

Registered number. 518206

WOLSELEY-HUGHES LIMITED

Directors' report and financial statements
for the year ended 31 July 2012

SATURDAY



A10

"A21C3QQ1"
02/02/2013
COMPANIES HOUSE

#290

WOLSELEY-HUGHES LIMITED

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

WOLSELEY-HUGHES LIMITED

Directors' report for the year ended 31 July 2012

The directors present their report and the audited financial statements for the year ended 31 July 2012

Principal activities and review of business

The Company is a wholly owned subsidiary of Wolseley plc

The principal activity of the Company is that of a financing company. There have been no significant changes in the Company's principal activity in the year under review. The directors do not foresee, at the date of this report, that there will be any major changes in the Company's activities in the next year.

The risks of the Company are managed as part of the portfolio of companies in the Wolseley plc Group (the "Group").

The balance sheet on page 7 of the financial statements shows the Company's financial position as at the year end.

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business. The key performance indicators of Wolseley plc, which includes the Company, are discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

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

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

Health, safety and environment

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

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

WOLSELEY-HUGHES LIMITED

Directors' report for the year ended 31 July 2012

Results and dividends

The profit for the year, after taxation, was £39,380,000 (2011 - £40,427,000)

During the year, no dividends have been paid or proposed (2011 - £nil)

Going concern

The Company is in receipt of a letter of support from Wolseley Limited. The directors therefore consider that the Company has adequate resources to continue in operational existence in the foreseeable future. Consequently, the financial statements have been prepared on a going concern basis.

Directors

The directors who served during the year and up to the date of signing the financial statements were

M J R Verrier
M J Webb (resigned 1 August 2012)
Wolseley Directors Limited
S Gray (appointed 1 August 2012)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.


WOLSELEY-HUGHES LIMITED

Directors' report for the year ended 31 July 2012

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

This report was approved by the board and signed on its behalf



G Middlemiss
Company Secretary

Date 18 December 2012

Parkview 1220
Arlington Business Park
Theale
Reading
RG7 4GA

WOLSELEY-HUGHES LIMITED

Independent auditors' report to the members of Wolseley-Hughes Limited

We have audited the financial statements of Wolseley-Hughes Limited for the year ended 31 July 2012, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

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

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 July 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

WOLSELEY-HUGHES LIMITED

Independent auditors' report to the members of Wolseley-Hughes Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Neil Grimes

Neil Grimes (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

18 December 2012

WOLSELEY-HUGHES LIMITED**Profit and loss account
for the year ended 31 July 2012**

	Note	2012 £000	2011 £000
Administrative expenses		(2)	-
OPERATING LOSS		(2)	-
Interest receivable and similar income	4	42,481	59,505
Interest payable and similar charges	5	(6,510)	(3,473)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		35,969	56,032
Tax on profit on ordinary activities	6	3,411	(15,605)
PROFIT FOR THE FINANCIAL YEAR	10	39,380	40,427

All amounts relate to continuing operations

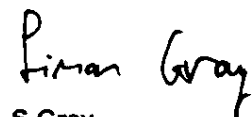
There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

WOLSELEY-HUGHES LIMITED
Registered number: 518206

Balance sheet
as at 31 July 2012

	Note	£000	2012 £000	2011 £000
CURRENT ASSETS				
Debtors amounts falling due after more than one year	7	1,599,560	1,607,926	
Debtors amounts falling due within one year	7	-	7,461	
Cash at bank and in hand		153	55,256	
		<u>1,599,713</u>	<u>1,670,643</u>	
CREDITORS: amounts falling due within one year	8	<u>(1,337,563)</u>	<u>(1,447,873)</u>	
NET CURRENT ASSETS			<u>262,150</u>	<u>222,770</u>
NET ASSETS			<u>262,150</u>	<u>222,770</u>
CAPITAL AND RESERVES				
Called up share capital	9	129,532	129,532	
Share premium account	10	5,860	5,860	
Profit and loss account	10	126,758	87,378	
SHAREHOLDERS' FUNDS	11		<u>262,150</u>	<u>222,770</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


S Gray
 Director

Date 18 December 2012

The notes on pages 8 to 12 form part of these financial statements

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently applied are set out below.

1.2 Going concern

The Company is in receipt of a letter of support from Wolseley Limited. The directors therefore consider that the Company has adequate resources to continue in operational existence in the foreseeable future. Consequently, the financial statements have been prepared on a going concern basis.

1.3 Cash flow

Wolseley plc, the ultimate parent company, has included a cash flow statement in its Group financial statements for the year ended 31 July 2012 which are publicly available. Under paragraph 5(a) of FRS 1 (revised 1996), "Cash flow statements" no cash flow statement is therefore required in the financial statements of this Company.

1.4 Foreign currencies

Foreign currency transactions entered into during the year are translated into sterling at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All currency translation differences are taken to the profit and loss account.

1.5 Derivative financial instruments

The Company uses derivative financial instruments with other Group companies to manage the foreign currency translation risk arising from its operating activities. There is no trading activity in derivative financial instruments. Derivative financial instruments with other Group companies are recognised as assets and liabilities measured at their retranslated values at the balance sheet date. Changes in their retranslated values are recognised in the profit and loss account.

1.6 Redeemable ordinary shares

Redeemable ordinary shares issued by the Company have been classified as a liability in accordance with FRS 25 "Financial Instruments: Disclosure and Presentation". Similarly any dividends paid on these redeemable ordinary shares are classified as an interest expense.

2. Auditors' remuneration

The audit fee for the year of £2,000 (2011 - £2,000) was borne by Wolseley (Group Services) Limited and was not recharged to the Company.

3. Staff costs

The Company has no employees other than the directors (2011 - none), who did not receive any emoluments for their services to the Company (2011 - £nil).

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2012

4. Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from Group undertakings	42,475	55,464
Bank interest receivable	6	43
Exchange gain	-	3,998
	<u>42,481</u>	<u>59,505</u>

5. Interest payable and similar charges

	2012 £000	2011 £000
On bank loans and overdrafts	101	1,621
On loans from Group undertakings	1,017	1,852
Exchange losses	5,392	-
	<u>6,510</u>	<u>3,473</u>

6. Tax on profit on ordinary activities

	2012 £000	2011 £000
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on profit for the year	9,111	15,315
Adjustments in respect of prior periods	(12,522)	290
Tax on profit on ordinary activities	<u>(3,411)</u>	<u>15,605</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - higher than) the effective rate of corporation tax in the UK of 25.33% (2011 - 27.333%). The differences are explained below

The prior year adjustment relates to intercompany and foreign exchange adjustments

	2012 £000	2011 £000
Profit on ordinary activities before tax	<u>35,969</u>	<u>56,032</u>
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 25.33% (2011 - 27.333%)	9,111	15,315
Effects of:		
Adjustments in respect of prior periods	(12,522)	290
Current tax (credit)/charge for the year	<u>(3,411)</u>	<u>15,605</u>

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2012

6 Tax on profit on ordinary activities (continued)

Factors that may affect future tax charges

The standard rate of Corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012 and will change to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 25.33%.

7. Debtors

	2012 £000	2011 £000
Amounts falling due after more than one year		
Amounts owed by Group undertakings	1,599,560	1,607,926

At 31 July 2012 amounts owed to Group undertakings were unsecured, under a one year revolving loan facility expiring 1 August 2013 and were interest bearing at a rate of LIBOR plus 0.5%. At 31 July 2011 amounts owed by Group undertakings were unsecured, under a three year revolving loan facility expiring 1 August 2013 and were interest bearing at rates that vary between LIBOR plus 0.5% and LIBOR plus 3.5%.

	2012 £000	2011 £000
Amounts falling due within one year		
Amounts owed by Group undertakings	-	7,450
Prepayments and accrued income	-	11
	-	7,461

8. Creditors

Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to Group undertakings	86,173	51,279
Corporation tax	7,960	7,658
Accruals and deferred income	15	-
Share capital treated as debt (Note 9)	1,243,415	1,388,936
	1,337,563	1,447,873

The redeemable ordinary shares of €1 are classified as a liability and were accordingly revalued at the year end exchange rate of €1 2742 (2011 - €1 1407) to €1.

During the year the Company had entered into short-term foreign exchange contracts with Group undertakings. At the balance sheet date the fair value of these contracts is not materially different to the retranslated value included above. Amounts owed by Group undertakings in relation to these contracts were £81,937,000 (2011 - £33,709,000). The remaining £4,236,000 (2011 - £17,570,000) was unsecured and non-interest bearing.

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2012

9. Share capital

	2012 £000	2011 £000
Shares classified as capital		
Allotted, called up and fully paid		
129,531,928 Ordinary shares of £1 each	<u>129,532</u>	<u>129,532</u>
Shares classified as debt		
Allotted, called up and fully paid		
1,584,359,552 Redeemable ordinary shares of €1 each	<u>1,243,415</u>	<u>1,388,936</u>

The redeemable ordinary shares are redeemable by the holder of the shares, effected by the holder giving the Company notice of the proposed redemption, the number of shares to be redeemed and the date for redemption. The redemption proceeds payable on each redeemable share is the total of the nominal amount of the redeemable share and the premium originally paid on such redeemable share if any. The redeemable ordinary shares rank pari passu with the Company's ordinary shares in all other respects.

10 Reserves

	Share premium account £000	Profit and loss account £000
At 1 August 2011	5,860	87,378
Movement in the year	-	39,380
At 31 July 2012	<u>5,860</u>	<u>126,758</u>

11. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	222,770	182,343
Profit for the year	39,380	40,427
Closing shareholders' funds	<u>262,150</u>	<u>222,770</u>

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2012

12. Related party transactions

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

13. Ultimate parent undertaking and controlling party

The immediate parent company is Wolseley Group Holdings Limited. The ultimate parent company and controlling party is Wolseley plc, which is registered in Jersey. It is the smallest and largest parent undertaking to consolidate these financial statements. Copies of the Group financial statements may be obtained from the Company Secretary, Wolseley plc, Grafenauweg 10, CH 6301, Zug, Switzerland.