

12 Other Intangible assets	Acquired intangible assets			
	Software	Customer relationship	Others	Total
2015/16				
Cost at the beginning of the year	121	2.096	2.407	4.624
Exchange rate adjustment	5	(10)	(9)	(14)
Business acquisitions	-	-	-	-
Additions	19	-	-	19
Disposals	(5)	(14)	(4)	(23)
Cost at the end of the year	140	2.072	2.394	4.606
Amortisation, depreciation and writedown at the beginning of the year	(62)	(2.000)	(2.219)	(4.281)
Exchange rate adjustment		9	6	15
Amortisation for the year	(11)	(21)	(30)	(62)
Disposals	1	14	4	19
Amortisation, depreciation and writedown at the end of the year	(72)	(1.998)	(2.239)	(4.309)
Carrying amount at the end of the year	68	74	155	297

2014/15	Acquired intangible assets			
	Software	Customer relationship	Others	Total
Cost at the beginning of the year	96	2.114	2.423	4.633
Exchange rate adjustment	(1)	(15)	(14)	(30)
Business acquisitions	-	9	-	9
Additions	26	-	-	26
Disposals	-	(4)	(2)	(6)
Last year acquisition	-	(8)	-	(8)
Cost at the end of the year	121	2.096	2.407	4.624
Amortisation, depreciation and writedown at the beginning of the year	(57)	(1.770)	(1.335)	(3.162)
Exchange rate adjustment	1	12	8	21
Amortisation for the year	(6)	(55)	(96)	(157)
Impairment charge for the year	-	(191)	(798)	(989)
Disposals	-	4	2	6
Amortisation, depreciation and writedown at the end of the year	(62)	(2.000)	(2.219)	(4.281)
Carrying amount at the end of the year	59	96	188	343

Other assets consist primarily of trademarks and brands related to the divisions in the different Nordic countries.

Notes to the Group Annual Report

DKK million	2015/16	2014/15
Note		
13 Land and buildings		
Cost at the beginning of the year	5.737	5.701
Exchange rate adjustment	(32)	(44)
Business acquisitions	-	13
Additions	143	164
Disposals	(2)	(1)
Reclassification as held for sale	32	(96)
Cost at the end of the year	5.878	5.737
Amortisation, depreciation and writedown at the beginning of the year	(902)	(791)
Exchange rate adjustment	5	5
Amortisation, depreciation and writedown for the year	(142)	(123)
Amortisation, depreciation and writedown on sold assets	-	1
Reclassification as held for sale	2	6
Amortisation, depreciation and writedown at the end of the year	(1.037)	(902)
Carrying amount at the end of the year	4.841	4.835
Assets held for sale relates to properties in Denmark DKK 7 million and Sweden DKK 33 million.		
Impairment losses recognized in the year		
During the year, the Group has performed review of the recoverable amount of those branches and the related buildings. The review The impairment assessment carried out in FY15 did not lead to recognition of impairment losses.		
14 Plant and equipment		
Cost at the beginning of the year	824	806
Exchange rate adjustment	(9)	(16)
Business acquisitions	-	1
Additions	113	76
Disposals	(105)	(82)
Transferred	38	39
Cost at the end of the year	861	824
Amortisation, depreciation and writedown at the beginning of the year	(540)	(533)
Exchange rate adjustment	6	13
Amortisation, depreciation and writedown for the year	(103)	(96)
Amortisation, depreciation and writedown on sold assets	96	74
Transferred	0	2
Amortisation, depreciation and writedown at the end of the year	(541)	(540)
Carrying amount at the end of the year	320	284
15 Non-currents assets under construction and prepayments from non-current assets		
Cost at the beginning of the year	50	25
Exchange rate adjustment	(1)	(1)
Additions	104	67
Transferred to other items	(91)	(41)
Carrying amount at the end of the year	62	50

Notes to the Group Annual Report

DKK million	2015/16	2014/15
Note		
16 Receivables from Group companies		
Receivables from Group companies includes receivables from Wolseley Nordic Holdings AB.		
Maturity are specified as follows:		
Within 1 year	-	-
Between 1 and 5 years	619	626
Later than 5 years from the balance sheet date	-	-
At 31 July	619	626
17 Inventories		
Trading goods	2.584	2.484
provision for excess and obsolete goods	(199)	(207)
Total inventories	2.385	2.277
18 Trade receivables		
Trade receivables, gross	2.005	2.037
Provision for impairment	(112)	(117)
Net Trade receivables	1.893	1.920
Of this, due after more than 1 year	-	-
Movements in the provision for impairment of trade receivables are as follows:		
At 1 August	(117)	(104)
Net charge for the year	53	37
Utilised in the year	(48)	(50)
At 31 July	(112)	(117)
Trade receivables can be aged with respect to the payment terms specified in the terms and conditions established with customers as follows:		
Amounts not yet due	1.520	1.615
Past due not more than one month	315	225
Past due more than one month and less than three months	42	51
Past due more than three months and less than six months	7	12
Past due more than six months	121	100
Amounts individually determined to be impaired	-	34
At 31 July	2.005	2.037

Notes to the Group Annual Report

DKK million

Note

19 Prepayments

Provisions consist of prepaid expenses in relation to rent, insurance premiums and interest etc.

20 Share capital

The Company's share capital consists of 20.000 shares of nominally 100 DKK.

In 2014 the Company was converted from "Anpartsselskab" to "Aktierselskab".

The share capital was increased by nom. 125.200 DKK to nom. 2.000.000 DKK, by the conversion in 2014.

There has been no change in the share capital from 2010 - 2013 or since the conversion in 2014.

21 Dividend

No dividends have been paid during FY 2014/2015 and FY 2015/2016. No dividends will be declared for FY 2015/2016.

	2015/16	2014/15
22 Deferred tax assets and liabilities		
Deferred tax assets	(172)	(217)
Deferred tax liabilities	643	629
Total	471	412
Current	-	-
Non-current	471	412
Total	471	412
Deferred tax at the beginning of the year	412	808
Addition relating to business acquisitions	-	(5)
Adjustment of deferred tax regarding previous years	2	28
Deferred tax for the year recognised in the results for the year	60	(403)
Deferred tax for the year recognised in OCI	(3)	(16)
Deferred tax at the end of the year	471	412
Deferred tax relates to:		
Intangible assets	60	71
Property, plant and equipment	526	545
Receivables	(5)	(7)
Inventory	(23)	(24)
Other liabilities	(87)	(173)
Total	471	412

The Group has an unrecognized tax loss of DKK 156 million.

(2014/15: 156 million. kr.).

Notes to the Group Annual Report

DKK million			2015/16	2014/15	
Note					
23	Other provisions	Environ- mental and Legal	Restruc- turing	Other provisions	Total
	At 31 July 2014	59	111	155	325
	Exchange rate adjustment	-	-	5	5
	Utilised in the year	(1)	(55)	(15)	(71)
	Charge/(credit) for the year	-	(5)	(13)	(18)
	Acquisitions and divestments, net	(14)			(14)
	At 31 July 2015	44	51	132	227
	At 31 July 2015	44	51	132	227
	Exchange rate adjustment	-	(7)	10	3
	Utilised in the year	(7)	(17)	(27)	(51)
	Charge/(credit) for the year	(4)	1	9	6
	Acquisitions and divestments	-			-
	At 31 July 2016	33	28	124	185

Other provisions can be specified as follows:

Dilapidation costs	56	64
Warranty commitments	22	22
Other provisions	46	46
Total other provisions	124	132

Maturity of provisions are expected to be:

Within 1 year	105	150
Between 1 and 5 years	80	77
Total other provisions	185	227

Restructuring provisions include provisions for staff redundancy costs, future losses from disposal of inventories and onerous lease obligations from closed branches. In determining the provision for onerous leases, the cash flows have been discounted on a pre-tax basis using appropriate government bond rates. The weighted average maturity of these obligations is approximately three years. Restructuring provisions primarily relates to the business unit in Finland.

Other provisions include warranty and separation costs relating to businesses disposed off, rental commitments on vacant premises and dilapidations on leased properties. The weighted average maturity of these obligations is approximately three years.

24 Employee benefit obligations

The Group has entered into pensions plans with a considerable number of the Group's employees. The Group have entered into both defined contributions plans and defined benefit plans.

Defined contributions plans

The Group finances the plans by paying premium to an independent insurance company that is responsible for the pension obligations. Once the pension contributions to the defined contribution plans have been paid, the Group has no further pension obligation to current or retired employees.

Defined benefit plans

The Group operates defined benefit plans with employees of the Group's subsidiaries in Sweden and Norway.

Notes to the Group Annual Report

DKK million

2015/16

2014/15

Note

24 Employee benefit obligations (continued)

Financial impact of plans

As disclosed in the balance sheet

Current liability	11	10
Non-current liability	355	339
Total benefit obligations	366	349

Analysis of balance sheet liability

Fair value of plan assets	68	69
Present value of defined benefit obligation	(434)	(418)
Net deficit recognised in balance sheet	(366)	(349)

Analysis of total expense recognised in income statement

Current service cost	(17)	(14)
Past service cost and gain from settlements	2	3
Charged to operating costs	(15)	(11)

Interest on pension liabilities	(12)	(13)
(Credited)/charged to finance costs	(12)	(13)
Total expense recognised in income statement	(27)	(24)

Analysis of amount recognised in the statement of comprehensive income

Actuarial gain/(loss)	(27)	(29)
Taxation	5	6
Total amount recognised in the statement of comprehensive income	(22)	(23)

Fair value of plan assets

At 1 August	69	68
The return on plan assets (excluding amounts included in net interest expense)	2	1
Employer's contributions	4	5
Participants' contributions	-	1
Sales of plan assets	(3)	(2)
Currency translation	(4)	(4)
At 31 July	68	69
Actual return on plan assets	2	1

Notes to the Group Annual Report

DKK million 2015/16 2014/15
 Note

24 Employee benefit obligations (continued)

Present value of defined benefit obligation

At 1 August	(418)	(392)
Current service cost	(4)	(14)
Interest cost	(12)	(13)
Benefits paid	14	13
Actuarial gain/(loss)	(23)	(25)
Currency translation	9	13
At 31 July	(434)	(418)

Analysis of present value of defined benefit obligation

Amounts arising from wholly unfunded plans	-	-
Amounts arising from plans that are wholly or partly funded	(434)	(418)
At 31 July	(434)	(418)

The actuarial calculations at the balance sheet date are based on the following assumptions:

Discount rate	2,50%	3,00%
Rate of inflation	1,75%	2,00%
Increases to pensions in payment	1,75%	2,00%
Increase in salary	2,75%	3,00%

Current pensioners (at age 65) – male	22	22
Current pensioners (at age 65) – female	24	24
Future pensioners (at age 65) – male	23	23
Future pensioners (at age 65) – female	25	25

A change in discount rate or the rate of inflation of +/- 0,25% respectively would impact the defined benefit obligation by +5% or -5% respectively (FY 2015: +5% or -4% respectively). Changing expectations for the number of years of life after retirement with 1 year would increase the defined benefit obligation by 4% (FY 2015: 5%)

25 Debt to group companies

Of the total debt to group companies, 1,673 m.DKK (FY 2015: DKK 1.722 million) regards debt to Wolseley Switzerland AG.
 Due for payment:

1,253 m.DKK on request
 420 m.DKK due 31 July 2017

Notes to the Group Annual Report

DKK million 2015/16 2014/15
 Note

26 Credit institutions

Within 1 year	154	106
Between 1 and 5 years	1	3
After 5 years	1.121	1.122
Carrying amount	1.276	1.231

Hereof, liabilities from financial leasing (minimum payment)

Within 1 year	1	2
Between 1 and 5 years	1	2
After 5 years	-	-
Carrying amount	2	4

27 Accrued income taxes

Tax payable includes both accrued income tax under the Danish joint taxation of DT Group Holdings A/S and local national income tax payable in the foreign companies, that are part of the Group.

28 Share-based payments

Shares and Share-Options issued by the ultimate parent company, Wolseley plc, and DT Group Holdings A/S (Group) are annually charged the share of the costs, calculated in accordance with IFRS, which relates to the same year.

Long Term Incentive Plan (LTIP)	1	1
Ordinary share plans (OSP)	11	13
International Share Save Plan (ISP)	4	5
LTIS	1	1
Total	17	20

The number of outstanding and number of exercisable Share-options and

Shares are detailed below:	Numbers	Numbers
Outstanding at 1 August	520.043	581.815
Granted	73.690	124.993
Options exercised or shares vested	(76.542)	(146.084)
Expired	(39.738)	(40.681)
Outstanding at 31 July	477.453	520.043

Exercisable at 31 July	76.977	66.677
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Weighted average fair value per share/option granted during the year	215,5	180,4
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Notes to the Group Annual Report

DKK million

Note

28 Share-based payments (continued)

	Numbers			
	LTIP	OSP	ISP	ESOP
Outstanding at 31 July 2016	97.594	114.874	249.846	15.139
Exercisable at 31 July 2016	6.467	0	0	70.530

	2015/16	2014/15
29 Adjustments for non cash-items		
Financial income	(28)	(35)
Financial expenses	110	122
Amortisation, depreciation and writedown, including gain/loss from sale of assets	307	2.687
Tax	181	(13)
Increase/(decrease) in provisions and other liabilities	(18)	(205)
Adjustments for non cash-items	552	2.556

30 Change in working capital		
(Increase)/decrease in inventories	(108)	73
(Increase)/decrease in trade and other receivables	34	(109)
(Increase)/decrease in trade and other payables	(73)	110
Change in working capital	(147)	74

31 Acquisition of business

The Group has acquired no enterprises in FY16

Net outflow refers to an acquisition of the Joint Venture Bra Byggera AB

The net outflow of cash in respect of the purchase of businesses is as follows:

Purchase consideration	7	25
Deferred and contingent consideration in respect of prior year acquisitions	-	-
Cash consideration	7	25
Cash, cash equivalents and bank overdrafts acquired	-	-
Net cash outflow in respect of the purchase of businesses	7	25

Acquisition of business for FY15 was Hobro Ny Trælast A/S.

Notes to the Group Annual Report

DKK million

Note

32 Disposals of businesses

In the year ended 31 July 2016, the Group disposed of the following businesses:

	Date	Country	Shares/ Assets
Helatukku Finland OY	April 2016	Finland	Shares
Puukeskus AS	July 2016	Estonia	Shares

The Group recognised a total gain on the disposal of the above mentioned business of DKK 20 million.

A loss related to Helatukku Finland OY of DKK 54 million was recognized in FY14/15

	2015/16	2014/15
Gain on disposal		
Cash consideration received	32	19
Net assets disposed of	(12)	(4)
Disposal costs and provisions	-	(18)
Gain/Loss on disposal	20	(3)

Details of assets and liabilities disposed of:

Intangibles	-	3
Working capital	18	1
Loans and other debt	(6)	
Carrying amount of divested net assets	12	4

Net cash inflow

Cash consideration received for current year disposals	32	1
Cash consideration received for previous year disposals	-	18
Net cash inflow	32	19

33 Cash, cash equivalents and bank overdrafts

Cash and cash equivalents	1.065	1.438
Bank overdrafts	(147)	(1.250)
Total Cash, cash equivalents and bank overdrafts	918	188

Notes to the Group Annual Report

DKK million

Note	2015/16	2014/15
34 Operating leases		
Amount due within 1 year from the balance sheet date:		
Rent commitments	130	115
Lease commitments	103	86
Amount due within 1 year of the balance sheet date, total	233	201
Amount due between 1 and 5 year from the balance sheet date:		
Rent commitments	329	294
Lease commitments	148	130
Amount due between 1 and 5 year from the balance sheet date, total	477	424
Amount due later than 5 years from the balance sheet date:		
Rent commitments	164	181
Lease commitments	15	8
Amount due later than 5 years from the balance sheet date, total	179	189
Rent and lease commitments (operational) total:		
Rent commitments	623	590
Lease commitments	266	224
Rent and lease commitments (operational) total:	889	814

The Group leases property and equipment under operating leases. The lease terms are typically for terms of between 1 and 5 years, with the possibility of renewal or purchase at the end of the period. Some leases include contingent rent, but the amounts are not material for the group.

35 Contingent liabilities

The Group is involved in various legal proceedings. The outcome of the pending lawsuits is not expected to have material significance for Groups assessing the financial position.

36 Securities

	2015/16	2014/15
The following assets have been pledged as security for bank loans:		
Mortgage deeds and mortgages on land and buildings	1.102	1.102
Carrying amount	2.243	1.104
Debt owed to credit institutions which are secured	1.121	1.122

37 Financial instruments, risk management policies

The Group's risk management policy

As a result of its operations, investments and financing, the Group is exposed to changes in exchange and interest rates. The Group's financial management is exclusively aimed at the management of financial risks related to finance. Thus, it is the Group's policy not to engage in speculation in financial risks.

Policies for managing each of these risks are regularly reviewed and are summarised below.

Capital risk management

The Group's sources of funding currently comprise cash flows generated by operations, loans from group companies in Wolseley auspices and borrowings from banks and other financial institutions. In order to maintain or adjust the capital structure, the Group may pay dividends to shareholders or sell assets to reduce debt.

Notes to the Group Annual Report

DKK million

Note

37 Financial instruments, risk management policies (continued)

Liquidity risk

The Group maintains a policy of ensuring sufficient borrowing headroom to finance all investment and capital expenditure included in its strategic plan, with an additional contingent safety margin.

The mandate requires the achievement of a competitive return and high liquidity on the location of excess liquidity. In order to achieve an effective management of the Group's cash used include cash pools.

The Group's liquidity reserves consist of cash.

Currency risks

The extent of the Group's currency risks is limited by the fact that the costs of wages and purchases of supplies are largely incurred in the same currency as that in which sales are invoiced. Currency risks arise primarily in connection with international purchases and sales of goods in other currencies than Danish kroner.

It is the Group's policy to limit the impact of exchange rate changes on the results and the Group's financial position. This is primarily done through currency overdrafts and derivative financial instruments, primarily forward exchange contracts. The Group does not engage in speculative currency transactions.

The Group has no open currency hedge contracts at 31 July.

	31 July 2016			31 July 2015		
	Contract amounts based on strike price 1)		Time to maturity	Contract amounts based on strike price 1)		Time to maturity
	DKK million	Fair value DKK million		DKK million	Fair value DKK million	
USD	-	-	-	18	18	4
SEK	-	-	-	148	148	4
NOK	-	-	-	(16)	(16)	4
EUR	-	-	-	213	213	4
GBP	-	-	-	(16)	(16)	4
					<u>347</u>	

Interest rate risk

The Group is due to its operating, investing and financing exposed to changes in interest rates.

Credit risks

The counterparty risk is reduced by only entering into money market deposits with selected financial counterparties that have a satisfactory credit quality. Furthermore, maximum credit limits for each financial counterparty applies.

The Group has no material risks relating to an individual client or business partner. The Group's policy for accepting credit risks means that all major customers and other partners are credit rated continuously.

The Group's credit risk related to accounts receivable and cash as well as derivative financial instruments with positive fair value. The maximum credit risk related to financial assets corresponds to the balance sheet values recognized.

The group is external insured through the owner Wolsley with a high deductible. The Group has an internal insurance programme with a lower deductible. Every year a premium allocation is decided for each BU based on the past year's insurance claims.

Customer insurance

The Group has no material risks relating to an individual client or business partner. The Group's policy for accepting credit risks ensures that all major customers and other partners are credit rated continuously.

Notes to the Group Annual Report

DKK million
Note

38 Financial instruments

The accounting policies for financial instruments have been applied to the following items:

	Cash and cash equivalents	Loans and receivables	Fair value through profit or loss	Total
Assets at 31 July 2016				
Financial assets	-	619	-	619
Trade and other receivables, excluding prepayments and accrued	-	2.164	-	2.164
Derivative financial assets	-	-	-	-
Cash and cash equivalents	918	-	-	918
Impairment losses in the year	-	53	-	53

Assets at 31 July 2015				
Financial assets	-	626	-	626
Trade and other receivables, excluding prepayments and accrued	-	2.688	-	2.688
Derivative financial assets	-	-	-	-
Cash and cash equivalents	188	-	-	188
Impairment losses in the year	-	37	-	37

	Amortised cost	Fair value through profit or loss	Total
Liabilities at 31 July 2016			
Trade and other payables, excluding accruals, deferred income and tax	4.611	-	4.611
Loans and overdrafts	2.949	-	2.949
Derivative financial liabilities	-	-	-
Obligations under finance leases	2	-	2
Total liabilities	7.562	-	7.562

Liabilities at 31 July 2015			
Trade and other payables, excluding accruals, deferred income and tax	4.580	-	4.580
Loans and overdrafts	2.953	-	2.953
Derivative financial liabilities	-	1	1
Obligations under finance leases	4	-	4
Total liabilities	7.537	1	7.538

Notes to the Group Annual Report

DKK million

Note

38 Financial instruments (continued)

Financial instruments by measurement basis

Financial instruments in the categories "derivatives used for hedging" and "fair value through profit or loss" are measured in the balance sheet at fair value. Fair value measurements can be classified in the following hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2).

Fair value measurement for FX forwards are based on information received from our bank. The bank's valuation is based on discounted cash flows, where future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates.

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Summary of the Group's assets and liabilities that are measured at fair value at 31 July 2016 and 31 July 2015:

	Level 1	Level 2	Level 3	Total
Liabilities at 31 July 2016				
Derivatives at fair value through profit or loss	-	-	-	-
Total Liabilities	-	-	-	-
Assets at 31 July 2015				
Derivatives at fair value through profit or loss	-	1	-	1
Total assets	-	1	-	1

39 Related parties

The Group is 100% owned by Wolseley plc, Jersey. DT Group A/S are included in the Consolidated Financial Statement for Wolseley plc as a subsidiary. The Consolidated Financial Statements of Wolseley plc are available from the Wolseley Group Services, Parkview 1220, Arlington Business Park, Theale, Reading RG7 4GA, United Kingdom.

The Group's related parties with significant influence comprise Wolseley plc and the Company's Board of Directors, Executive Board and senior employees and their immediate family members. Related parties also include companies where before mentioned persons have significant interests.

Transactions with Wolseley plc cover exchange of services. Net cost of services are disclosed in note 9. In addition, Wolseley Plc granted loans to the group. Interest on loans are calculated in accordance with loan agreements. Interest on loans are disclosed in note 6, Receivables from Group companies in note 16 and Debt to group companies in note 26.

Board of Directors and Executive Board

Management's remuneration has been disclosed in note 3.

Notes to the Group Annual Report

DKK million
Note

40 List of Group companies

Name	Registered office	Profit/ loss for the year	Equity DKK million	Voting and ownership share
Parent:				
DT Group Holdings A/S	Gladsaxe, Denmark	(44)	3.105	100%
Subsidiaries:				
DT Finland Oy	Lahti, Finland	(8)	476	100%
Starkki Property Oy	Lahti, Finland	2	104	100%
DT Holding (Sweden) AB	Stockholm, Sweden	0	158	100%
Beijer Bygghandel AB	Stockholm, Sweden	147	1.188	100%
Beijer Bygghandel i Uppsala AB	Stockholm, Sweden	0	2	100%
KB Huggjärnet 6 KB	Malmö, Sweden	1	9	100%
KB Näringen 8:4	Gävle, Sweden	1	9	100%
Neumann Bygg AS	Bergen, Norway	24	117	100%
H. R. Sandvold AS	Haugesund, Norway	1	6	100%
DT Holding 1 A/S	Gladsaxe, Denmark	(22)	927	100%
DT Group Danmark A/S	Gladsaxe, Denmark	163	3.395	100%
Electro Energy A/S	Glostrup, Denmark	6	103	100%
DT 1 A/S	Gladsaxe, Denmark	0	1	100%
DT 2 A/S	Gladsaxe, Denmark	0	1	100%
DT 3 A/S	Gladsaxe, Denmark	0	1	100%
DT 4 A/S	Gladsaxe, Denmark	0	1	100%
DT 5 A/S	Gladsaxe, Denmark	0	1	100%
Dansk Brandimprægnering A/S	Gladsaxe, Denmark	0	1	100%
Sindberg Eksport A/S	Gladsaxe, Denmark	0	2	100%
Hobro Ny Træløst A/S	Gladsaxe, Denmark	0	11	100%
Stark Føroyar PF	Tórshavn, Faroe Islands	(1)	0	100%
Stark Kalaallit Nunaat A/S	Nuuk, Greenland	12	114	100%

Income Statement 1 August – 31 July

DT Group Holdings A/S

DKK million	2015/16	2014/15
Note		
Other external operating expenses	-	-
Results before financial items	-	-
Income from investments in group companies		
2 Financial income	11	11
3 Financial expenses	(59)	(61)
5 Impairment and reversal of impairment of investments in group companies	-	(5.215)
Results before tax	(48)	(5.265)
4 Tax for the year	4	13
Results for the year	(44)	(5.252)
Proposed distribution of profit/loss		
Proposed dividend	-	-
Retained earnings	(44)	(5.252)
	(44)	(5.252)

Balance Sheet at 31 July

Assets as of 31 July

DT Group Holdings A/S

DKK million		2015/16	2014/15
Note			
	Fixed assets		
	Financial fixed assets		
5	Investments in group companies	4.430	4.430
	Total financial fixed assets	4.430	4.430
	Total fixed assets	4.430	4.430
	Current assets		
	Receivables from group companies	552	543
9	Receivable from income taxes	70	107
	Cash	2	2
	Total current assets	624	652
	TOTAL ASSETS	5.054	5.082

Balance Sheet at 31 July

Liabilities and Equity as of 31 July

DT Group Holdings A/S

DKK million		2015/16	2014/15
Note			
	Equity		
6	Share capital	2	2
	Retained earnings	3.103	3.147
	Total equity	3.105	3.149
	Current liabilities		
7	Banks and credit institutions	152	104
8	Debt to group companies	1.749	1.738
9	Accrued income taxes	48	91
	Total current liabilities	1.949	1.933
	Total liabilities	1.949	1.933
	TOTAL LIABILITIES AND EQUITY	5.054	5.082

Statement of Changes of Equity DT Group Holding A/S

DKK million

	Sharecapital	Proposed dividend	Retained earnings	Total equity
Equity at 1 August 2015	2	0	3.147	3.149
Changes in equity for 2015/16				
Results for the year	0	0	(44)	(44)
Total changes in equity in 2015/16	0	0	(44)	(44)
Equity at 31 Juli 2016	2	0	3.103	3.105

Overview of notes to Annual Report for DT Group Holdings A/S

<u>Note</u>	<u>Contents</u>
1	Accounting Policies
2	Financial income
3	Financial expenses
4	Provision for income tax
5	Investments in group companies
6	Share capital
7	Banks and credit institutions
8	Debt to group companies
9	Accrued/receivable income taxes
10	Contingent liabilities

Notes to the Annual Report

1 Accounting Policies

Basis of Preparation

Annual Report for DT Group Holdings A/S for 1 August 2015 - 31 July 2016 has been prepared in accordance with Danish Financial Statements Acts requirements applying to presentation of annual reports of enterprises of reporting class B.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015/16 is presented in DKK.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised costs are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Other external operating expenses

Other external operating expenses comprise administration costs.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments as well as extra payments and repayment under the on-account taxation scheme.

Income from investments in group companies

Dividend from investments in subsidiaries and associates is recognized in the income statement in the year in which the dividend is declared.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group companies. The foreign subsidiaries are not included in the joint taxation.

DT Group Holdings A/S operates as the management company. The total Danish tax on the Danish group's taxable income is paid by DT Group Holdings A/S.

The tax effect of the joint taxation with the Danish subsidiaries is distributed on both profits and losses of the subsidiaries in proportion to their taxable income. The jointly taxed companies are included in the tax prepayment scheme.

Balance Sheet

Investments in group companies

Investments in group companies are recognised and measured at cost. Where the cost exceeds the recoverable amount, the investment is written down to the recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Notes to the Annual Report

1 Accounting Policies (continued)

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Corporation tax and deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set off against deferred tax liabilities.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years.

Tax receivables and liabilities are offset to the extent that there are legal right of set off, and items are expected to settle net or simultaneously.

Financial debts

Financial debts are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the financial debts are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Notes to the Annual Report

DT Group Holdings A/S

DKK million	2015/16	2014/15
Note		
2 Financial income		
Interest from group companies	11	11
Foreign exchange gain	-	-
Other financial income	-	-
Total financial income	11	11
3 Financial expenses		
Interest to group companies	(57)	(60)
Foreign exchange loss	-	-
Other financial expenses	(2)	(1)
Total financial expenses	(59)	(61)
4 Tax for the year		
Current tax	7	12
Adjustment of current tax regarding previous years	(3)	2
Total income tax for the year	4	14
5 Investments in group companies		
Cost at the beginning of the year	11.245	11.245
Cost at the end of the year	11.245	11.245
Impairment at the beginning of the year	(6.815)	(1.600)
Impairment for the year	-	(5.215)
Reversal of impairment	-	-
Impairment at the end of the year	(6.815)	(6.815)
Carrying amount at the end of the year	4.430	4.430

An impairment loss has been identified in FY14/15 to reflect the value of the investments in Group Companies. The value of the investments equal the calculated fair value of the identified CGU's in the Nordic.

6 Share capital

The Company's share capital consists of 20.000 shares at a nominal price of DKK 100 each.

In 2014 the Company's capital was converted from "Anpartsselskab" to "Aktieselskab".

The share capital was increased by nom. 125.200 DKK to nom. 2.000.000 DKK, by this conversion in 2014.

There has been no change in the share capital between 2010 and 2013 or since the capital conversion in 2014.

7 Banks and credit institutions

The recognised bank debt is part of the Group's total cash pool.

Notes to the Annual Report

8 Debt to group companies

Of the total debt to Group companies, 1,253 m.DKK regards debt to Wolseley Switzerland AG. The debt is due on request.

9 Accrued/receivable income taxes

Accrued corporate income tax relates to calculated income taxes net of payments in the Danish joint taxation, where the company is the management company, representing 23 m.DKK in payable taxes and a refund of use of taxable loss from Danish jointly taxed companies with 25 m.DKK.

Income tax receivable relates to joint tax contribution from Danish companies included in the joint taxation. Receivable from companies included in the joint taxation represent 68 m.DKK.

10 Contingent liabilities

The Company is the management company of a Danish joint taxation. It's therefore held liable under the Companies relevant statutory provisions for income taxes etc. for the jointly taxed companies and also for any obligation to withhold tax on interest, royalties and dividends from those companies.

In addition, the Group is included in a comprehensive banking package with the parent Company and its subsidiaries. The companies involved are jointly and severally liable for the total debt, which as per 31 July 2016 amounted to DKK 154 million (31 July 2015: DKK 154 million).