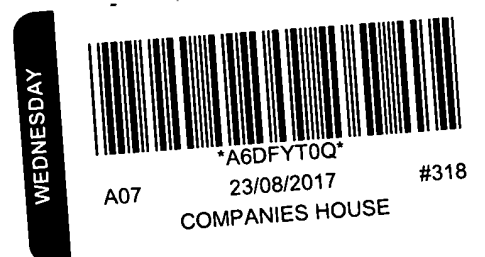


Registered number: 02961334

# HOME DEPOT (U.K.) LIMITED

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016



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**HOME DEPOT (U.K.) LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	C L B Tome D Kimmet (resigned 31 October 2016) J J Hunter S Bomar (appointed 31 October 2016)
<b>Company secretary</b>	J J Hunter & J W Rogers
<b>Registered number</b>	02961334
<b>Registered office</b>	BDO LLP, Kings Wharf 20-30 Kings Road Reading Berkshire RG1 3EX
<b>Independent auditors</b>	Moore Stephens LLP Chartered Accountants & Statutory Auditors 58 Queens Road Reading Berkshire RG1 4RP

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**HOME DEPOT (U.K.) LIMITED**

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## HOME DEPOT (U.K.) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

#### **Directors**

The directors who served during the year were:

C L B Tome  
D Kimmet (resigned 31 October 2016)  
J J Hunter  
S Bomar (appointed 31 October 2016)

#### **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.

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**HOME DEPOT (U.K.) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Auditors**

Moore Stephens LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**Small company provisions**

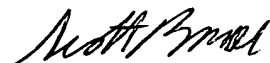
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The company has taken exemption from the requirement to prepare a Strategic Report as it is only prevented from applying small company exemptions in preparing its accounts by virtue of it being part of an ineligible group.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



S Bomar  
Director

Date: July 21, 2017

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## HOME DEPOT (U.K.) LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME DEPOT (U.K.) LIMITED

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We have audited the financial statements of Home Depot (U.K.) Limited for the year ended 31 December 2016, set out on pages 5 to 14. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 Financial Reporting Council's Ethical Standards for Auditors.

#### **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 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.

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**HOME DEPOT (U.K.) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HOME DEPOT (U.K.) LIMITED  
(CONTINUED)**

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**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 December 2016 and of its profit or loss 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**

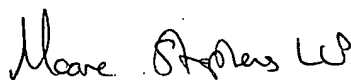
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and this report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Mike McAllister (Senior Statutory Auditor)

for and on behalf of  
**Moore Stephens LLP**

Chartered Accountants & Statutory Auditors

58 Queens Road  
Reading  
Berkshire  
RG1 4RP

Date: 09-08-2017

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HOME DEPOT (U.K.) LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Note	2016 €	2015 €
Turnover	4	561,622	456,970
<b>Gross profit</b>		<b>561,622</b>	<b>456,970</b>
Administrative expenses		(511,075)	(418,496)
<b>Operating profit</b>	5	<b>50,547</b>	<b>38,474</b>
Interest receivable and similar income	8	152	149
<b>Profit before tax</b>		<b>50,699</b>	<b>38,623</b>
Tax on profit	9	(7,960)	(5,685)
<b>Profit for the year</b>		<b>42,739</b>	<b>32,938</b>

There were no items of other comprehensive income for 2016 (2015 - €Nil).

The notes on pages 8 to 14 form part of these financial statements.



**HOME DEPOT (U.K.) LIMITED**  
**REGISTERED NUMBER: 02961334**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	€	2016 €	€	2015 €
<b>Current assets</b>					
Debtors: amounts falling due within one year	10	456		456	
Cash at bank and in hand	11	387,420		358,384	
		<u>387,876</u>		<u>358,840</u>	
Creditors: amounts falling due within one year	12	(324,219)		(337,922)	
<b>Net current assets</b>			<u>63,657</u>		<u>20,918</u>
<b>Total assets less current liabilities</b>			<u>63,657</u>		<u>20,918</u>
<b>Net assets</b>			<u><u>63,657</u></u>		<u><u>20,918</u></u>
<b>Capital and reserves</b>					
Called up share capital	13		1,636		1,636
Profit and loss account	14		62,021		19,282
			<u>63,657</u>		<u>20,918</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



S Bomar  
**Director**

Date: *July 21, 2017*

The notes on pages 8 to 14 form part of these financial statements.

HOME DEPOT (U.K.) LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2016	1,636	-	19,282	20,918
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	42,739	42,739
<b>Total comprehensive income for the year</b>	-	-	42,739	42,739
Capital contribution in respect of share based payments	-	39,599	-	39,599
Reimbursement of restricted stock charge	-	(39,599)	-	(39,599)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2016</b>	<b>1,636</b>	<b>-</b>	<b>62,021</b>	<b>63,657</b>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Capital reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2015	1,636	-	(13,656)	(12,020)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	32,938	32,938
<b>Total comprehensive income for the year</b>	-	-	32,938	32,938
Capital contribution in respect of share based payments	-	40,295	-	40,295
Reimbursement of restricted stock charge	-	(40,295)	-	(40,295)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2015</b>	<b>1,636</b>	<b>-</b>	<b>19,282</b>	<b>20,918</b>

The notes on pages 8 to 14 form part of these financial statements.

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## HOME DEPOT (U.K.) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. General information

Home Depot (UK) Limited is a private company, limited by shares, incorporated in England and Wales (registration number 02961334). The address of its registered office is Kings Wharf, 20-30 Kings Road, Reading, Berkshire RG1 3EX.

The principal activity of the company during the year was that of procurement services to Home Depot Services LLC and other entities in the group of companies controlled by The Home Depot ("The Home Depot Group").

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102'), and the Companies Act 2006.

##### 2.2 Financial reporting standard 102 - reduced disclosure exemption

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b) and 11.41(e)
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Home Depot Inc. Limited as at 31 December 2016 and these financial statements may be obtained from 2455 Paces Ferry Road, Atlanta, Georgia 20339-4024, USA.

##### 2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### 2.4 Revenue

Turnover represents amounts receivable for services from other entities in The Home Depot Group and relates to services provided in Europe.

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## HOME DEPOT (U.K.) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. Accounting policies (continued)

##### 2.5 Foreign currency translation

###### Functional and presentation currency

The company's functional and presentational currency is Euros.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange rate differences are recognised in profit or loss in the period in which they arise.

##### 2.6 Restricted stock

The company is part of a group share based payment scheme involving the issue of restricted stock units to employees. When restricted stock units are granted to employees the fair value of those units is charged to the profit and loss account evenly over the period from the grant date to the date on which the units vest. As the units are granted by the parent company the units are initially credited to a capital reserve. The parent company recharges the value of the units which reduces the capital reserve initially created.

##### 2.7 Pensions

###### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 2.8 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

##### 2.9 Taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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HOME DEPOT (U.K.) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

There are no judgements which are deemed to have had a significant effect on the amounts recognised in the financial statements.

4. Turnover

The whole of the turnover is attributable to the one principle activity of the company.

Analysis of turnover by country of destination:

	2016 €	2015 €
United States of America	561,622	456,970
	<u>561,622</u>	<u>456,970</u>

5. Operating profit

The operating profit is stated after charging:

	2016 €	2015 €
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	5,894	7,439
Exchange differences	357	2,919
Defined contribution pension cost	5,650	-
	<u>5,650</u>	<u>-</u>

During the year, no director received any emoluments (2015 - €Nil).

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HOME DEPOT (U.K.) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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**6. Employees**

Staff costs were as follows:

	2016 €	2015 €
Wages and salaries	263,879	195,218
Social security costs	49,455	39,653
Health insurance	5,650	-
	<u>318,984</u>	<u>234,871</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Average number of employees	<u>2</u>	<u>1</u>

**7. Restricted stock**

Restricted stock units in the parent company are awarded to employees of the company. The awards typically vest biennially and are amortised over the vesting period. The charge in the profit and loss accounts for the year ended 31 December 2016 was €39,599 (2015 - €40,294).

**8. Interest receivable**

	2016 €	2015 €
Other interest receivable	152	149
	<u>152</u>	<u>149</u>

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

9. Taxation

	2016 €	2015 €
<b>Corporation tax</b>		
Current tax on profits for the year	8,515	5,073
Adjustments in respect of previous periods	(555)	612
	<u>7,960</u>	<u>5,685</u>
<b>Total current tax</b>	<u>7,960</u>	<u>5,685</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>7,960</u>	<u>5,685</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 €	2015 €
Profit on ordinary activities before tax	<u>50,699</u>	<u>38,623</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	10,140	7,821
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(1,241)	(2,668)
Adjustments to tax charge in respect of prior periods	(62)	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(493)	612
Current exchange rate difference between opening and closing spot rates	(384)	(78)
Marginal relief	-	(2)
<b>Total tax charge/(credit) for the year</b>	<u>7,960</u>	<u>5,685</u>

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HOME DEPOT (U.K.) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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9. Taxation (continued)

Factors that may affect future tax charges

The Finance (No. 2) Bill 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020 were announced in the July 2015 budget and were substantively enacted on 26th October 2015.

10. Debtors

	2016 €	2015 €
Prepayments and accrued income	456	456
	<u>456</u>	<u>456</u>

11. Cash and cash equivalents

	2016 €	2015 €
Cash at bank and in hand	387,420	358,384
	<u>387,420</u>	<u>358,384</u>

12. Creditors: Amounts falling due within one year

	2016 €	2015 €
Amounts owed to group undertakings	282,729	304,312
Corporation tax	7,960	5,134
Taxation and social security	10,892	9,668
Accruals and deferred income	22,638	18,808
	<u>324,219</u>	<u>337,922</u>



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HOME DEPOT (U.K.) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016

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13. Share capital

	2016 €	2015 €
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary Shares of £1 each shares of €1.636 each	<u>1,636</u>	<u>1,636</u>

The company has one class of shares which carry no right to fixed income.

14. Reserves

**Profit and loss account**

The profit and loss account represents cumulative profits, losses and other comprehensive income made by the company, as well as distributions and other adjustments.

**Capital reserve**

The capital reserve represents the movement on share based payments in the year.

15. Related party transactions

Turnover derived from entities controlled by The Home Depot Inc. was €561,622 (2015: €456,970).

	2016 €	2015 €
Amount due to related parties at the balance sheet date	<u>282,729</u>	<u>304,312</u>
	<u>282,729</u>	<u>304,312</u>

16. Controlling party

The ultimate parent company is The Home Depot Inc. and the company's immediate holding company is Home Depot International Inc. These companies represent the largest and smallest levels of consolidation that includes this company's financial information. Both of these companies are organised under the laws of the State Delaware, United States of America. Copies of the companies consolidated financial statements may be obtained from 2455 Paces Ferry Road, Atlanta, Georgia 20339-4024, USA.