

Registered number: 518206

WOLSELEY-HUGHES LIMITED

Directors' report and financial statements
for the year ended 31 July 2015

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WOLSELEY-HUGHES LIMITED

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WOLSELEY-HUGHES LIMITED

Directors' report for the year ended 31 July 2015

The directors present their report and the audited financial statements for the year ended 31 July 2015. The report has been prepared in accordance with special provisions related to small companies within Part 15 of the Companies Act 2006.

Principal activities

The Company is a wholly owned subsidiary of Wolseley plc.

The principal activity of the Company is that of an internal financing company for the Wolseley plc Group (the "Group"). During the year a fellow subsidiary repaid its loan from the Company. In July 2015 the directors used the cash received to redeem its redeemable ordinary shares. The Company settled outstanding liabilities, agreed a capital reduction and paid a cash dividend to its immediate parent Wolseley Group Holdings Limited. The Company became dormant after these transactions.

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 for the Group 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.

Results and dividends

The profit for the financial year was £12,836,000 (2014 - £10,114,000).

On 1 July 2015 the Company paid a dividend of £307,201,000 equal to £2.37 per share (2014 - £nil).

Directors

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

S Gray
M J R Verrier (resigned 20 November 2015)
Wolseley Directors Limited

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.

WOLSELEY-HUGHES LIMITED

Directors' report for the year ended 31 July 2015

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 prepared 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Disclosure 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 relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The ultimate parent company, Wolseley plc, put its external audit out to tender during the last financial year and Deloitte LLP were appointed as the Group's auditors at the 2015 Wolseley plc Annual General Meeting on 1 December 2015. Deloitte LLP will be appointed and PricewaterhouseCoopers LLP will resign as the auditors of the Company as at the date of the Company's next Annual General Meeting.

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



J W Martin

Director, Authorised representative of Wolseley Directors Limited

Date: 8 March 2016

Parkview 1220
Arlington Business Park
Theale
Reading
RG7 4GA

WOLSELEY-HUGHES LIMITED

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

Report on the financial statements

Our opinion

In our opinion Wolseley-Hughes Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2015 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.

What we have audited

The financial statements, included within the Directors' Report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 July 2015;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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) ("ISAs (UK & 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

WOLSELEY-HUGHES LIMITED

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw our conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Christopher Richmond (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

8 March 2016

WOLSELEY-HUGHES LIMITED

Profit and loss account for the year ended 31 July 2015

	Note	2015 £000	2014 £000
Interest receivable and similar income	4	23,742	20,969
Interest payable and similar charges	5	(7,550)	(7,946)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,192	13,023
Tax on profit on ordinary activities	6	(3,356)	(2,909)
PROFIT FOR THE FINANCIAL YEAR	10	12,836	10,114

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

WOLSELEY-HUGHES LIMITED
Registered number: 518206

Balance sheet
as at 31 July 2015

	Note	£000	2015 £000	2014 £000
CURRENT ASSETS				
Debtors: amounts falling due after more than one year	7	-	1,556,107	
Cash at bank and in hand		-	485	
		-	1,556,592	
CREDITORS: amounts falling due within one year	8	-	(1,262,227)	
NET CURRENT ASSETS			-	294,365
NET ASSETS			-	294,365
CAPITAL AND RESERVES				
Called up share capital	9	-		129,532
Share premium account	10	-		5,860
Profit and loss account	10	-		158,973
TOTAL SHAREHOLDERS' FUNDS	11	-		294,365

The financial statements on pages 5 to 11 were approved and authorised for issue by the board and were signed on its behalf by:


S Gray
Director

Date: 8 March 2016

The notes on pages 7 to 11 form part of these financial statements.

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been 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 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 (revised 1996) "Cash Flow Statements."

1.3 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 arising from these transactions are charged or credited to the profit and loss account as appropriate.

1.4 Derivative financial instruments

The Company enters into a small number of internal derivative financial instruments as part of the Group's treasury risk management.

Forward foreign exchange contracts are recognised as assets and liabilities measured at their retranslated values at the balance sheet date. Changes in their retranslated values are accounted for through reserves to the extent that they are covered within a hedging relationship of a net investment hedge. All other changes in retranslated values are recognised in the profit and loss account.

1.5 Redeemable ordinary shares

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

1.6 Debtors

Debtors are initially recorded at cost. If there is objective evidence that the Company will not be able to collect the full amount of the debt an impairment is recognised in the profit and loss account.

1.7 Creditors

Creditors are initially recorded at cost. If there is objective evidence that the Company will not be required to fulfil the liabilities the creditor will be written off in the profit and loss account.

1.8 Interest

Interest payable is charged to the profit and loss account as it falls due. Interest receivable is credited as it falls due.

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2015

2. Auditors' remuneration

The audit fee for the year of £2,000 (2014 - £2,000) was borne by Wolseley (Group Services) Limited and was not recharged to the Company.

3. Staff costs

The Company has no employees (2014 - none) other than the directors, who did not receive any remuneration in respect of their services to the Company (2014 - £nil).

4. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from Group undertakings	19,805	20,964
Bank interest receivable	15	5
Exchange gains on settlement of internal derivatives	3,922	-
	<u>23,742</u>	<u>20,969</u>

5. Interest payable and similar charges

	2015 £000	2014 £000
On bank loans and overdrafts	-	339
Interest payable to Group undertakings	7,550	5,365
Exchange losses on settlement of internal derivatives	-	2,242
	<u>7,550</u>	<u>7,946</u>

6. Tax on profit on ordinary activities

	2015 £000	2014 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	3,357	2,908
Adjustments in respect of prior years	(1)	1
	<u>3,356</u>	<u>2,909</u>
Tax on profit on ordinary activities		
	<u>3,356</u>	<u>2,909</u>

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2015

6. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - higher than) the effective rate of corporation tax in the UK of 20.73% (2014 - 22.33%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	16,192	13,023
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 20.73% (2014 - 22.33%)	3,357	2,908
Effects of:		
Adjustments in respect of prior years	(1)	1
Current tax charge for the year	3,356	2,909

Factors that may affect future tax charges

The standard rate of Corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, as the Company became dormant on 1 July 2015 its profits for this financial year are taxed at an effective rate of 20.73%.

7. Debtors

	2015 £000	2014 £000
Amounts falling due after more than one year		
Amounts owed by Group undertakings	-	1,556,107

At 31 July 2014 amounts owed by Group undertakings were unsecured, under a revolving loan facility expiring 31 October 2016 and interest bearing at LIBOR plus 0.5%. Amounts owed by Group undertakings were repaid in June 2015.

8. Creditors:

Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to Group undertakings	-	4,471
Corporation tax	-	1,454
Accruals and deferred income	-	70
Share capital treated as debt (Note 9)	-	1,256,232
	-	1,262,227

Disclosure of the terms and conditions attached to the non-equity shares are made in note 9. These were classified as a liability at 31 July 2014 using the year end exchange rate of €1.2612 and were redeemed in the year.

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2015

8. Creditors:

Amounts falling due within one year (continued)

During the year the Company entered into short-term foreign exchange contracts with Group undertakings. By the year end, all foreign exchange contracts had been closed out and all other amounts owed to Group undertakings had been repaid.

At 31 July 2014, the fair value of the foreign exchange contracts was not materially different to the retranslated value included above. Amounts owed to Group undertakings in relation to these contracts were £2,595,000. The remaining £1,876,000 was unsecured and non-interest bearing.

9. Called up share capital

	2015 £000	2014 £000
Shares classified as capital		
Allotted, called up and fully paid		
Nil (2014 - 129,531,928) Ordinary shares of £1 each	-	129,532
129,531,928 (2014 - Nil) Ordinary shares of 0.000001p each	-	-
	<hr/>	<hr/>
	-	129,532
	<hr/>	<hr/>
Shares classified as debt		
Allotted, called up and fully paid		
Nil (2014 - 1,584,359,552) Redeemable ordinary shares of €1 each	-	1,256,232
	<hr/>	<hr/>

On 1 July 2015 the Company redeemed the redeemable ordinary shares for cash. The redeemable ordinary shares were 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 was 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 ranked pari passu with the Company's ordinary shares in all other respects.

On 1 July 2015 the Company undertook a capital reduction to reduce the nominal value of ordinary shares to 0.000001p (2014 - £1) and to reduce the share premium account to nil.

WOLSELEY-HUGHES LIMITED

Notes to the financial statements for the year ended 31 July 2015

10. Reserves

	Share premium account £000	Profit and loss account £000
At 1 August 2014	5,860	158,973
Profit for the financial year	-	12,836
Dividends: Equity capital	-	(307,201)
Capital reduction	(5,860)	135,392
	<hr/>	<hr/>
At 31 July 2015	-	-
	<hr/>	<hr/>

11. Reconciliation of movements in shareholders' funds

	2015 £000	2014 £000
Opening shareholders' funds	294,365	284,251
Profit for the financial year	12,836	10,114
Dividends (Note 12)	(307,201)	-
	<hr/>	<hr/>
Closing shareholders' funds	-	294,365
	<hr/>	<hr/>

12. Dividends

	2015 £000	2014 £000
Dividends paid on equity capital	307,201	-
	<hr/>	<hr/>

On 1 July 2015 the Company paid a dividend of £307,201,000 equal to £2.37 per share (2014 - £nil).

13. 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.

14. 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.