

Registered number: 00029846

## WOLSELEY LIMITED

Directors' report and financial statements  
for the year ended 31 July 2012



**WOLSELEY LIMITED**

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## **WOLSELEY LIMITED**

### **Directors' report for the year ended 31 July 2012**

The directors present their report and the audited financial statements for the year ended 31 July 2012

#### **Principal activities and review of business**

The Company is a wholly owned subsidiary of Wolseley plc

The principal activity of the Company is that of a finance and investment company. There have been no significant changes in the Company's principal activity in the year under review. The directors do not foresee, at the date of this report that there will be any major changes in the Company's activities in the next year.

The risks of the Company are managed as part of the portfolio of companies in the Wolseley plc Group (the "Group")

On 1 March 2012, the Company paid a cash dividend of £82 million to Wolseley plc

On 19 June 2012, the Company purchased the 100% shareholding in Wolseley Nordic Holdings AB from another Group subsidiary for a cash consideration of £811 million

On 26 June 2012, the Company purchased the 100% shareholding in OAG AG, a trading company based in Austria, from another Group subsidiary, for a cash consideration of £40 million

On 16 July 2012, the Company paid a cash dividend of £50 million to Wolseley plc

During the year, a provision for impairment of £37 million (2011 - £nil) was recorded against the fixed asset investment in Wolseley Finance (Isle of Man) Limited, as the recoverable amount of the net assets of Wolseley Finance (Isle of Man) Limited and its subsidiaries were considered to be less than the value of the investment held

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end

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

#### **Principal risks and uncertainties**

The Company does not operate external to the Group and therefore its financial risks are governed by the Group policies and procedures. 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 at Group level 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 2012**

#### **Health, safety and environment**

The Group recognises the importance of its environmental responsibilities. A key driver of the Group's success has been the high degree of autonomy which has been afforded to local management, allowing them to serve local markets in the most appropriate manner. Within this decentralised structure, the Board has set down a number of health, safety and environment principles with which all businesses are required to comply. The principles relating to environment cover the integration of environmental management into business operations, a commitment to the adoption and achievement of best practice wherever this is practicable, a commitment to prevent pollution, compliance with local environmental legislation, the adoption where practicable of local formal environmental management systems, a commitment to strive for continual improvement, and a commitment to ensure proper communication with employees on environmental matters.

The Company operates in accordance with Group policies which are described in the Group's Annual Report which does not form part of this report.

#### **Results and dividends**

The loss for the year, after taxation, was £63 million (2011 - profit £642 million)

During the year the Company paid total dividends to Wolseley plc of £132 million, 0.71 pence per share (2011 - £2,595 million, 13.90 pence per share)

#### **Directors**

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

J W Martin  
R I Shoyolekov  
M R Verrier  
M J Webb (resigned 1 August 2012)  
S Gray (appointed 1 August 2012)

#### **Post balance sheet events**

On 1 October 2012 the Company's subsidiary Wolseley Group Holdings Limited made a dividend in specie of its 100% shareholding in each of Chartersteel Limited, Plantcable Limited and Wolseley Finance (Humboldt) Limited. This dividend was valued at £120 million.

On 1 November 2012 the Company received a cash dividends from some of its subsidiaries. It received £81 million from Plantcable Limited, £1 million from Wolseley Finance (Humboldt) Limited and £38 million from Chartersteel Limited.

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

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

## WOLSELEY LIMITED

### Directors' report for the year ended 31 July 2012

#### Directors' responsibilities statement (continued)

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 year. 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,
- 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.

#### Provision 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 information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

#### 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.

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

  
R I Shoylekov  
Director

Date 18 December 2012

Parkview 1220  
Arlington Business Park  
Theale  
Reading  
RG7 4GA

## **WOLSELEY LIMITED**

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

We have audited the financial statements of Wolseley Limited for the year ended 31 July 2012, which comprise the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 July 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

**WOLSELEY LIMITED**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Neil Grimes*

Neil Grimes (Senior Statutory Auditor)

for and on behalf of  
**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

London

18 December 2012

**WOLSELEY LIMITED**

**Profit and loss account  
for the year ended 31 July 2012**

	Note	2012 £m	2011 £m
Administrative expenses		-	(1)
<b>OPERATING LOSS</b>		-	(1)
Income from shares in Group undertakings		-	656
Gain on disposal of fixed asset investments		-	36
Interest receivable and similar income	4	154	105
Amounts written off investments	7	(37)	-
Interest payable and similar charges	5	(183)	(117)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(66)	679
Tax on (loss)/profit on ordinary activities	6	3	(37)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	13	(63)	642

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

**Statement of total recognised gains and losses  
for the year ended 31 July 2012**

	Note	2012 £m	2011 £m
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(63)	642
		3	(2)
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		(60)	640

**Other recognised gains and losses are as follows:**

	2012 £m	2011 £m
Exchange gain on retranslation of fixed asset investments	51	(91)
Exchange (loss)/gain on hedging of fixed asset investments through foreign currency loans and forward contracts	(48)	89
<b>Total</b>	3	(2)



**WOLSELEY LIMITED**  
Registered number: 00029846

**Balance sheet**  
as at 31 July 2012

	Note	£m	2012 £m	£m	2011 £m
<b>FIXED ASSETS</b>					
Investments	7		8,287		7,422
<b>CURRENT ASSETS</b>					
Debtors amounts falling due after more than one year	8	3,241		1,285	
Debtors amounts falling due within one year	8	2,805		244	
Cash at bank and in hand		411		128	
			<u>6,457</u>	<u>1,657</u>	
<b>CREDITORS</b> , amounts falling due within one year	9	(1,828)		(287)	
<b>NET CURRENT ASSETS</b>			<u>4,629</u>		1,370
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>12,916</u>		8,792
<b>CREDITORS</b> : amounts falling due after more than one year	10		(10,764)		(6,448)
<b>NET ASSETS</b>			<u>2,152</u>		2,344
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		-		-
Share premium account	13		1		1
Profit and loss account	13		2,151		2,343
<b>SHAREHOLDERS' FUNDS</b>	14		<u>2,152</u>		2,344

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



**J W Martin**  
Director

Date 18 December 2012

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 2012

#### 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

Wolseley plc, the ultimate parent company, has included a cash flow statement in its Group financial statements for the year ended 31 July 2012 which are publicly available. Under paragraph 5(a) of FRS 1 (revised 1996), "Cash flow statements" no cash flow statement is therefore required in the financial statements of this Company.

##### 1.3 Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment. 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 Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### 1.5 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

##### 1.6 Foreign currencies

Fixed asset investments denominated in a foreign currency that are hedged by foreign currency borrowings are translated at the exchange rate ruling at the balance sheet date and exchange differences recorded in reserves. On termination of the hedging relationship, the value of the investment may no longer be retranslated to reflect subsequent movements in exchange rate. Foreign currency borrowings are translated at the exchange rate ruling at the balance sheet date. Exchange differences arising from the re-translation of foreign currency borrowings are dealt with through reserves to the extent of exchange differences arising on the fixed asset investments. All other exchange differences are recorded in the profit and loss account.

## **WOLSELEY LIMITED**

### **Notes to the financial statements for the year ended 31 July 2012**

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

##### **1.7 Consolidated financial statements**

As a wholly owned subsidiary of Wolseley plc and in accordance with Section 400 of the Companies Act 2006, 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.

##### **1.8 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.

An interest rate swap that is not treated as an economic hedging instrument, for example because the underlying hedged position in the Company is eliminated or is in another Group company, is assessed as to whether an onerous contract exists which would be recognised at market value. The value of the interest rate swap is only recognised on the balance sheet if it is a liability and an onerous contract. Any change in the value of the liability is taken through the profit and loss account.

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.

##### **1.9 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.

##### **1.10 Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

The audit fee for the year of £30,000 (2011 - £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 2012

#### 3. Staff costs

The Company has no employees (2011 - none) other than the directors who do not receive any emoluments for their services to the Company (2011 - £nil)

#### 4. Interest receivable and similar income

	2012 £m	2011 £m
Interest receivable from Group undertakings	143	82
Bank interest receivable	11	15
Exchange gains	-	5
Reduction in provision for loss on interest rate swaps	-	3
	<u>154</u>	<u>105</u>

#### 5. Interest payable and similar charges

	2012 £m	2011 £m
On bank loans and overdrafts	14	17
On loans from Group undertakings	169	100
	<u>183</u>	<u>117</u>

#### 6. Tax on (loss)/ profit on ordinary activities

	2012 £m	2011 £m
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b>		
UK corporation tax credit on (loss)/profit for the year	(7)	(5)
Adjustments in respect of prior periods	5	42
<b>Total current tax</b>	<u>(2)</u>	<u>37</u>
<b>Deferred tax (see note 11)</b>		
Origination and reversal of timing differences	(1)	-
<b>Tax on (loss)/profit on ordinary activities</b>	<u>(3)</u>	<u>37</u>

**WOLSELEY LIMITED**

**Notes to the financial statements  
for the year ended 31 July 2012**

**6. Tax on (loss)/ profit on ordinary activities (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2011 - lower than) the effective rate of corporation tax in the UK of 25.33% (2011 - 27.33%). The differences are explained below.

The prior year adjustment related to true ups of intercompany amounts and foreign exchange, together with settlement of enquiries with tax authorities

	2012 £m	2011 £m
(Loss)/profit on ordinary activities before tax	(66)	679
(Loss)/profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 25.33% (2011 - 27.33%)	(17)	186
<b>Effects of:</b>		
Non-tax deductible impairment	10	-
Adjustments to tax charge in respect of prior periods	5	42
Non-taxable income	-	(11)
Dividends from UK companies	-	(180)
<b>Current tax (credit)/charge for the year</b>	<b>(2)</b>	<b>37</b>

**Factors that may affect future tax charges**

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012 and will change to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 25.33%.

**7. Fixed asset investments**

	Investments in subsidiary companies £m
<b>Cost or valuation</b>	
At 1 August 2011	7,428
Additions	851
Foreign exchange movement	51
At 31 July 2012	8,330
<b>Impairment</b>	
At 1 August 2011	6
Charge for the year	37
At 31 July 2012	43
<b>Net book value</b>	
At 31 July 2012	8,287
At 31 July 2011	7,422

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2012

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

##### Subsidiary undertakings

The following were material subsidiary undertakings of the Company at 31 July 2012

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%
OAG AG	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 Finance (Isle of Man) Limited	Financing	Isle of Man
Wolseley Nordic Holdings AB	Holding	Sweden
OAG AG	Trading	Austria

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.

On 19 June 2012, the Company purchased the 100% shareholding in Wolseley Nordic Holdings AB for a cash consideration of £811 million.

On 26 June 2012, the Company purchased the 100% shareholding OAG AG for a cash consideration of £40 million.

During the year, a provision for impairment of £37million (2011 - £nil) was recorded against the fixed asset investment held in Wolseley Finance (Isle of Man) Limited, as the recoverable amount of the net assets of Wolseley Finance (Isle of Man) Limited and its subsidiaries were considered to be less than the value of the investment held.

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2012

#### 8 Debtors

	2012 £m	2011 £m
<b>Amounts falling due after more than one year</b>		
Amounts owed by Group undertakings	<u>3,241</u>	<u>1,285</u>

At 31 July 2012 amounts owed by Group undertakings were unsecured and were interest bearing at a rate of LIBOR plus 3.5%. £549 million was loaned under a one year revolving loan facility expiring 1 August 2013, £2,496 million was loaned under a two year revolving loan facility expiring 1 August 2014 and £196 million was loaned under a three year revolving loan facility expiring 1 August 2015

At 31 July 2011 amounts owed by Group undertakings were unsecured, were loaned under a three year revolving loan facility expiring 1 August 2013 and were interest bearing at rates that varied between LIBOR plus 0.5% and LIBOR plus 3.5%

	2012 £m	2011 £m
<b>Amounts falling due within one year</b>		
Amounts owed by Group undertakings	2,784	233
Corporation tax	15	6
Prepayments and accrued income	1	1
Deferred tax asset (see note 11)	5	4
	<u>2,805</u>	<u>244</u>

At 31 July 2012 all amounts owed by Group undertakings were unsecured. £2,659 million was loaned under a one year loan facility expiring 31 July 2013 at a rate of LIBOR plus 3.5%. The remaining £125 million was non-interest bearing.

At 31 July 2011 all amounts owed by Group undertakings were unsecured and were non-interest bearing.

During the year the Company had entered into short-term foreign exchange forward contracts with Group undertakings. At the balance sheet date the fair value of these contracts is not materially different to the retranslated value included above. Amounts owed by Group undertakings in relation to these contracts were £32 million (2011 - £35 million).

**WOLSELEY LIMITED**

**Notes to the financial statements  
for the year ended 31 July 2012**

**9. Creditors.  
Amounts falling due within one year**

	2012 £m	2011 £m
Bank loans and overdrafts	840	-
Amounts owed to Group undertakings	986	284
Derivative financial liabilities	-	2
Other creditors	1	1
Accruals and deferred income	1	-
	<u>1,828</u>	<u>287</u>

At 31 July 2012 amounts owed to Group undertakings were unsecured £789 million was borrowed under a short term agreement at a rate of 0.65%. The remaining £197 million was non-interest bearing

At 31 July 2011 amounts owed to Group undertakings were unsecured and were 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 is not materially different to the retranslated value included above. Amounts owed to Group undertakings in relation to these contracts were £18 million (2011 - £50 million)

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

	2012 £m	2011 £m
Amounts owed to Group undertakings	10,764	6,447
Other creditors	-	1
	<u>10,764</u>	<u>6,448</u>

At 31 July 2012 all amounts owed to Group undertakings were unsecured and borrowed under a one year revolving loan facility expiring 1 August 2013. £7,872 million was borrowed at a rate of LIBOR plus 0.5% and £2,892 million was borrowed at a rate of LIBOR plus 3.5%

At 31 July 2011 all amounts owed to Group undertakings were unsecured, under a three year revolving loan facility expiring 1 August 2013 at rates that varied between LIBOR plus 0.5% and LIBOR plus 3.5%

**11. Deferred tax asset**

	2012 £m	2011 £m
At beginning of year	4	4
Credit for the year	1	-
	<u>5</u>	<u>4</u>



**WOLSELEY LIMITED**

**Notes to the financial statements  
for the year ended 31 July 2012**

**11. Deferred tax asset (continued)**

The deferred tax asset is made up as follows

	2012 £m	2011 £m
Tax losses carried forward	5	4

The deferred tax asset has been calculated at the corporation tax rate of 23% (2011 - 25%) as this is the rate expected to be in force when the timing difference is expected to reverse

**12. Share capital**

	2012 £m	2011 £m
<b>Allotted, called up and fully paid</b>		
18,674,179,648 (2011 - 18,674,179,648) Ordinary shares of £0 00001 each	-	-
33,559 (2011 - 24,690) Ordinary shares of £0 10 each	-	-
1 (2011 - 1) Ordinary A share of £0 10	-	-
	<u>-</u>	<u>-</u>

8,869 Ordinary shares of £0 10 were issued during the year to satisfy savings related share options

**13. Reserves**

	Share premium account £m	Profit and loss account £m
At 1 August 2011	1	2,343
Loss for the year	-	(63)
Dividends	-	(132)
Other recognised gains and losses during the year	-	3
	<u>1</u>	<u>2,151</u>

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

	2012 £m	2011 £m
Opening shareholders' funds	2,344	4,298
(Loss)/profit for the year	(63)	642
Dividends (note 15)	(132)	(2,595)
Share premium on shares issued (net of expenses)	-	1
Other recognised gains and losses during the year	3	(2)
	<u>2,152</u>	<u>2,344</u>

## WOLSELEY LIMITED

### Notes to the financial statements for the year ended 31 July 2012

#### 15. Dividends

	2012 £m	2011 £m
Dividends paid on equity capital	<u>132</u>	<u>2,595</u>

On 1 March 2012 the Company paid a dividend of £82 million equal to 0.44 pence per share (2011 - £8 million, 0.04 pence per share). On 16 July 2012 the Company paid a dividend of £50 million equal to 0.27 pence per share (2011 - £50 million, 0.27 pence per share). In 2011 the company paid two additional interim dividends in relation to the capital reorganisation, £178 million equal to 0.95 pence per share and £2,539 million equal to 12.69 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. Post balance sheet events

On 1 October 2012 the Company's subsidiary Wolseley Group Holdings Limited made a dividend in specie of its 100% shareholding in each of Chartersteel Limited, Plantcable Limited and Wolseley Finance (Humboldt) Limited. This dividend was valued at £120 million.

On 1 November 2012 the Company received a cash dividend from some of its subsidiaries. It received £81 million from Plantcable Limited, £1 million from Wolseley Finance (Humboldt) Limited and £38 million from Chartersteel Limited.

#### 19. 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.