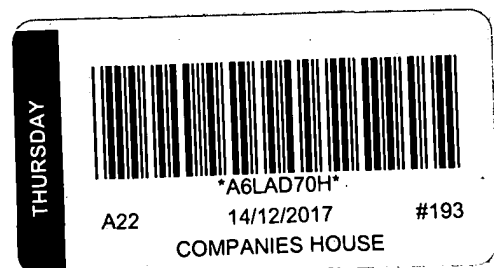


Registered number: 00029846

WOLSELEY LIMITED

**Annual report and financial statements
for the year ended 31 July 2017**



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Strategic report
for the year ended 31 July 2017

Business review and future developments

Wolseley Limited (the "Company") is a wholly owned subsidiary of Ferguson plc (formerly Wolseley plc).

The principal activity of the Company is that of an internal investment company for the Ferguson plc Group (the "Group"). There have been no significant changes in the Company's principal activity in the year under review. At the date of this report the directors do not foresee there will be any major changes in the Company's activities in the next year.

In October 2016, the Company received a cash dividend of £362 million from its subsidiary Wolseley Investments, Inc. The Company then paid a dividend to its parent company, Wolseley plc (now named Ferguson plc), of the same amount, £362 million. This dividend paid was equivalent to 1.94p per ordinary share of £0.00001.

During the year, the Group announced the proposed disposal of the Nordic business. As a result of the expected disposal proceeds announced on 10 November 2017, the impairment previously taken against the Company's investment in Wolseley Nordic Holdings AB has been reversed by £214 million to align with the expected proceeds, net of selling costs.

During the prior year, provisions for impairment of £176 million and £14 million were recorded against the Company's investments in Wolseley Nordic Holdings AB and Luxury for Less Limited respectively, as the recoverable amount of the net assets was considered to be less than the value of the investments held.

The balance sheet on page 8 of the financial statements shows the Company's financial position at 31 July 2017.

The profit for the year amounted to £370 million (2016 - loss of £18 million).

Principal risks and uncertainties

The Company does not operate external to the Group except for the purchase of derivative instruments to implement the Group's risk management and hedging strategy. 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 Ferguson 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 2017 Annual Report which does not form part of this report.

Financial key performance indicators

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 the Group, which includes the Company, are discussed in the Group's 2017 Annual Report which does not form part of this report.

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



P A Scott
Director

Date: 12 December 2017

Parkview 1220
Arlington Business Park
Theale, Reading
Berkshire
RG7 4GA

Directors' report
for the year ended 31 July 2017

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report for the year ended 31 July 2017.

Directors

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

P S Fox (appointed 10 July 2017)
S Gray
D L Keltner (appointed 23 August 2016, resigned 1 August 2017)
J W Martin (resigned 23 August 2017)
M A Powell (appointed 1 August 2017)
P A Scott (appointed 10 July 2017)
R I Shoykov
M Wall (resigned 31 October 2016)

Dividends

During the year the Company paid a dividend of £362 million (2016 - £338 million).

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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's financial statements 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.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**Directors' report (continued)
for the year ended 31 July 2017**

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the 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.

Post balance sheet events

The bi-lateral facility was extended for a further year at a new facility size of US\$ 290 million, effective December 2017 with a maturity of November 2018.

Matters covered in the strategic report

Information relating to future developments and financial risk management are provided in the strategic report on page 2.

Auditors

Deloitte LLP have been deemed re-appointed under section 487 of the Companies Act 2006.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12.

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



**P A Scott
Director**

Date: 12 December 2017

Parkview 1220
Arlington Business Park
Theale, Reading
Berkshire
RG7 4GA

Independent auditors' report to the members of Wolseley Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Wolseley Limited (the 'Company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 auditor's 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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.



Jane Makrakis FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, UK

Date: 12 December 2017

Profit and loss account
for the year ended 31 July 2017

	Note	2017 £m	2016 £m
Administrative expenses		(5)	-
Operating loss		(5)	-
Income from shares in Group undertakings	8	362	338
Profit on disposal of fixed asset investments		-	3
Reversal of impairment / (amounts written off investments)	9	214	(190)
Interest receivable and similar income	5	159	187
Interest payable and similar charges	6	(330)	(361)
Profit/(loss) before tax		400	(23)
Tax (charge)/credit on profit/(loss)	7	(30)	5
Profit/(loss) for the year attributable to the equity shareholders of the Company		370	(18)

All amounts relate to continuing activities.

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account.

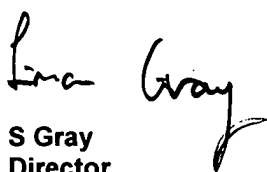
Wolseley Limited
Annual report and financial statements
for the year ended 31 July 2017

Registered number: 00029846

Balance sheet
at 31 July 2017

	Note	£m	2017 £m	£m	2016 £m
Fixed assets					
Investments	9		<u>6,741</u>		<u>6,544</u>
			6,741		6,544
Current assets					
Debtors: amounts falling due after more than one year	10	3,272		95	
Debtors: amounts falling due within one year	10	<u>3</u>		<u>3,921</u>	
		3,275		4,016	
Creditors: amounts falling due within one year	11	<u>(375)</u>		<u>(1,060)</u>	
Net current assets			<u>2,900</u>		<u>2,956</u>
Total assets less current liabilities			9,641		9,500
Creditors: amounts falling due after more than one year	12		<u>(8,257)</u>		<u>(8,129)</u>
Provisions for liabilities					
Other provisions	15	<u>(5)</u>		<u>-</u>	
			<u>(5)</u>		<u>-</u>
Net assets			<u>1,379</u>		<u>1,371</u>
Capital and reserves					
Share capital	16		-		-
Share premium account	17		5		5
Profit and loss account	17		<u>1,374</u>		<u>1,366</u>
			<u>1,379</u>		<u>1,371</u>

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


S Gray
Director

Date: 12 December 2017

The notes on pages 10 to 22 form part of these financial statements.

Statement of changes in equity
at 31 July 2017

	Share capital £m	Share premium account £m	Profit and loss account £m	Total equity £m
At 31 July 2015	-	5	1,722	1,727
Loss for the financial year	-	-	(18)	(18)
Dividends paid on equity shares (note 8)	-	-	(338)	(338)
At 31 July 2016	<hr/> -	<hr/> 5	<hr/> 1,366	<hr/> 1,371
Profit for the financial year	-	-	370	370
Dividends paid on equity shares (note 8)	-	-	(362)	(362)
At 31 July 2017	<hr/> <hr/> -	<hr/> <hr/> 5	<hr/> <hr/> 1,374	<hr/> <hr/> 1,374

Notes to the financial statements
for the year ended 31 July 2017

1. Accounting policies

1.1 General information and basis of accounting

Wolseley Limited (the 'Company') is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 21.

For the year ending 31 July 2017, the functional currency of Wolseley Limited was considered to be GBP pounds sterling because that was the currency of the primary economic environment in which the Company operates. From 1 August 2017 the functional currency is considered to be US dollars, due to changes in the intercompany funding.

Wolseley Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, Ferguson plc, which may be obtained from the Group Company Secretary, Ferguson plc, Grafenauweg 10, CH 6301, Zug, Switzerland. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of consolidated financial statements, presentation of a cash flow statement and remuneration of key management personnel.

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on page 2.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company used derivative financial instruments, in particular foreign exchange swaps, to reduce exposure to foreign exchange risk. There is no trading activity in derivative financial instruments.

Derivative financial instruments are recognised as assets and liabilities at their fair values at the balance sheet date. Where derivative financial instruments do not fulfil the criteria for hedge accounting, changes in their fair values are recognised in the profit and loss account.

Notes to the financial statements
for the year ended 31 July 2017

1. Accounting policies (continued)

1.4 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

1.4 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks.

1.5 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to the financial statements
for the year ended 31 July 2017

1. Accounting policies (continued)

1.6 Tax

Tax for the year comprises current and deferred tax. With the exception of changes in tax arising on the initial recognition of a business combination, tax is presented in profit or loss, other comprehensive income or equity depending on where the transaction that resulted in the tax is presented.

Current tax is tax payable (refundable) in respect of the taxable profit (tax loss) for the current period or past reporting periods. Current tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of the current and previous periods.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- deferred tax shall be reversed if and when all conditions for retaining associated tax allowances for the cost of a fixed asset have been met.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is not recognised on permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is determined using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty – impairment of fixed asset investments

Determining whether fixed asset investments are impaired requires an estimation of their recoverable amount and whether this exceeds their carrying value. The recoverable amount is estimated using the higher of its fair value less cost to sell and its value in use. The carrying values of the investments assessed at the end of the year was £6,741 million after the reversal of impairment in the year of £214 million following a change in estimate (see note 9 for further details).

Notes to the financial statements
for the year ended 31 July 2017

3. Auditors' remuneration

The remuneration for the audit of the financial statements for the year of £30,000 (2016 - £30,000) was borne by Ferguson Group Services Limited (formerly Wolseley (Group Services) Limited) and was not recharged to the Company.

4. Staff costs

The Company has no employees (2016 - none) other than the directors, who did not receive any remuneration in respect of their services to the Company (2016 - £nil).

5. Interest receivable

	2017 £m	2016 £m
Interest receivable from Group companies	149	170
Bank interest receivable	8	17
Exchange gains	2	-
	159	187

6. Interest payable and similar charges

	2017 £m	2016 £m
Bank interest payable	15	19
Other loan interest payable	-	1
Loans from Group undertakings	315	314
Exchange losses	-	27
	330	361

7. Tax charge/(credit) on profit/(loss)

	2017 £m	2016 £m
Current tax		
UK corporation tax on profit/(loss) for the year	-	(1)
Adjustments in respect of prior years	-	3
Total current tax charge	-	2
Deferred tax		
Origination and reversal of timing differences	(3)	(17)
Adjustments in respect of prior years	33	8
Effect of changes in tax rates	-	2
Total deferred tax charge/(credit)	30	(7)
Total tax charge/(credit) on profit/(loss)	30	(5)

Notes to the financial statements
for the year ended 31 July 2017

7. Tax charge/(credit) on profit/(loss) (continued)

The tax assessed for the year is lower than (2016 – equal to) the standard rate of corporation tax in the UK of 19.67% (2016 – 20.00%). The differences are explained below:

	2017	2016
	£m	£m
Profit/(loss) before tax	400	(23)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20.00%)	79	(5)
Effects of:		
Adjustments in respect of prior years	33	11
(Reversal of impairment) / amounts written off investments	(42)	39
Tax rate changes	-	2
Non-taxable dividends from Group companies	(71)	(68)
Non-deductible interest expense	24	14
Expenses not deductible	-	2
Group relief surrendered for nil payment	7	-
Total tax charge/(credit) for the year	30	(5)

Tax rate changes

Legislation has been enacted to reduce the standard rate of UK corporation tax from 20 per cent to 19 per cent with effect from 1 April 2017 and to 17 per cent with effect from 1 April 2020. Accordingly, the Company's profits for this accounting year are taxed at a rate of 19.67 per cent (2016 – 20.00 per cent).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Where deferred tax is expected to unwind after 1 April 2020, deferred tax has been calculated at the expected enacted rate of 17 per cent.

8. Dividends

	2017	2016
	£m	£m
Dividends paid on equity capital	362	338

In October 2017, the Company received a cash dividend of £362 million from its subsidiary Wolseley Investments, Inc. The Company then paid a dividend to its parent company, Wolseley plc (now named Ferguson plc), of the same amount, £362 million. This dividend was equivalent to 1.94p per ordinary share of £0.00001.

Notes to the financial statements
for the year ended 31 July 2017

9. Fixed asset investments

	Investments in subsidiary companies £m
Cost or valuation	
At 1 August 2016	6,901
Fair value exchange on hedging investments	(17)
At 31 July 2017	6,884
Impairment	
At 1 August 2016	(357)
Reversal of impairment	214
At 31 July 2017	(143)
Net book value	
At 31 July 2017	6,741
At 31 July 2016	6,544

During the year, the Group announced the proposed disposal of the Nordic business. As a result of the expected disposal proceeds announced on 10 November 2017, the impairment previously taken against the Company's investment in Wolseley Nordic Holdings AB has been reversed by £214 million to align with the expected proceeds, net of selling costs.

During the prior year, provisions for impairment of £176 million and £14 million were recorded against the Company's investments in Wolseley Nordic Holdings AB and Luxury for Less Limited respectively, as the recoverable amount of the net assets was considered to be less than the value of the investments held.

The impairment for the investment in Wolseley Nordic Holdings AB arose due to the continuing challenging market conditions and uncertainty over performance in the Nordic region. The impairment for the investment in Luxury for Less Limited has been made due to uncertainty of the timing of profitability, as it has incurred losses since acquisition despite generating good revenue growth.

Notes to the financial statements
for the year ended 31 July 2017

9. Fixed asset investments (continued)

Subsidiary undertakings

The following were material subsidiary undertakings of the Company at 31 July 2017:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Wolseley Group Holdings Limited	United Kingdom	Ordinary	100%	Holding
Wolseley Investments, Inc.	USA	Ordinary	100%	Financing
Wolseley Capital Inc.	USA	Ordinary	100%	Financing
Wolseley Nordic Holdings AB	Sweden	Ordinary	100%	Holding
Luxury for Less Limited (TA Soak.com)	United Kingdom	Ordinary	67.7%	Trading

The registered office addresses of these subsidiaries are shown in note 21.

10. Debtors

	2017	2016
	£m	£m
Due after more than one year		
Amounts owed by Group undertakings	3,267	62
Deferred tax asset (see note 14)	3	33
Prepayments and accrued income	2	-
	3,272	95

At 31 July 2017 and at 31 July 2016 amounts owed by Group undertakings were unsecured. At 31 July 2017 £3,254 million was loaned at an interest rate of LIBOR plus 3.1% under a revolving credit facility expiring August 2020 (2016 - £117 million expiring October 2016). A further £13 million (2016 - £13 million) was loaned to Luxury for Less Limited at an interest rate of 10% under an agreement expiring February 2020.

Notes to the financial statements
for the year ended 31 July 2017

10. Debtors (continued)

	2017	2016
	£m	£m
Due within one year		
Amounts owed by Group undertakings	1	3,916
Corporation tax	1	1
Prepayments and accrued income	1	2
Financial instruments	-	2
	3	3,921
	3	3,921

At 31 July 2017 and at 31 July 2016 amounts owed by Group undertakings were unsecured and non-interest bearing.

Financial instruments comprise forward foreign currency contracts and are recognised at fair value through profit or loss. At the balance sheet date the fair value of these contracts was not materially different to the retranslated value included above.

11. Creditors: Amounts falling due within one year

	2017	2016
	£m	£m
Bank overdrafts	167	566
Amounts owed to Group undertakings	207	492
Accruals and deferred income	1	2
	375	1,060
	375	1,060

At 31 July 2017 amounts owed to Group undertakings were unsecured. £23 million was borrowed under a short-term agreement at a rate of LIBOR plus 0.5%. The remaining £40 million was non-interest bearing.

At 31 July 2016 amounts owed to Group undertakings were unsecured. £146 million was borrowed under a short-term agreement at a rate of LIBOR plus 0.5%. Included within this balance are short-term foreign exchange forward contracts with Group undertakings. At the balance sheet date the fair value of these contracts was not materially different to the retranslated value included above. Amounts owed to Group undertakings in relation to these contracts were £3 million.

Notes to the financial statements
for the year ended 31 July 2017

12. Creditors: Amounts falling due after more than one year

	2017 £m	2016 £m
Bank loans (see note 13)	-	95
Amounts owed to Group undertakings	8,257	8,034
	8,257	8,129

At 31 July 2017 and 31 July 2016 amounts owed to Group undertakings were unsecured.

At 31 July 2017 £818 million was interest bearing at fixed rates between 2% to 4% under revolving credit facilities expiring between November 2020 and September 2027. The remaining £7,439 million was interest bearing at LIBOR plus 3.5% under revolving loan facilities expiring August 2020.

13. Bank loans

Analysis of the maturity of loans is given below:

	2017 £m	2016 £m
Amounts falling due after more than 5 years		
Bank loans	-	95

During the current year the £800 million revolving credit facility signed in June 2015 was extended to September 2022. The facility size to September 2021 is £800 million. For the period between September 2021 and September 2022 the facility size reduces to £680 million. At 31 July 2017 this facility was undrawn (2016 - £95 million drawn).

In December 2016 the Group entered into a US\$ 190 million one year bi-lateral facility. This was undrawn at 31 July 2017.

14. Deferred tax

	2017 £m	2016 £m
At beginning of year	33	26
(Charged)/credited to the profit and loss account	(30)	7
Balance at end of year	3	33

The deferred tax asset is made up as follows:

	2017 £m	2016 £m
Losses carried forward	2	33
Short term timing differences	1	-
	3	33

The total net deferred tax asset of £3 million is expected to reverse next year (2016 – the total deferred tax asset of £33 million was expected to reverse in the following year).

Notes to the financial statements
for the year ended 31 July 2017

15. Provisions

	Restructuring £m	Other Provisions £m	Total £m
At 1 August 2016	-	-	-
Charge for the year	3	2	5
At 31 July 2017	<u>3</u>	<u>2</u>	<u>5</u>

These provisions are expected to be utilised within the next financial year.

16. Share capital

	2017 £m	2016 £m
Shares classified as equity		
Allotted, called up and fully paid		
18,674,179,648 (2016 – 18,674,179,648) Ordinary shares of £0.00001 each	-	-
301,963 Ordinary shares of £0.10 each	-	-
1 Ordinary A share of £0.10	-	-
	<u>-</u>	<u>-</u>

17. Reserves

Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Related party transactions

The Company has taken advantage of the exemption available under FRS 102 Section 33.1A to dispense with the requirement to disclose transactions with wholly owned subsidiaries.

19. Post balance sheet events

The bi-lateral facility was extended for a further year at a new facility size of US\$ 290 million, effective December 2017 with a maturity of November 2018.

20. Ultimate parent undertaking and controlling party

In the opinion of the directors, the Company's ultimate parent company is Ferguson plc, a company incorporated in Jersey whose registered office is 26 New Street, St Helier, Jersey JE2 3RA. It is the smallest and largest parent undertaking to consolidate this Company's financial statements. Copies of the Group financial statements of Ferguson plc may be obtained from the Group Company Secretary, Ferguson plc, Grafenauweg 10, CH 6301, Zug, Switzerland. The Company's immediate controlling party is also Ferguson plc.

Notes to the financial statements
for the year ended 31 July 2017

21. Subsidiary undertakings

A full list of subsidiaries, joint ventures and companies in which Wolseley Limited has a controlling interest as at 31 July 2017 is shown below. The country of incorporation and the effective percentage of equity owned (if less than 100 per cent) is also detailed below. Unless otherwise noted, the share capital comprises ordinary shares which are indirectly held by Wolseley Limited.

Fully owned subsidiaries

8933111 Canada Inc. (Canada)(ix)(10)	Ferguson Panama, S.A. (Panama)(ix)(3)
A C Electrical Holdings Limited (England)(x)(28)	Ferguson Receivables, LLC. (US)(xi)(2)
A C Electrical Wholesale Limited (England)(iii)(28)	Fusion Provida Holdco Limited (England)(iii)(28)
A C Ferguson Limited (Scotland)(ii)(iii)(19)	Fusion Provida UK Limited (England)(iii)(28)
Advancechief Limited (England)(ii)(iii)(1)	G. L. Headley Limited (England)(ii)(iii)(1)
B Holding SAS (France)(iii)(6)	Glegg & Thomson Limited (Scotland)(ii)(iii)(19)
B Participations SAS (France)(iii)(6)	H.P. Products Corporation (US)(ix)(2)
Beijer Byggmaterial AB (Sweden)(iii)(13)	Hall & Co. Limited (England)(ii)(iii)(28)
Beijer Byggmaterial i Uppsala AB (Sweden)(iii)(13)	Health Equipment Hire Limited (England)(i)(ii)(iii)(1)
British Fittings Central Limited (England)(i)(ii)(iii)(1)	Heating Replacement Parts & Controls Limited (England)(ii)(iii)(1)
British Fittings Company (North Eastern) Limited (England)(ii)(x)(1)	Heatmerchants Limited (England)(i)(ii)(iii)(1)
British Fittings Group Limited (England)(ii)(iii)(1)	Het Onderdeel BV (Netherlands)(iii)(23)
British Fittings Limited (England)(i)(ii)(iii)(1)	Hobro Ny Trælast A/S (Denmark)(iii)(25)
Broughton's Limited (England)(ii)(iii)(1)	Homeoutlet Online Limited (England)(iii)(28)
Build Center Limited (England)(i)(ii)(iii)(1)	HP Logistics, Inc. (US)(ix)(2)
Build.com, Inc. (US)(ix)(2)	Huggjärnet 6 Kommanditbolag (Sweden)(xii)(13)
Builder Center Limited (England)(i)(ii)(iii)(1)	Improvement Brands Holdings, Inc. (US)(ix)(2)
Building & Engineering Plastics Limited (England)(ii)(iii)(1)	Julise Limited (England)(ii)(iii)(1)
Caselco Limited (England)(ii)(iii)(1)	King & Company (1744) Limited (England)(ii)(iii)(1)
Clawfoot Supply, LLC dba Signature Hardware(US)(xi)(2)	Kommanditbolaget Näringen 8:4 (Sweden)(xi)(13)
Clayton International, LLC (US)(xi)(2)	Living Direct, Inc. (US)(ix)(2)
Controls Center Limited (England)(i)(ii)(x)(1)	M. A. Ray & Sons Limited (England)(i)(ii)(iii)(1)
Crew-Davis Limited (England)(i)(ii)(iii)(1)	Matera Paper Company, Inc. (US)(ix)(2)
Davidson Group Leasing Co. LLC (US)(xi)(2)	Melanie Limited (England)(i)(ii)(iii)(1)
Drain Center Limited (England)(i)(ii)(iii)(1)	Mölnlycke Trä AB (Sweden)(iii)(13)
DT Finland Oy (Finland)(iii)(20)	MPS Builders Merchants Limited (England)(iii)(28)
DT Holding (Sweden) AB (Sweden)(iii)(13)	Neumann Bygg AS (Norway)(iii)(27)
DT Holding 1 AS (Denmark)(iii)(16)	Nevill Long Limited (England)(iii)(28)
Electro Energy A/S (Denmark)(iii)(15)	Northern Heating Limited (Scotland)(ii)(iii)(19)
Energy & Process Corporation (US)(iii)(2)	Northern Heating Supplies Limited (Scotland)(ii)(iii)(19)
Ferguson Enterprises, Inc. (US)(ix)(2)	Nu-Way Heating Plants Limited (England)(i)(ii)(iii)(1)
Ferguson Enterprises Real Estate, Inc (US)(iii)(2)	O.B.C. Limited (England)(i)(ii)(iii)(1)
Ferguson Fire & Fabrication Inc. (US)(iii)(4)	O.B.C. Limited (Northern Ireland)(i)(ii)(iii)(8)
Ferguson Group Services Limited (England)(iii)(1)	

**Notes to the financial statements for
the year ended 31 July 2017**

21. Subsidiary undertakings (continued)

Oil Burner Components Limited (England)(i)(ii)(iii)(1)	Wolseley (Barbados) Ltd (Barbados)(iii)(2)
P.D.M. (Plumbers Merchants) Limited (Scotland)(i)(ii)(iii)(19)	Wolseley Bristol Limited (England)(ii)(iii)(1)
Parts Center Limited (England)(i)(ii)(iii)(1)	Wolseley Canada Inc. (Canada)(ix)(10)
Pat Murphy Industrial(Sales & Service)Limited(Republic of Ireland)(iii)(5)	Wolseley Capital, Inc. (US)(i)(vii)(2)
Pipeline Controls Limited (England)(i)(ii)(iii)(1)	Wolseley Centers Limited (England)(i)(ii)(iii)(1)
Plumb-Center Limited (England)(i)(ii)(iii)(1)	Wolseley Centres Limited (England)(i)(ii)(iii)(1)
Power Equipment Direct Inc. (US)(ix)(2)	Wolseley Developments Limited (England)(i)(ii)(iii)(1)
Promandis Limited (England)(i)(ii)(iii)(1)	Wolseley Directors Limited (England)(i)(ii)(iii)(1)
Reay Electrical Distributors Limited (England)(ii)(iii)(1)	Wolseley ECD Limited (Northern Ireland)(ii)(iii)(8)
Rosco Industrial Limited (Scotland)(ii)(iii)(19)	Wolseley Engineering Limited (England)(i)(ii)(iii)(1)
Sellers of Leeds (Group Services) Limited (England)(ii)(iii)(1)	Wolseley Europe Limited (England)(i)(iii)(1)
Sellers of Leeds International Limited (England)(ii)(iii)(1)	Wolseley Finance (Isle of Man) Limited (Isle of Man)(i)(vi)(xiii)(7)
Sellers of Leeds Limited (England)(viii)(28)	Wolseley Finance (Thames) Limited (England)(i)(ii)(iii)(1)
SEMSCO Barbados, LLC (US)(ii)(xi)(11)	Wolseley Finance (Theale) Limited (England)(ii)(vi)(1)
Soak B.V.(Netherlands)(ii)(iii)(29)	Wolseley Green Deal Services Limited (England)(iii)(28)
St. Nicholas Finance Limited (England)(i)(ii)(viii)(1)	Wolseley Group Holdings Limited (England)(i)(iii)(1)
STARK Foroyar PF (Denmark)(iii)(18)	Wolseley Haworth Limited (England)(iii)(28)
Stark Group A/S (Denmark)(iii)(16)	Wolseley Holding A/S (Denmark)(iii)(16)
Stark Group Holdings A/S (Denmark)(iii)(16)	Wolseley Holdings (Ireland) (Republic of Ireland)(ii)(iii)(xiii)(5)
Stark Kalaallit Nunaat A/S (Greenland)(ii)(21)	Wolseley Holdings Canada Inc. (Canada)(ix)(10)
Starkki Property Oy (Finland)(iii)(20)	Wolseley Industrial Canada Inc. (Canada)(iii)(10)
Stark Group A/S (Denmark)(iii)(16)	Wolseley Integrated de Mexico, S.A. de C.V. (Mexico)(iv)(30)
Stock Loan Services LLC (US)(xi)(2)	Wolseley Integrated Services Inc. (Canada)(ix)(10)
Sundsvall Vagnen 1 Fastighets AB (Sweden)(ii)(iii)(13)	Wolseley Investments Limited (England)(i)(ii)(iii)(1)
T & R Electrical Wholesalers Ltd (England)(iii)(28)	Wolseley Investments North America, Inc. (US)(iii)(2)
Tellum Construction, LLC (US)(xi)(2)	Wolseley Investments, Inc. (US)(i)(iii)(2)
Thames Finance Company Limited (England)(i)(ii)(iii)(1)	Wolseley NA Construction Services, LLC (US)(xi)(2)
Thomson Brothers Limited (Scotland)(iii)(19)	Wolseley Nordic Holdings AB (Sweden)(i)(iii)(13)
Uni-Rents Limited (England)(i)(ii)(iii)(1)	Wolseley North America, Inc. (US)(ii)(iii)(2)
Utility Power Systems Limited (England)(v)(28)	Wolseley Overseas Limited (England)(iii)(1)
Wasco Distributiecentrum B.V. (Netherlands)(iii)(23)	Wolseley Pension Trustees Limited (England)(i)(ii)(iii)(1)
Wasco Energie Centrum B.V. (Netherlands)(iii)(23)	Wolseley Properties Limited (England)(ii)(iii)(1)
Wasco Groothandelsgroep B.V. (Netherlands)(iii)(23)	Wolseley QUEST Limited (England)(i)(ii)(iii)(1)
Wasco Holding B.V. (Netherlands)(iii)(23)	Wolseley Trinidad Ltd (Trinidad and Tobago)(iii)(14)
Wasco Twello B.V. (Netherlands)(iii)(22)	Wolseley UK Directors Limited (England)(iii)(28)
WFBM SNC (France) (iii)(6)	Wolseley UK Finance Limited (Guernsey)(ii)(iii)(xiii)(17)
Wholesale Group Operations, Inc. (US)(ix)(2)	Wolseley UK Limited (England)(viii)(28)
Wholesale Supplies (C.I.) Ltd (Jersey)(iii)(9)	Wolseley Utilities Limited (England)(iii)(28)
William Wilson & Co. (Aberdeen) Limited (Scotland)(ii)(iii)(19)	Wolseley-Hughes Limited (England)(ii)(iii)(1)
William Wilson & Company (Glasgow) Limited (Scotland)(ii)(iii)(19)	Wolseley-Hughes Merchants Limited (England)(ii)(iii)(1)
William Wilson (Rugby) Limited (England)(ii)(iii)(1)	Wright (Bedford) Limited (England)(ii)(iii)(1)
William Wilson Holdings Limited (Scotland)(v)(19)	Yorkshire Heating Supplies Limited (England)(ii)(iii)(1)
William Wilson Ltd (Scotland)(iii)(19)	
WM. C. Yuille & Company Limited (Scotland)(ii)(iii)(19)	

Notes to the financial statements
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21. Subsidiary undertakings (continued)

Joint ventures

Brabyggare Sverige AB (Sweden) (iii)(24)

Associated Undertakings

Walter Meier AG (Switzerland 39%)(iii)(31)

Controlling interests

Luxury for Less Limited (England, 68%) (vii)(12)

SCI de Lhoumaille (France, 53%) (ii)(6)

Shanghai Du De International Trading Company (China) (ii)(xiv)(26)

Notes:

(i) Directly owned by Wolseley Limited

(ii) Dormant company

(iii) Ownership held in ordinary shares

(iv) Ownership held in class of A shares

(v) Ownership held in classes of A and B shares

(vi) Ownership held in classes of A, B, C and D shares

(vii) Ownership held in classes of A1, A2, B, C, D, E, G shares

(viii) Ownership held in ordinary and preference shares

(ix) Ownership held in common stock

(x) Ownership held in common stock and preferred stock

(xi) Ownership held as membership interests

(xii) Ownership held as partnership interests

(xiii) Companies controlled by the Group based on management's assessment

(xiv) Ownership held 100% by Luxury for Less Limited

(xv) Ownership held in B shares

Address Code	Registered Office address
1	Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA, United Kingdom
2	12500 Jefferson Avenue, Newport News VA 23602, United States
3	140 Commerce Road, Boynton Beach, FL 33426, Panama
4	18825 San Jose, City of Industry CA, United States
5	25/28 North Wall Quay, Dublin 1, Ireland
6	3 avenue de l'Opera, 75001, Paris, France
7	33-37 Athol Street, Douglas, IM1 1LB, Isle of Man
8	42-46 Fountain Street, Belfast, Northern Ireland, BT1 5EF, United Kingdom
9	47 Esplanade, St Helier, Jersey, JE1 0BD, Jersey
10	880 Laurentian Drive, Burlington ON L7N 3V6, Canada
11	9501 Highway, 92 East, Tampa FL FL 33610, United States
12	Attleborough House, Townsend Drive, Attleborough Fields Industrial Estate, Nuneaton, Warwickshire, CV11 6RU, United Kingdom
13	Box 798, S-19127, Sollentuna, Sweden
14	Building no 6, Fernandes Industrial Centre, Eastern Main Road, Laventille, Port of Spain, Trinidad and Tobago
15	GI Landevej 2, POB 1499, DK-2600, Glostrup, Denmark
16	Gladsaxe Møllevej 5, 2860, Søborg, Denmark
17	Gategny Court, Gategny Esplanade, St Peter Port, GY1 1WR, Guernsey
18	Gulsteinsvegur 3, Saltangara, Færøerne, Denmark, FO-600, Faroe Islands
19	Hareness Road, Altens Industrial Estate, Aberdeen, AB12 3QA, United Kingdom
20	Helsingintie 50, Lahti, 15100, Finland
21	Industrivej 16, Nuuk, 3900, Greenland
22	Koppelstraat 9, 7391 AK, Twello, Netherlands
23	Leigraaf 54, 7391 AL Twello, Twello, Netherlands
24	Lindingo, Stureplan 6, 4tr., 114 35, Stockholm, Sweden
25	Lucernevej 2, DK-9500 Hobro, Denmark
26	Room 306-1 Building 2, 3000 Yixian Road, Baoshan district, Shanghai, China
27	Sandviksboder 58, Postboks 705, Bergen, NO-5807, Norway
28	The Wolseley Center, Harrison Way, Leamington Spa, CV31 3HH, United Kingdom
29	Bergpoortstraat 71, 7411 cl Deventer, Netherlands
30	Carretera a General Cepeda 8395, Derramadero, Coahuila, 25300, Mexico
31	Bahnstrasse 24, 8603 Scherzenbach, Switzerland