

Registered number: 00029846

## WOLSELEY LIMITED

Directors' report and financial statements  
for the year ended 31 July 2014

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# **WOLSELEY LIMITED**

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## **WOLSELEY LIMITED**

### **Directors' report for the year ended 31 July 2014**

The directors present their report and the audited financial statements for the year ended 31 July 2014.

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

### **Principal activities**

The Company is a wholly owned subsidiary of Wolseley plc.

The principal activity of the Company is that of an internal financing and investment company for the Wolseley 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.

On 9 January 2014, the Company paid a dividend in specie in the form of a loan due from another Group undertaking of £115 million to its parent company Wolseley plc.

On 13 February 2014, the Company purchased for a cash consideration of £19 million (USD 32 million) 100% of the ordinary shares in Wolseley Capital Inc.

On 14 February 2014, the Company received a dividend of £998 million (USD1,641 million) from its subsidiary Wolseley Treasury (USD). £895 million has been treated as a return of capital, the remainder as income from shares in Group undertakings.

On 14 February 2014, the Company received a dividend of £2,578 million (USD 4,236 million) from its subsidiary Wolseley Investments, Inc. This has been treated as income from shares in Group undertakings. The Company immediately paid a dividend in specie in the form of loans due from other Group undertakings of £2,318 million (USD 3,810 million) to its parent company Wolseley plc.

On 30 June 2014, the Company sold its subsidiary company in Austria, OAG AG, for £19 million (EUR 23 million) giving rise to a loss on disposal of £8 million.

During the year the Company received dividends totalling £244 million from its subsidiary Wolseley Nordic Holdings AB, these dividends have been treated as a return of capital.

During the year a loan of £102 million to a subsidiary was fully impaired as it was deemed to be unrecoverable.

### **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 Wolseley plc reviews and agrees policies for managing each of these risks for the Group and these policies are regularly reviewed and updated.

Group risks are discussed in depth in the Group's Annual Report which does not form part of this report.

## **WOLSELEY LIMITED**

### **Directors' report for the year ended 31 July 2014**

#### **Results and dividends**

The profit for the financial year, after taxation, amounted to £2,519 million (2013 - £100 million).

During the year the Company paid total dividends to Wolseley plc of £2,433 million (2013 - £500 million).

#### **Directors**

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

S Gray  
J W Martin  
R I Shoylekov  
M R Verrier

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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**

As permitted by the Articles of Association, the directors and certain persons who are directors of subsidiary companies have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. These indemnities were in force throughout the last financial year and are currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

**WOLSELEY LIMITED**

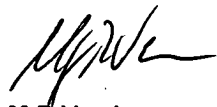
**Directors' report  
for the year ended 31 July 2014**

**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.

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



**M R Verrier**  
Director

Date: 19 January 2015

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

## **WOLSELEY LIMITED**

### **Independent auditors' report to the members of Wolseley Limited**

#### **Report on the financial statements**

##### **Our Opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

##### **What we have audited**

The financial statements, which are prepared by Wolseley Limited, comprise:

- the Balance sheet as at 31 July 2014;
- the Profit and loss account for the year then ended;
- ◆ the Statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

##### **Other matters on which we are required to report by exception**

###### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

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

## **WOLSELEY LIMITED**

### **Independent auditors' report to the members of Wolseley Limited**

#### **Entitlement to exemptions**

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

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' responsibilities statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (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

*Neil Grimes*

Neil Grimes (Senior Statutory Auditor)

for and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

19 January 2015

## WOLSELEY LIMITED

### Profit and loss account for the year ended 31 July 2014

	Note	2014 £m	2013 £m
Income from shares in Group undertakings		2,685	146
Loss on disposal of fixed asset investments		(8)	-
Interest receivable and similar income	4	252	278
Interest payable and similar charges	5	(277)	(330)
Amounts written off Group undertakings		(108)	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,544</b>	<b>94</b>
Tax on profit on ordinary activities	6	(25)	6
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<b>2,519</b>	<b>100</b>
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

### Statement of total recognised gains and losses for the year ended 31 July 2014

	2014 £m	2013 £m
<b>PROFIT FOR THE YEAR</b>	<b>2,519</b>	<b>100</b>
Other movements in profit and loss reserve	(45)	87
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR</b>	<b>2,474</b>	<b>187</b>
	<hr/> <hr/>	<hr/> <hr/>

Other recognised gains and losses are as follows:

	2014 £m	2013 £m
Exchange on fixed asset investments	(270)	141
Exchange on hedging of fixed asset investments	225	(132)
Other movements	-	78
	<hr/>	<hr/>
Total	(45)	87
	<hr/> <hr/>	<hr/> <hr/>



**WOLSELEY LIMITED**  
Registered number: 00029846

**Balance sheet**  
as at 31 July 2014

	Note	£m	2014 £m	£m	2013 £m
<b>FIXED ASSETS</b>					
Investments	7		6,990		8,428
<b>CURRENT ASSETS</b>					
Debtors: amounts falling due after more than one year	8	2,638		3,123	
Debtors: amounts falling due within one year	8	3,154		2,805	
Cash at bank and in hand		-		70	
			<u>5,792</u>	<u>5,998</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<b>(719)</b>		<b>(1,904)</b>	
<b>NET CURRENT ASSETS</b>			<u>5,073</u>		<u>4,094</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,063</u>		<u>12,522</u>
<b>CREDITORS: amounts falling due after more than one year</b>	10		<b>(10,176)</b>		<b>(10,683)</b>
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions			<u>(3)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>1,884</u>		<u>1,839</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		-		-
Share premium account	13		5		1
Profit and loss account	13		<u>1,879</u>		<u>1,838</u>
<b>SHAREHOLDERS' FUNDS</b>	14		<u>1,884</u>		<u>1,839</u>

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



**J W Martin**  
Director

Date: 19 January 2015

The notes on pages 8 to 16 form part of these financial statements.

## **WOLSELEY LIMITED**

### **Notes to the financial statements for the year ended 31 July 2014**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently followed are set out below.

##### **1.2 Cash flow**

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

##### **1.3 Fixed asset investments**

Fixed asset investments are stated at cost, or retranslated cost, less provision for impairment. Certain fixed asset investments denominated in a foreign currency which are not hedged by foreign currency borrowings are held at their initial cost and not retranslated. The Company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

##### **1.4 Deferred taxation**

Provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### **1.5 Foreign currencies**

Foreign currency transactions entered into during the year are translated into sterling at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and all currency translation differences arising from these transactions are charged or credited to the profit and loss account as appropriate.

##### **1.6 Consolidated financial statements**

As a wholly owned subsidiary of Wolseley plc and in accordance with FRS 2 "Accounting for subsidiary undertakings", the Company has not prepared consolidated financial statements. The results of the Company and its subsidiaries are consolidated in the financial statements of Wolseley plc, a company registered in Jersey.

## **WOLSELEY LIMITED**

### **Notes to the financial statements for the year ended 31 July 2014**

#### **1. Accounting policies (continued)**

##### **1.7 Derivative financial instruments**

The Company enters into a small number of derivative financial instruments on behalf of the Group as part of the Group's treasury risk management and hedging strategy. The Group does not enter into speculative trading activity in derivative financial instruments.

An interest rate swap is treated as an economic hedging instrument when it is directly related to actual assets or liabilities of the Company and it changes the nature of the interest rate of the hedged items by converting a fixed rate to a variable rate or vice versa. Interest differentials under these swaps are recognised by adjusting net interest payable of the hedged items over the periods of the contracts.

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

##### **1.8 Dividends**

Dividends receivable on fixed asset investments are recognised when received.

Dividends payable on ordinary shares are recognised in the Company's financial statements in the year in which the dividends are paid or approved.

##### **1.9 Debtors**

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

##### **1.10 Creditors**

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

##### **1.11 Interest**

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

##### **1.12 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Such provisions are measured at the present value of the management's best estimates of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money. Provisions are not recognised for future operating losses.

#### **2. Auditors' remuneration**

The audit fee for the year of £30,000 (2013 - £30,000) was borne by Wolseley (Group Services) Limited and was not recharged to the Company.

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2014

#### 3. Staff costs

The Company has no employees (2013 - none) other than the directors, who did not receive any emoluments in respect of their service to the Company (2013 - £nil).

#### 4. Interest receivable and similar income

	2014 £m	2013 £m
Interest receivable from Group undertakings	249	275
Bank interest receivable	3	3
	<u>252</u>	<u>278</u>

#### 5. Interest payable and similar charges

	2014 £m	2013 £m
On bank loans and overdrafts	31	27
On other loans	1	1
On loans from Group undertakings	245	301
Exchange losses	-	1
	<u>277</u>	<u>330</u>

#### 6. Tax on profit on ordinary activities

	2014 £m	2013 £m
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b>		
UK corporation tax credit on profit for the year	(7)	(13)
Adjustments in respect of prior years	31	6
<b>Total current tax</b>	<u>24</u>	<u>(7)</u>
<b>Deferred tax (see note 11)</b>		
Deferred tax on share based payments	1	1
<b>Tax on profit on ordinary activities</b>	<u>25</u>	<u>(6)</u>

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2014

#### 6. Tax on profit on ordinary activities (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the effective rate of corporation tax in the UK of 22.33% (2013 - 23.67%). The differences are explained below:

	2014 £m	2013 £m
Profit on ordinary activities before taxation	<u>2,544</u>	<u>94</u>
Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 22.33% (2013 - 23.67%)	568	22
<b>Effects of:</b>		
Adjustments in respect of prior years	31	6
Income from Shares in Group undertakings	(600)	(35)
Loss on disposal of fixed asset investment	2	-
Amounts written off Group undertakings	23	-
<b>Current tax charge/(credit) for the year</b>	<u>24</u>	<u>(7)</u>

##### Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014 and will change to 20% from 1 April 2015. Accordingly, the Company's profits for this financial year are taxed at an effective rate of 22.33%.

#### 7. Fixed asset investments

	Investments in subsidiary companies £m
<b>Cost or valuation</b>	
At 1 August 2013	8,471
Additions	19
Disposals/return of capital	(1,187)
Exchange movement	(276)
At 31 July 2014	<u>7,027</u>
<b>Impairment</b>	
At 1 August 2013	43
Exchange movement	(6)
At 31 July 2014	<u>37</u>
<b>Net book value</b>	
At 31 July 2014	<u>6,990</u>
At 31 July 2013	<u>8,428</u>

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2014

#### 7. Fixed asset investments (continued)

##### Subsidiary undertakings

The following were material subsidiary undertakings of the Company at 31 July 2014:

Name	Class of shares	Holding
Wolseley Treasury (USD)	Ordinary	100%
Wolseley Group Holdings Limited	Ordinary	100%
Wolseley Investments, Inc.	Ordinary	100%
Wolseley Finance (Isle of Man) Limited	Ordinary	100%
Wolseley Finance (Isle of Man) Limited	Preference	100%
Wolseley Nordic Holdings AB	Ordinary	100%
Wolseley Capital Inc.	Ordinary	100%

Name	Principal activity	Country of incorporation
Wolseley Treasury (USD)	Financing	United Kingdom
Wolseley Group Holdings Limited	Financing	United Kingdom
Wolseley Investments, Inc.	Financing	USA
Wolseley Finance (Isle of Man) Limited	Financing	Isle of Man
Wolseley Capital Inc.	Financing	USA
Wolseley Nordic Holdings AB	Holding	Sweden

On 13 February 2014, the Company purchased 100% of the Ordinary shares in Wolseley Capital Inc. for consideration of £19 million (USD 32 million).

On 14 February 2014, the Company received a dividend of £2,578 million (USD 4,236 million) from its subsidiary Wolseley Investments, Inc. This has been treated as income from shares in Group undertakings. The Company immediately paid a dividend in specie in the form of loans due from other Group undertakings of £2,318 million (USD 3,810 million) to its parent company Wolseley plc.

On 30 June 2014, the Company sold its Austrian subsidiary, OAG AG, for £19 million (EUR 23 million).

During the year the Company received dividends totalling £244 million from its subsidiary Wolseley Nordic Holdings AB, these dividends have been treated as a return of capital.

In addition to the investments listed above, the Company has indirect interests in a number of subsidiary undertakings which are immaterial to the financial statements of the Company. Details of these indirect interests can be found in the financial statements of the subsidiaries named above.

In the opinion of the directors, the value of the investments in subsidiary undertakings is not less than the aggregate amounts at which they are stated in the financial statements.

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2014

#### 8. Debtors

	2014 £m	2013 £m
<b>Amounts falling due after more than one year</b>		
Amounts owed by Group undertakings	2,635	3,119
Deferred tax (see note 11)	3	4
	<u>2,638</u>	<u>3,123</u>

At 31 July 2014 amounts owed by Group undertakings were unsecured and interest bearing at a rate of LIBOR plus 3.5%. £107 million was loaned under a revolving credit facility expiring August 2016, £7 million under a facility expiring June 2017, and £2,521 million under a facility expiring August 2017.

At 31 July 2013 amounts owed by Group undertakings were unsecured and interest bearing at a rate of LIBOR plus 3.5%. £2,532 million was loaned under a revolving loan facility expiring 1 August 2014, £24 million under a revolving facility expiring 31 October 2014, £196 million under a revolving facility expiring 1 August 2015 and £367 million under a revolving facility expiring 31 October 2016.

	2014 £m	2013 £m
<b>Amounts falling due within one year</b>		
Amounts owed by Group undertakings	3,138	2,800
Corporation tax	16	4
Prepayments and accrued income	-	1
	<u>3,154</u>	<u>2,805</u>

At 31 July 2014, amounts owed by Group undertakings were unsecured and interest bearing at a rate of LIBOR plus 3.5%. £3,112 million was loaned under a revolving credit facility expiring 31 July 2015. The balance of £26 million was not interest bearing and was repayable on demand.

At 31 July 2013 all amounts owed to Group undertakings were unsecured. £2,604 million was loaned under a 1 year facility expiring 31 July 2014 at a rate of LIBOR plus 3.5%. The remaining £196 million was non interest bearing.

During the year the Company entered into 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 by Group undertakings in relation to these contracts were £14 million (2013 - £8 million).

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2014

#### 9. Creditors: Amounts falling due within one year

	2014 £m	2013 £m
Bank loans and overdrafts	209	167
Amounts owed to Group undertakings	506	1,731
Other creditors	-	1
Accruals and deferred income	4	5
	<u>719</u>	<u>1,904</u>

At 31 July 2014 and at 31 July 2013 amounts owed to Group undertakings were unsecured. £434 million (2013 - £1,587 million) was borrowed under a short-term agreement at a rate of LIBOR plus 0.5%. The remaining £72 million (2013 - £144 million) was non-interest bearing.

During the year the Company entered into 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 £nil (2013 - £13 million).

#### 10. Creditors: Amounts falling due after more than one year

	2014 £m	2013 £m
Bank loans	250	-
Amounts owed to Group undertakings	9,926	10,683
	<u>10,176</u>	<u>10,683</u>

During the year ended 31 July 2014, the company entered into a £300m revolving facility which matures in August 2015. As at 31 July 2014 £250m was drawn under this facility.

At 31 July 2014 and 31 July 2013 amounts owed to Group undertakings were unsecured, £5,948 million (2013 - £6,844 million) was interest bearing at a rate of LIBOR plus 0.5% and £3,564 million (2013 - £3,839 million) was interest bearing at LIBOR plus 3.5% under revolving loan facilities expiring 31 October 2016; £414 million (2013 - £nil) was interest bearing at LIBOR plus 3.5% under a facility expiring 31 December 2017.



**WOLSELEY LIMITED**

**Notes to the financial statements  
for the year ended 31 July 2014**

**11. Deferred tax**

	2014 £m	2013 £m
Asset balance at beginning of year	4	5
Decrease in the year	(1)	(1)
	<u>3</u>	<u>4</u>

The deferred tax asset is made up as follows:

	2014 £m	2013 £m
Tax asset on share based payment	<u>3</u>	<u>4</u>

**12. Share capital**

	2014 £m	2013 £m
<b>Allotted, called up and fully paid</b>		
18,674,179,648 (2013 - 18,674,179,648) Ordinary shares of £0.00001 each	-	-
297,884 (2013 - 40,398) Ordinary shares of £0.10 each	-	-
1 (2013 -1) Ordinary A share of £0.10	-	-
	<u>-</u>	<u>-</u>

257,486 (2013 - 6,839) Ordinary shares of £0.10 were issued during the year.

**13. Reserves**

	Share premium account £m	Profit and loss account £m
At 1 August 2013	1	1,838
Profit for the financial year	-	2,519
Dividends (Note 15)	-	(2,433)
Premium on shares issued (net of expenses)	4	-
Other recognised losses	-	(45)
	<u>5</u>	<u>1,879</u>

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2014

#### 14. Reconciliation of movement in shareholders' funds

	2014 £m	2013 £m
Opening shareholders' funds	1,839	2,152
Profit for the financial year	2,519	100
Dividends (note 15)	(2,433)	(500)
Premium on shares issued (net of expenses)	4	-
Other recognised gains and losses	(45)	87
	<hr/>	<hr/>
Closing shareholders' funds	<u>1,884</u>	<u>1,839</u>

#### 15. Dividends

	2014 £m	2013 £m
Dividends paid on equity capital	<u>2,433</u>	<u>500</u>

On 9 January 2014, the Company paid a dividend in specie in the form of a loan from another Group undertaking for £115 million equal to 0.61 pence per share.

On 14 February 2014, the Company paid a dividend in specie of £2,318 million (USD 3,810 million) equal to 12.42 pence per share.

#### 16. Contingent liabilities

The Company has given certain banks authority to transfer at any time any sum outstanding to its credit against or toward satisfaction of its liability to those banks of certain subsidiary undertakings.

#### 17. Related party transactions

The Company has taken advantage of the exemption available under FRS 8 "Related party disclosures" to dispense with the requirement to disclose transactions with fellow subsidiaries, all of whose voting rights are held within the Group, and which are included in the consolidated financial statements of Wolseley plc.

#### 18. Ultimate parent undertaking and controlling party

The immediate parent company and ultimate controlling party is Wolseley plc, which is registered in Jersey. It is the smallest and largest parent undertaking to consolidate these financial statements. Copies of the Group financial statements may be obtained from the Company Secretary, Wolseley plc, Grafenauweg 10, CH 6301, Zug, Switzerland.