

Wolseley-Hughes Limited
Annual report and accounts
for the year ended 31 July 2004

Registered number 518206



Wolseley-Hughes Limited

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Wolseley-Hughes Limited

Directors' report for the year ended 31 July 2004

The directors submit their report and the audited accounts of the company for the year ended 31 July 2004.

Principal activity and business review

The principal activity of the company is that of an investment company.

Auditors' remuneration is borne by the ultimate parent company.

Dividends and transfers to reserves

A final dividend of £2,833,000 (2003: £nil) has been declared. The profit of £219,000 has been transferred to reserves (2003: £635,000).

Directors

The directors of the company during the year ended 31 July 2004 were:

MJR Verrier
SP Webster
MJ White

Directors' interest in shares

The notifiable interests of the directors in the 25p ordinary shares of Wolseley plc and options on those shares granted pursuant to the terms of the various Wolseley plc share option schemes are shown below.

Name of director	Shares		Interests at 31 July 2004	Share Options		Interests at 1 August 2003
	Interests at 31 July 2004	Interests at 1 August 2003		Granted	Exercised	
MJR Verrier	-	5,985	58,198	15,000	-	43,198
MJ White	-	-	43,986	20,000	-	23,986

The interests of SP Webster, who is also a director of the ultimate parent company, Wolseley plc, are shown in the annual report of that company.

Wolseley-Hughes Limited

Directors' report for the year ended 31 July 2004 (continued)

Statement of directors' responsibilities

The directors are required by United Kingdom company law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period.

Following discussions with the auditors, the directors consider that in preparing the accounts, appropriate accounting policies have been used and applied consistently, supported by reasonable and prudent judgements and estimates, and that applicable accounting standards have been followed.

The accounts have been prepared on the going concern basis.

The directors are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

Auditors

The auditors, PricewaterhouseCoopers LLP, are willing to continue in office and their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



M J White
Secretary

18 February 2005

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, *including the opinion, has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose.* We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you, if in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the information for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

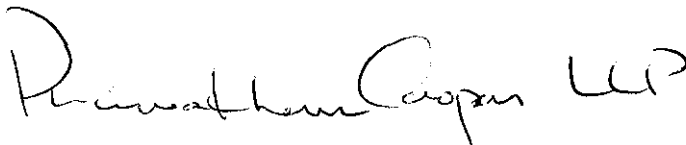
Basis of opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

25 February 2005

Wolseley-Hughes Limited

Profit and loss account for the year ended 31 July 2004

	Notes	2004 £000	2003 £000
Exchange gain		4,603	907
Operating expenses		-	(1)
Operating profit		4,603	906
External interest receivable		31	428
Interest receivable from group undertakings		518	878
Interest payable to group undertakings		(275)	(778)
Bank interest payable		(517)	(527)
Profit on ordinary activities before taxation		4,360	907
Tax charge on profit on ordinary activities	3	(1,308)	(272)
Profit for the financial year		3,052	635
Dividends proposed		(2,833)	-
Profit for the financial year transferred to reserves	7	219	635

The above results all relate to continuing operations.

The profit for the financial year includes all recognised gains and losses in the year.

Wolseley-Hughes Limited

Balance sheet as at 31 July 2004

	Notes	2004 £000	2003 £000
Current assets			
Debtors	4	-	42,423
Cash at bank and on deposit		7,516	1
		7,516	42,424
Creditors: amounts falling due within one year	5	(4,464)	(39,591)
Net current assets		3,052	2,833
Total assets less current liabilities		3,052	2,833
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	3,052	2,833
Total shareholders' funds – all equity	8	3,052	2,833

Approved by the Board on 18 February 2005



M J R Verrier
Director

Wolseley-Hughes Limited

Notes to the accounts for the year ended 31 July 2004

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards.

Investment income

Interest on money market deposits and other investments is accounted for on an accruals basis.

Cash flow statement

Wolseley plc, the ultimate parent company, has included a cash flow statement in its group accounts for the year ended 31 July 2004. Under paragraph 5(a) of Financial Reporting Standard 1 (Revised) no cash flow statement is therefore required in the accounts of this company.

Foreign currencies

All assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. The exchange differences arising from re-translation are dealt with through the profit and loss account.

2 Directors emoluments

None of the directors received any emoluments in respect of their services to the company (2003: £nil).

3 Tax on profit on ordinary activities

	2004	2003
	£000	£000
Corporation tax charge at 30% (2003: 30%)		
Current year charge	(1,308)	(272)
	(1,308)	(272)

Wolseley-Hughes Limited

Notes to the accounts for the year ended 31 July 2004 (continued)

4 Debtors

	2004	2003
	£000	£000
Amounts owed by Wolseley plc	-	42,423
	-	42,423

5 Creditors (amounts falling due within one year)

	2004	2003
	£000	£000
Bank overdraft (unsecured)	-	39,132
Amounts owed to group undertakings	323	-
Interest payable	-	187
Corporation tax	1,308	272
Dividend payable	2,833	-
	4,464	39,591

6 Share capital

	2004	2003
	£	£
Authorised, issued, allotted and fully paid		
100 ordinary shares of £1 each	100	100

Wolseley-Hughes Limited

Notes to the accounts for the year ended 31 July 2004 (continued)

7 Reserves

	Profit and loss account
	£000
Balance at 1 August 2003	2,833
Retained profit for the year	219
Balance at 31 July 2004	3,052

8 Reconciliation of movements in shareholders' funds

	2004	2003
	£000	£000
Opening shareholders' funds	2,833	2,198
Retained profit	219	635
Closing shareholders' funds	3,052	2,833

9 Contingent liabilities

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

The company, together with certain other group companies, is party to a group VAT registration.

10 Parent company

The ultimate parent company is Wolseley plc which is registered in England. Copies of the group accounts may be obtained from The Secretary, Wolseley plc, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.

11 Related party transactions

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