

Registered number: 5309042

Wolseley Europe Limited
Annual report and financial statements
for the year ended 31 July 2010

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Wolseley Europe Limited

Annual report and financial statements for the year ended 31 July 2010

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Wolseley Europe Limited

Directors and advisers for the year ended 31 July 2010

Directors

T Brophy

O Dahl

D Rickards

Company secretary

A Drew

Registered office

Parkview 1220

Arlington Business Park

Theale, Reading

RG7 4GA

United Kingdom

Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

United Kingdom

Registered number

5309042

Wolseley Europe Limited

Directors' report for the year ended 31 July 2010

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 July 2010

Principal activities and business review

The Company is a wholly owned subsidiary of Wolseley plc (note 14) and operates within the Wolseley plc group of companies ("the Group")

The Group's principal business activities are the distribution of heating and plumbing products to the professional market and the supply of building materials. The Company's principal activity is the collection and redistribution of rebate income across the Group's European operating companies. Previously the principal activity was that of a sourcing company, which ceased on 28 August 2009.

As shown by the profit and loss account on page 7, the turnover of the Company has significantly fallen compared to last year, which is primarily due to the Company ceasing to act as a sourcing company. The sourcing activity was carried out on a near to breakeven basis and so its cessation will not affect the Company's future profitability. The Company will continue to collect and redistribute rebate income across the Group's European operating companies.

Details of amounts due from and to other Group undertakings are shown in notes 7 and 8 on page 12.

The Group manages its operations on a segmental basis. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes the Company, is discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

The financial risks of the Company are governed by Group policies and procedures. The Group is exposed to financial risks arising from its international operations.

While the Company is not engaged in a "regulated" industry, its operations are affected by various statutes, regulations and laws in the countries and markets in which it operates. The Company monitors regulation across its markets to ensure that the effects of changes are minimised.

Fluctuations in currency exchange rates may affect the Company's reported operating results and its financial position. The Group manages the Company's foreign currency risk. Group risks are discussed in the Group's Annual Report in note 29 on pages 103 to 108.

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 management, allowing them to serve local markets in the most appropriate manner. Within this decentralised structure, the Group 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 and a commitment to strive for continual improvement.

Details of the Group's risk management programme are on pages 30 to 33 of the Group's Annual Report.

Wolseley Europe Limited

Directors' report for the year ended 31 July 2010 (continued)

Results and dividends

The results for the Company for the financial year ended 31 July 2010 are set out in the profit and loss account on page 7. During the financial year, no dividends were paid or proposed (2009: nil).

Directors

The Directors of the Company during the financial year ended 31 July 2010 and up to the date of signing the financial statements were:

T Brophy (appointed 25 January 2010)

O Dahl (appointed 25 January 2010)

D Rickards (appointed 25 January 2010)

D M Kirby (resigned 25 January 2010)

R H Marchbank (resigned 1 March 2010)

R I Shoykov (resigned 2 February 2010)

The Group maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors.

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 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, 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.

Wolseley Europe Limited

Directors' report for the year ended 31 July 2010 (continued)

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent auditors

Under the provisions of the Companies Act 2006 the Company has passed an elective resolution to dispense with the obligation to appoint auditors annually, and as a result PricewaterhouseCoopers LLP will remain in office

Small company status

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the Board



A Drew
Company secretary
17 March 2011

Wolseley Europe Limited

Independent auditors' report to the members of Wolseley Europe Limited

We have audited the financial statements of Wolseley Europe Limited for the year ended 31 July 2010 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 set out on page 3 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 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.

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 2010 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 Europe Limited

Independent auditors' report to the members of Wolseley Europe Limited (continued)

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



Randal Casson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
17 March 2011

Wolseley Europe Limited

Profit and loss account for the year ended 31 July 2010

	Note	2010 £'000	2009 £'000
Turnover	1	1,012	16,242
Cost of sales		(655)	(13,792)
Gross profit		357	2,450
Administrative expenses		(277)	(782)
Operating profit	2	80	1,668
Interest receivable and similar income	4	82	53
Interest payable and similar charges	4	-	(22)
Profit on ordinary activities before taxation		162	1,699
Tax on profit on ordinary activities	5	(45)	(476)
Profit for the financial year	10	117	1,223

The profit for the financial year relates to continuing activities

There are no recognised gains or losses other than those disclosed above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The accounting policies and notes on pages 9 to 13 form part of these financial statements

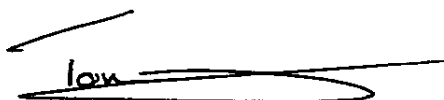
Wolseley Europe Limited

Balance sheet as at 31 July 2010

Registered number 5309042

	Note	2010 £'000	2009 £'000
Current assets			
Stocks	6	-	311
Debtors	7	10,243	7,705
Cash at bank and in hand		9,561	11,073
		19,804	19,089
Creditors: amounts falling due within one year	8	(17,711)	(17,113)
Net current assets		2,093	1,976
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	2,093	1,976
Total shareholders' funds	11	2,093	1,976

The financial statements on pages 7 to 13 were approved by the Board on 17 March 2011 and signed on its behalf by



T Brophy
Director

Wolseley Europe Limited

Accounting policies for the year ended 31 July 2010

Basis of accounting

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. A summary of the principal accounting policies, which have been consistently applied, is set out below.

Turnover

Turnover is comprised of the sale of sourced products to other Group undertakings and rebate income from European suppliers.

Revenue from the sale of sourced products is recognised when the risks and rewards of ownership of the products have been transferred to the customer. The risks and rewards of ownership of goods are deemed to have been transferred when the goods are shipped to, or are picked up by, the customer.

The Company has entered into agreements with certain European suppliers that provide for inventory purchase rebates on purchases made by the Group's European operating companies. These purchase rebates are accrued as earned and recorded as turnover when the products to which they relate are sold by the Group. Turnover is shown net of rebates receivable centrally by the Company that have or will be allocated to Wolseley Group's European operating companies.

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs include all direct costs in bringing stock to a saleable location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred prior to disposal.

Foreign currencies

Foreign denominated currency balances are translated at the exchange rate ruling at the balance sheet date with exchange differences arising taken to the profit and loss account.

Cash flow statement

Wolseley plc, the ultimate parent company (note 14) has included a cash flow statement in its group financial statements for the financial year ended 31 July 2010. 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.

Accrued income

Accrued income is credited to the profit and loss account over the period for which the service is provided or to which the incentive relates.

Wolseley Europe Limited

Notes to the financial statements for the year ended 31 July 2010

1 Turnover

	2010 £'000	2009 £'000
Sales of sourced products	581	13,872
Rebate income	431	2,370
	1,012	16,242

Segmental analysis of turnover

Sales of sourced products	2010 £'000	2009 £'000
UK	417	10,600
Europe	164	2,970
Rest Of World	-	302
	581	13,872

Rebate income	2010 £'000	2009 £'000
UK	131	494
Europe	299	1,875
Rest Of World	1	1
	431	2,370

2 Operating profit

Audit fees for the Company for the years ended 31 July 2010 and 31 July 2009 were borne by Wolseley UK Limited (a fellow subsidiary of Wolseley plc) and were not recharged to the Company

3 Employees and directors remuneration

The Company had no employees other than directors during the financial year under review (2009 none)

In the financial years ended 31 July 2010 and 31 July 2009, M Kirby, R Marchbank, and R Shoyilekov were remunerated by Wolseley plc. In the financial year ended 31 July 2010 T Brophy was remunerated by Wolseley (Group Services) Limited, D Rickards by Wolseley UK Limited and O Dahl by DT Group A/S, all Group companies. No recharges are made by any of these companies to the Company

Wolseley Europe Limited

Notes to the financial statements for the year ended 31 July 2010 (continued)

4 Interest

Interest receivable and similar income

	2010 £'000	2009 £'000
Bank interest receivable	10	53
Interest receivable from Wolseley plc	72	-
	82	53

Interest payable and similar charges

	2010 £'000	2009 £'000
Interest payable to Wolseley plc	-	22

5 Tax on profit on ordinary activities

The tax charge for the financial year comprises

	2010 £'000	2009 £'000
Current tax		
UK corporation tax on profits of the financial year	45	476
Tax on profit on ordinary activities	45	476

The tax assessed for the year is equal (2009 equal) to the standard rate of corporation tax in the UK of 28% (2009 28%)

6 Stocks

	2010 £'000	2009 £'000
Goods purchased for resale	-	311

Wolseley Europe Limited

Notes to the financial statements for the year ended 31 July 2010 (continued)

7 Debtors

	2010 £'000	2009 £'000
Trade debtors	2,486	2,006
Amounts owed by group undertakings	3,907	2,626
Accrued income	3,850	3,073
	10,243	7,705

Accrued income relates to rebates receivable from European suppliers

Amounts owed by group undertakings are unsecured and have no fixed repayment terms

8 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	94	507
Amounts owed to other group undertakings	16,954	16,385
Corporation tax	160	115
Other taxation and social security	199	17
Accruals	304	89
	17,711	17,113

Amounts owed to group undertakings are unsecured and have no fixed repayment terms

9 Called up share capital

	2010 £	2009 £
Authorised:		
1,000 (2009 1,000) ordinary shares of £1 each	1,000	1,000
Allotted and fully paid:		
1 (2009 1) ordinary share of £1	1	1

Wolseley Europe Limited

Notes to the financial statements for the year ended 31 July 2010 (continued)

10 Profit and loss account

	£'000
At 1 August 2009	1,976
Profit for the financial year	117
At 31 July 2010	2,093

11 Reconciliation of movements in total shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	117	1,223
Opening shareholders' funds	1,976	753
Closing shareholders' funds	2,093	1,976

12 Related party transactions

The Company has taken advantage of the exemption under paragraph 3 (c) from the provisions of FRS 8, "Related Party Disclosures" from disclosure of transactions with group undertakings on the grounds that it is a wholly owned subsidiary of a group headed by Wolseley plc (note 14) whose Annual Report and Accounts are publicly available

13 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

14 Ultimate parent undertaking and controlling party

The ultimate parent company and controlling party at 31 July 2010 was Wolseley plc, which is registered in England and was the smallest and largest parent undertaking to consolidate these financial statements as at 31 July 2010. On 24 November 2010 Wolseley plc re-registered as Wolseley Limited. Copies of the Group financial statements may be obtained from The Company Secretary, Wolseley Limited, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.

On 23 November 2010, a new holding company, also called Wolseley plc, a company which is registered in Jersey, became the ultimate parent company and controlling party.