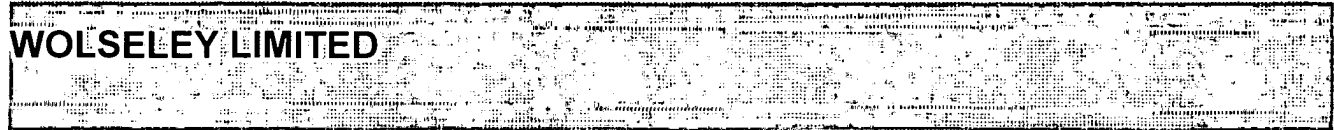


Registered number: 00029846



Annual report and financial statements  
for the year ended 31 July 2018

SATURDAY



A09 \*A7FZRWA0\* #206  
06/10/2018  
COMPANIES HOUSE

A vertical stamp with a black background and white text. The word "SATURDAY" is written vertically. To the right is a standard 1D barcode. Below the barcode, the alphanumeric string "A09 \*A7FZRWA0\* #206" is printed, followed by the date "06/10/2018" and the text "COMPANIES HOUSE".

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**Strategic report**  
**for the year ended 31 July 2018**

**Business review and future developments**

Wolseley Limited (the "Company") is a wholly owned subsidiary of Ferguson 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 March 2018, the Company received a cash dividend of €473 million (\$582 million) from its subsidiary Wolseley Nordic Holdings AB, following the Group's disposal of the majority of the Nordic business. As a result of the dividend, a provision for impairment of \$507 million was recorded against the fixed asset investment in Wolseley Nordic Holdings AB as the recoverable amount was considered to be less than the value of the investment held.

In July 2018, the Company received a cash dividend of \$650 million from its subsidiary Wolseley Investments, Inc.

In July 2018, the Company paid a dividend to its parent company, Ferguson plc, of \$388 million. This dividend paid was equivalent to 2.08 cents per ordinary share of £0.00001.

During the prior 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 was reversed by \$283 million to align with the expected proceeds, net of selling costs.

The balance sheet on page 8 of the financial statements shows the Company's financial position at 31 July 2018.

The profit for the year amounted to \$477 million (2017 - profit of \$472 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 Annual Report which does not form part of this report and can be found on the Ferguson Plc website.

**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 Annual Report which does not form part of this report and can be found on the Ferguson Plc website.

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



**P A Scott**  
**Director**

Date: 1 October 2018

1020 Eskdale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TS

**Directors' report**  
**for the year ended 31 July 2018**

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 2018.

**Directors**

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

P S Fox  
S Gray  
D L Keltner (resigned 1 August 2017)  
M A G Lemere (appointed 1 January 2018)  
M A Powell (appointed 1 August 2017)  
P A Scott  
R I Shoylekov (resigned 31 December 2017)

**Dividends**

During the year the Company paid a dividend of \$388 million (2017 - \$450 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.

**Directors' indemnities**

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 2018**

**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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Matters covered in the strategic report**

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

**Going concern**

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 (note 1.2).

**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: 1 October 2018

1020 Eskdale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TS

## **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 2018 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 Financial Reporting Council's (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](http://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**

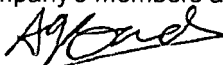
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

### **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.

  
Andrew Bond (FCA) (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, UK  
Date: 1 October 2018

**Profit and loss account**  
**for the year ended 31 July 2018**

	Note	2018 \$m	2017 \$m
Administrative expenses		(8)	(6)
<b>Operating loss</b>		<b>(8)</b>	<b>(6)</b>
Income from shares in Group undertakings	8	<b>1,235</b>	450
(Amounts written off investments)/reversal of impairment	9	<b>(488)</b>	283
Interest receivable and similar income	5	<b>44</b>	201
Interest payable and similar charges	6	<b>(312)</b>	(418)
<b>Profit before tax</b>		<b>471</b>	510
Tax credit/(charge) on profit	7	<b>6</b>	(38)
<b>Profit for the financial year attributable to the equity shareholders of the Company</b>		<b>477</b>	472

All amounts relate to continuing activities.

There were no recognised gains and losses for 2018 or 2017 other than those included in the profit and loss account therefore no Statement of Comprehensive income is presented.



Registered number: 00029846

**Balance sheet**  
**at 31 July 2018**

	Note	\$m	2018 \$m	\$m	2017 \$m
<b>Fixed assets</b>					
Investments	9		9,016		9,490
Investments in associates	10		<u>35</u>		<u>-</u>
			<b>9,051</b>		<b>9,490</b>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	11	54		4,324	
Debtors: amounts falling due within one year	11	<u>1,503</u>		<u>5</u>	
			<b>1,557</b>	<b>4,329</b>	
Creditors: amounts falling due within one year	12	<u>(721)</u>		<u>(496)</u>	
<b>Net current assets</b>			<u><b>836</b></u>		<u><b>3,833</b></u>
<b>Total assets less current liabilities</b>			<b>9,887</b>		<b>13,323</b>
Creditors: amounts falling due after more than one year	13		<b>(7,385)</b>		<b>(10,910)</b>
<b>Provisions for liabilities</b>					
Other provisions	16	<u>(7)</u>		<u>(7)</u>	
			<u><b>(7)</b></u>		<u><b>(7)</b></u>
<b>Net assets</b>			<u><b>2,495</b></u>		<u><b>2,406</b></u>
<b>Capital and reserves</b>					
Share capital	17		-		-
Share premium account	18		<b>8</b>		<b>8</b>
Profit and loss account	18		<u><b>2,487</b></u>		<u><b>2,398</b></u>
			<u><b>2,495</b></u>		<u><b>2,406</b></u>

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



**P S Fox**  
**Director**

Date: 1 October 2018

The notes on pages 10 to 21 form part of these financial statements.

**Statement of changes in equity**  
**at 31 July 2018**

	<b>Share capital \$m</b>	<b>Share premium account \$m</b>	<b>Profit and loss account \$m</b>	<b>Total equity \$m</b>
At 31 July 2016	-	8	2,376	2,384
Profit for the financial year	-	-	472	472
Dividends paid on equity shares (note 8)	-	-	(450)	(450)
At 31 July 2017	<u>-</u>	<u>8</u>	<u>2,398</u>	<u>2,406</u>
Profit for the financial year	-	-	477	477
Dividends paid on equity shares (note 8)	-	-	(388)	(388)
At 31 July 2018	<u><u>-</u></u>	<u><u>8</u></u>	<u><u>2,487</u></u>	<u><u>2,495</u></u>

**Notes to the financial statements for  
the year ended 31 July 2018**

**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.

From 1 August 2017 the functional currency of Wolseley Limited was considered to be US dollars, due to changes in the intercompany funding. As a result, these financial statements are now prepared in US dollars with the prior year comparatives translated at prior year exchange rates.

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 2018**

**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 2018**

**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 \$9,016 million after the charge for impairment in the year of \$507 million and the reversal of impairment in the year of \$19 million following changes in estimates (see note 9 for further details).

**Notes to the financial statements**  
**for the year ended 31 July 2018**

**3. Auditors' remuneration**

The remuneration for the audit of the financial statements for the year of \$40,000 (2017 - \$38,000) was borne by Ferguson Group Services Limited and was not recharged to the Company.

**4. Staff costs**

The Company has no employees (2017 - none) other than the directors, who did not receive any remuneration in respect of their services to the Company (2017 - £nil).

**5. Interest receivable**

	2018 \$m	2017 \$m
Interest receivable from Group companies	6	188
Bank interest receivable	21	10
Exchange gains	-	3
Derivatives held at fair value through the profit and loss	17	-
	44	201

**6. Interest payable and similar charges**

	2018 \$m	2017 \$m
Bank interest payable	23	19
Other loan interest payable	6	-
Loans from Group undertakings	272	399
Exchange losses	11	-
	312	418

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

	2018 \$m	2017 \$m
<b>Current tax</b>		
UK corporation tax on profit/(loss) for the year	-	-
Adjustments in respect of prior years	-	-
<b>Total current tax charge</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(11)	(4)
Adjustments in respect of prior years	4	42
Effect of changes in tax rates	1	-
<b>Total deferred tax (credit)/charge</b>	(6)	38
<b>Total tax (credit)/charge on profit/(loss)</b>	(6)	38

**Notes to the financial statements**  
**for the year ended 31 July 2018**

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

The tax assessed for the year is lower than (2017 – lower than) the standard rate of corporation tax in the UK of 19.00% (2017 – 19.67%). The differences are explained below:

	<b>2018</b>	<b>2017</b>
	<b>\$m</b>	<b>\$m</b>
Profit/(loss) before tax	<b>471</b>	510
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.67%)	<b>89</b>	100
<b>Effects of:</b>		
Adjustments in respect of prior years	<b>4</b>	42
Amounts written off investments / (reversal of impairment)	<b>93</b>	(53)
Tax rate changes	<b>1</b>	-
Non-taxable dividends from Group companies	<b>(234)</b>	(90)
Non-deductible interest expense	-	30
Expenses not deductible	<b>1</b>	-
Group relief surrendered for nil payment	<b>40</b>	9
<b>Total tax (credit)/charge for the year</b>	<b>(6)</b>	38

**Tax rate changes**

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

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%.

**8. Dividends**

**Income from shares in Group undertakings**

	<b>2018</b>	<b>2017</b>
	<b>\$m</b>	<b>\$m</b>
Wolseley Investments, Inc	<b>650</b>	450
Wolseley Nordic Holdings AB	<b>582</b>	-
Wolseley Europe Limited	<b>3</b>	-
	<b>1,235</b>	450

In March 2018, the Company received a cash dividend of €473 million (\$582 million) from its subsidiary Wolseley Nordic Holdings AB, following the Group's disposal of the majority of the Nordic business.

In July 2018, the Company received a cash dividend of \$650 million from its subsidiary Wolseley Investments, Inc.

**Notes to the financial statements**  
**for the year ended 31 July 2018**

**8. Dividends (continued)**

**Dividends paid**

	2018 \$m	2017 \$m
Dividends paid on equity capital	<u>388</u>	<u>450</u>

In July 2018, the Company paid a dividend to its parent company, Ferguson plc, of \$388 million. This dividend was equivalent to 2.02 cents per ordinary share of £0.00001.

**9. Fixed asset investments**

	<b>Investments in subsidiary companies \$m</b>
<b>Cost or valuation</b>	
At 1 August 2017	9,680
Additions	14
At 31 July 2018	<u>9,694</u>
<b>Impairment</b>	
At 1 August 2017	(190)
Charge for the year	(507)
Reversal of impairment	19
At 31 July 2018	<u>(678)</u>
<b>Net book value</b>	
At 31 July 2018	<u>9,016</u>
At 31 July 2017	<u>9,490</u>

In March 2018, the Company received a cash dividend of €473 million (\$582 million) from its subsidiary Wolseley Nordic Holdings AB, following the Group's disposal of the majority of the Nordic business. As a result of the dividend, a provision for impairment of \$507 million was recorded against the fixed asset investment in Wolseley Nordic Holdings AB as the recoverable amount was considered to be less than the value of the investment held.

During the year the Company increased its holding in Luxury for Less Limited from 68% to 88%, for cash consideration of \$14 million. During the year the impairment taken against the Company's investment in Luxury for Less has been reversed by \$19 million in line with the Company's valuation of its holding of Luxury for Less Limited.

During the prior 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 was reversed by \$283 million to align with the expected proceeds, net of selling costs.



**Notes to the financial statements**  
**for the year ended 31 July 2018**

**9. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were material subsidiary undertakings of the Company at 31 July 2018:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
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	87.7%	Trading

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

**10. Investments in associates**

<b>Cost or valuation</b>	<b>Investment in associates \$m</b>
At 1 August 2017	-
Addition	35
At 31 July 2018	<u>35</u>

In January 2018 the Company acquired an investment in Group Silverline Limited, for cash consideration of \$35 million. The investment represents 100% of the preference shares of Group Silverline Limited.

The investment in associates is held at amortised cost.

**Notes to the financial statements**  
**for the year ended 31 July 2018**

**11. Debtors**

	2018 \$m	2017 \$m
<b>Due after more than one year</b>		
Amounts owed by Group undertakings	39	4,317
Deferred tax asset (see note 15)	10	4
Prepayments and accrued income	5	3
	<b>54</b>	<b>4,324</b>

At 31 July 2018 and at 31 July 2017 amounts owed by Group undertakings were unsecured.

At 31 July 2018, \$17m (2017 - \$17m) was loaned to Luxury for Less Limited at an interest rate of 10% under an agreement expiring February 2020.

At 31 July 2017 \$4,300 million was loaned at an interest rate of LIBOR plus 3.1% under a revolving credit facility expiring August 2020.

During the year, amounts owed by Group undertakings were repaid and the cash received was used to reduce the amounts owed to Group undertakings (see note 13).

	2018 \$m	2017 \$m
<b>Due within one year</b>		
Amounts owed by Group undertakings	1,492	2
Corporation tax	1	1
Prepayments and accrued income	5	2
Financial instruments	5	-
	<b>1,503</b>	<b>5</b>

At 31 July 2018 and at 31 July 2017 amounts owed by Group undertakings were unsecured. At 31 July 2018 \$1,490 million was loaned at an interest rate of LIBOR plus 0.45%.

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.

**12. Creditors: Amounts falling due within one year**

	2018 \$m	2017 \$m
Bank overdrafts	32	220
Amounts owed to Group undertakings	686	274
Accruals and deferred income	1	2
Financial instruments	2	-
	<b>721</b>	<b>496</b>

At 31 July 2018 amounts owed to Group undertakings were unsecured. \$96 million was borrowed at 1 month LIBOR plus 0.15%, \$210 million was borrowed at 1 week LIBOR plus 0.15%, \$30 million was borrowed at 1 month LIBOR plus 0.15%, \$266 million was borrowed at Interpolated rate plus 0.15% and \$21 million was borrowed at 1 month plus a margin 0.15%.

At 31 July 2017 amounts owed to Group undertakings were unsecured. \$30 million was borrowed under a short-term agreement at a rate of LIBOR plus 0.5%. The remaining \$53 million was non-interest bearing.

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

**13. Creditors: Amounts falling due after more than one year**

	2018 \$m	2017 \$m
Amounts owed to Group undertakings	7,349	10,910
Accruals and deferred income	14	-
Financial instruments	22	-
	7,385	10,910

At 31 July 2018 and 31 July 2017 amounts owed to Group undertakings were unsecured.

At 31 July 2018 \$1,081 million was interest bearing at fixed rates between 2% to 4% under revolving credit facilities expiring between November 2020 and September 2027. \$450 million was interest bearing at 3 month LIBOR plus margins between 1.31% and 1.42% expiring between November 2023 and November 2026. The remaining \$5,818 million was interest bearing at 6 month LIBOR plus 1.8% under revolving loan facilities expiring August 2020.

During the year, amounts owed by Group undertakings were repaid and the cash received was used to reduce the amounts owed to Group undertakings (see note 11).

**14. Bank loans**

Analysis of the maturity of loans is given below:

	2018 \$m	2017 \$m
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	-

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 2018 and 31 July 2017 this facility was undrawn.

In November 2017, the US\$ 190 million one year bi-lateral facility was increased to US\$ 290 million and extended to November 2018. In December 2016 the Group entered into the US\$ 190 million one year bi-lateral facility. At 31 July 2018 and 31 July 2017 this facility was undrawn.

**15. Deferred tax**

	2018 \$m	2017 \$m
At beginning of year	4	44
Credited/(charged) to the profit and loss account	6	(38)
Exchange rate effects	-	(2)
<b>Balance at end of year</b>	<b>10</b>	<b>4</b>

The deferred tax asset is made up as follows:

	2018 \$m	2017 \$m
Losses carried forward	9	3
Short term timing differences	1	1
	<b>10</b>	<b>4</b>

The total net deferred tax asset of \$10 million is expected to reverse next year (2017 – the total deferred tax asset of \$4 million was expected to reverse in the following year).

**Notes to the financial statements**  
**for the year ended 31 July 2018**

**16. Provisions**

	Restructuring \$m	Other Provisions \$m	Total \$m
At 1 August 2017	4	3	7
Charge for the year	-	-	-
At 31 July 2018	4	3	7

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

**17. Share capital**

	2018 \$m	2017 \$m
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
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	-	-
	-	-

**18. 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.

**19. 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.

**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 2018**

**21. Subsidiary undertakings**

A full list of subsidiaries, joint ventures and companies in which Wolseley Limited has a controlling interest as at 31 July 2018 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)(9)	Ferguson Group Services Limited (England)(iii)(1)
A C Electrical Holdings Limited (England)(x)(18)	Ferguson Holding A/S (Denmark)(iii)(13)
A C Electrical Wholesale Limited (England)(iii)(18)	Ferguson Panama, S.A. (Panama)(ix)(3)
A C Ferguson Limited (Scotland)(ii)(iii)(15)	Ferguson Receivables, LLC. (US)(xi)(2)
Aircovent B.V. (Netherlands) (iii)(23)	Fusion Provida Holdco Limited (England)(iii)(18)
AMRE Supply Inc. (Canada)(ix)(9)	Fusion Provida UK Limited (England)(iii)(18)
AMRE Supply Canada Inc. (Canada)(ix)(9)	G. L. Headley Limited (England)(ii)(iii)(1)
Advancechief Limited (England)(ii)(iii)(1)	Glegg & Thomson Limited (Scotland)(ii)(iii)(15)
B Holding SAS (France)(iii)(5)	H.P. Products Corporation (US)(ix)(2)
B Participations SAS (France)(iii)(5)	Hall & Co. Limited (England)(ii)(iii)(18)
British Fittings Central Limited (England)(i)(ii)(iii)(1)	Health Equipment Hire Limited (England)(i)(ii)(iii)(1)
British Fittings Company (North Eastern) Limited (England)(ii)(x)(1)	Heating Replacement Parts & Controls Limited (England)(ii)(iii)(1)
British Fittings Group Limited (England)(ii)(iii)(1)	Heatmerchants Limited (England)(i)(ii)(iii)(1)
British Fittings Limited (England)(i)(ii)(iii)(1)	Het Onderdeel BV (Netherlands)(iii)(17)
Broughton's Limited (England)(ii)(iii)(1)	HM Wallace, Inc. (US)(iii)(2)
Build Center Limited (England)(i)(ii)(iii)(1)	Homeoutlet Online Limited (England)(iii)(18)
Build.com, Inc. (US)(ix)(2)	HP Logistics, Inc. (US)(ix)(2)
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 (US)(xi)(2)	Living Direct, Inc. (US)(ix)(2)
Clayton International, LLC (US)(xi)(2)	M. A. Ray & Sons Limited (England)(i)(ii)(iii)(1)
Controls Center Limited (England)(i)(ii)(x)(1)	Matera Paper Company, Inc. (US)(ix)(2)
Crew-Davis Limited (England)(i)(ii)(iii)(1)	Melanie Limited (England)(i)(ii)(iii)(1)
Davidson Group Leasing Co. LLC (US)(xi)(2)	MPS Builders Merchants Limited (England)(iii)(18)
Drain Center Limited (England)(i)(ii)(iii)(1)	Nevill Long Limited (England)(iii)(28)
Energy & Process Corporation (US)(iii)(2)	Northern Heating Limited (Scotland)(ii)(iii)(15)
FEI Ventures, Inc (US)(ix)(2)	Northern Heating Supplies Limited (Scotland)(ii)(iii)(15)
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 Finance Limited (England)(i)(ii)(viii)(1)	O.B.C. Limited (Northern Ireland)(i)(ii)(iii)(7)
Ferguson Fire & Fabrication Inc. (US)(iii)(4)	Oil Burner Components Limited (England)(i)(ii)(iii)(1)

**Notes to the financial statements for the year ended 31 July 2018**

**21. Subsidiary undertakings (continued)**

P.D.M. (Plumbers Merchants) Limited (Scotland)(i)(ii)(iii)(15)	Wolseley Capital, Inc. (US)(i)(vii)(2)
Parts Center Limited (England)(i)(ii)(iii)(1)	Wolseley Centers Limited (England)(i)(ii)(iii)(1)
Pat Murphy Industrial(Sales & Service)Unlimited(Republic of Ireland)(iii)(5)	Wolseley Centres Limited (England)(i)(ii)(iii)(1)
Pipeline Controls Limited (England)(i)(ii)(iii)(1)	Wolseley Developments Limited (England)(i)(ii)(iii)(1)
Plumb-Center Limited (England)(i)(ii)(iii)(1)	Wolseley Directors Limited (England)(i)(ii)(iii)(1)
Power Equipment Direct Inc. (US)(ix)(2)	Wolseley ECD Limited (Northern Ireland)(ii)(iii)(7)
Promandis Limited (England)(i)(ii)(iii)(1)	Wolseley Engineering Limited (England)(i)(ii)(iii)(1)
Reay Electrical Distributors Limited (England)(ii)(iii)(1)	Wolseley Europe Limited (England)(i)(iii)(1)
Rosco Industrial Limited (Scotland)(ii)(iii)(15)	Wolseley Finance (Isle of Man) Limited (Isle of Man)(i)(vi)(xiv)(6)
Safe Step Walk In Tub LLC (US)(xi)(22)	Wolseley Finance (Thames) Limited (England)(i)(ii)(iii)(1)
Sellers of Leeds (Group Services) Limited (England)(ii)(iii)(1)	Wolseley Finance (Theale) Limited (England)(ii)(vi)(1)
Sellers of Leeds International Limited (England)(ii)(iii)(1)	Wolseley Green Deal Services Limited (England)(iii)(xv)(18)
Sellers of Leeds Limited (England)(viii)(28)	Wolseley Group Holdings Limited (England)(i)(iii)(1)
SEMSCO Barbados, LLC (US)(ii)(xi)(11)	Wolseley Haworth Limited (England)(iii)(18)
Soak B.V.(Netherlands)(ii)(iii)(16)	Wolseley Holding A/S (Denmark)(iii)(13)
Stock Loan Services LLC (US)(xi)(2)	Wolseley Holdings (Ireland) (Republic of Ireland)(ii)(iii)(xiv)(4)
T & R Electrical Wholesalers Ltd (England)(iii)(18)	Wolseley Holdings Canada Inc. (Canada)(ix)(9)
Tellum Construction, LLC (US)(xi)(2)	Wolseley Industrial Canada Inc. (Canada)(iii)(9)
Thames Finance Company Limited (England)(i)(ii)(iii)(1)	Wolseley Integrated de Mexico, S.A. de C.V. (Mexico)(iv)(19)
Thomson Brothers Limited (Scotland)(iii)(15)	Wolseley Integrated Services Inc. (Canada)(ix)(9)
Uni-Rents Limited (England)(i)(ii)(iii)(1)	Wolseley Investments Limited (England)(i)(ii)(iii)(1)
Utility Power Systems Limited (England)(v)(18)	Wolseley Investments, Inc. (US)(i)(iii)(2)
Wasco Distributiecentrum B.V. (Netherlands)(iii)(17)	Wolseley NA Construction Services, LLC (US)(xi)(2)
Wasco Energie Centrum B.V. (Netherlands)(iii)(17)	Wolseley Nordic Holdings AB (Sweden)(i)(iii)(21)
Wasco Groothandelsgroep B.V. (Netherlands)(iii)(17)	Wolseley Overseas Limited (England)(iii)(1)
Wasco Holding B.V. (Netherlands)(iii)(17)	Wolseley Pension Trustees Limited (England)(i)(ii)(iii)(1)
Wasco Twello B.V. (Netherlands)(iii)(16)	Wolseley Properties Limited (England)(ii)(iii)(1)
Wholesale Group Operations, Inc. (US)(ix)(2)	Wolseley QUEST Limited (England)(i)(ii)(iii)(1)
Wholesale Supplies (C.I.) Ltd (Jersey)(iii)(8)	Wolseley Trinidad Ltd (Trinidad and Tobago)(iii)(12)
William Wilson & Co. (Aberdeen) Limited (Scotland)(ii)(iii)(15)	Wolseley UK Directors Limited (England)(iii)(18)
William Wilson & Company (Glasgow) Limited (Scotland)(ii)(iii)(15)	Wolseley UK Finance Limited (Guernsey)(ii)(iii)(xiv)(14)
William Wilson (Rugby) Limited (England)(ii)(iii)(1)	Wolseley UK Limited (England)(viii)(18)
William Wilson Holdings Limited (Scotland)(v)(15)	Wolseley Utilities Limited (England)(iii)(18)
William Wilson Ltd (Scotland)(iii)(15)	Wolseley-Hughes Limited (England)(ii)(iii)(1)
WM. C. Yuille & Company Limited (Scotland)(ii)(iii)(15)	Wolseley-Hughes Merchants Limited (England)(ii)(iii)(1)
Wolseley (Barbados) Ltd (Barbados)(iii)(2)	Wright (Bedford) Limited (England)(ii)(iii)(1)
Wolseley Bristol Limited (England)(ii)(iii)(1)	Yorkshire Heating Supplies Limited (England)(ii)(iii)(1)
Wolseley Canada Inc. (Canada)(ix)(9)	

**Notes to the financial statements**  
**for the year ended 31 July 2018**

**21. Subsidiary undertakings (continued)**

**Associated Undertakings**

Group Silverline Limited (England)(xiii)(24)  
 Meier Tobler Group AG (Switzerland 39%)(iii)(20)

**Controlling interests**

Luxury for Less Limited (England, 88%) (vii)(11)

**Notes:**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>(i) Directly owned by Wolseley Limited</li> <li>(ii) Dormant company</li> <li>(iii) Ownership held in ordinary shares</li> <li>(iv) Ownership held in class of A shares</li> <li>(v) Ownership held in classes of A and B shares</li> <li>(vi) Ownership held in classes of A, B, C and D shares</li> <li>(vii) Ownership held in classes of A1, A2, B, C, D, E, G shares</li> <li>(viii) Ownership held in ordinary and preference shares</li> </ul> | <ul style="list-style-type: none"> <li>(ix) Ownership held in common stock</li> <li>(x) Ownership held in common stock and preferred stock</li> <li>(xi) Ownership held as membership interests</li> <li>(xii) Ownership held as partnership interests</li> <li>(xiii) Ownership held as 100% of preference shares</li> <li>(xiv) Companies controlled by the Group based on management's assessment</li> <li>(xv) Applied for strike off</li> </ul> |
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Address Code	Registered Office address
1	1020 Eskdale Road, Winnersh Triangle, Wokingham, RG41 5TS, United Kingdom
2	12500 Jefferson Avenue, Newport News VA 23602, United States
3	Avenida 2F Norte, Calle Matias Hernandez, Rio Abajo, Panama City, Panama
4	25/28 North Wall Quay, Dublin 1, Ireland
5	3 avenue de l'Opera, 75001, Paris, France
6	33-37 Athol Street , Douglas, IM1 1LB, Isle of Man
7	42-46 Fountain Street, Belfast, Northern Ireland, BT1 5EF, United Kingdom
8	47 Esplanade, St Helier, Jersey, JE1 0BD, Jersey
9	880 Laurentian Drive, Burlington ON L7N 3V6, Canada
10	9501 Highway , 92 East, Tampa FL FL 33610, United States
11	Attleborough House, Townsend Drive, Attleborough Fields Industrial Estate, Nuneaton, Warwickshire, CV11 6RU, United Kingdom
12	Building no 6, Fernandes Industrial Centre, Eastern Main Road, Laventille, Port of Spain, Trinidad and Tobago
13	Sundkrogsgade 21, 2100, København, Denmark
14	Gategny Court, Gategny Esplanade, St Peter Port, GY1 1WR, Guernsey
15	Hareness Road, Altens Industrial Estate, Aberdeen, AB12 3QA, United Kingdom
16	Koppelstraat 9, 7391 AK , Twello, Netherlands
17	Leigraaf 54, 7391 AL Twello, Twello, Netherlands
18	The Wolseley Center, Harrison Way, Leamington Spa, CV31 3HH, United Kingdom
19	Carretera a General Cepeda 8395, Derramadero, Coahuila, 25300, Mexico
20	Bahnstrasse 24, 8603 Scherzenbach, Switzerland
21	Box 162 85, 103 25, Stockholm, Sweden
22	402 BNA Drive, Suite 350, Nashville TN 37217, United States
23	Kiotoweg 411, 3047 BG, Rotterdam, Netherlands
24	Boundary Way, Lufton Trading Estate, Yeovil, Somerset, BA22 8HZ, United Kingdom