

Registered number 6167793

WOLSELEY OVERSEAS HOLDINGS LIMITED

Directors' report and financial statements

for the year ended 31 July 2013

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WOLSELEY OVERSEAS HOLDINGS LIMITED

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WOLSELEY OVERSEAS HOLDINGS LIMITED

Directors' report for the year ended 31 July 2013

The directors present their report and the audited financial statements for the year ended 31 July 2013

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 an internal 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. 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 Group.

On 1 June 2013 the Company's investment in preference shares in Wolseley UK Holdings Limited was repurchased at par for cash of £424,359,000. On the same day it repurchased all of its issued preference share capital for cash consideration of £424,359,000 from another Group undertaking and immediately cancelled these shares.

The balance sheet on page 7 of the financial statements shows the Company's financial position as at 31 July 2013.

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.

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 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.

Health, safety and environment

The Group recognises the importance of its environmental responsibilities. A key driver of the Wolseley Group's success has been the high degree of autonomy which has been afforded to local management, allowing them to serve local markets in the most appropriate manner. Within this decentralised structure, the Wolseley plc board has established a number of health, safety and environment principles which all Group companies are required to comply. These principles 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 the Group policies which are described in the Group's Annual Report which does not form part of this report.

WOLSELEY OVERSEAS HOLDINGS LIMITED

Directors' report for the year ended 31 July 2013

Results and dividends

The loss for the financial year, after taxation, was £86,812,000 (2012 - loss £84,282,000)

There have been no dividends paid or proposed during the year (2012 - £nil)

Directors

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

S Gray (appointed 1 August 2012)
R I Shoyilekov
M J R Verrier
M J Webb (resigned 1 August 2012)

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,
- 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.

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.

WOLSELEY OVERSEAS HOLDINGS LIMITED

Directors' report for the year ended 31 July 2013

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance.

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



M J R Verner
Director

Date 9 January 2014

Parkview 1220
Arlington Business Park
Theale
Reading
RG7 4GA

WOLSELEY OVERSEAS HOLDINGS LIMITED

Independent auditors' report to the shareholders of Wolseley Overseas Holdings Limited

We have audited the financial statements of Wolseley Overseas Holdings Limited for the year ended 31 July 2013 which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, 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 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 hand 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 2013 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 OVERSEAS HOLDINGS LIMITED

Independent auditors' report to the shareholders of Wolseley Overseas Holdings 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



Christopher Richmond (Senior Statutory Auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

9 January 2014

WOLSELEY OVERSEAS HOLDINGS LIMITED**Profit and loss account
for the year ended 31 July 2013**

| | Note | 2013 £000 | 2012 £000 |
|--|-------------|------------------------|------------------------|
| Interest receivable and similar income | 4 | 14 | 153 |
| Interest payable and similar charges | 5 | <u>(107,264)</u> | <u>(110,808)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (107,250) | (110,655) |
| Tax on loss on ordinary activities | 6 | <u>20,438</u> | <u>26,373</u> |
| LOSS FOR THE FINANCIAL YEAR | 13 | <u>(86,812)</u> | <u>(84,282)</u> |

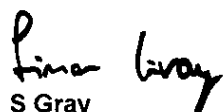
There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

WOLSELEY OVERSEAS HOLDINGS LIMITED
Registered number. 6167793

Balance sheet
as at 31 July 2013

| | Note | £000 | 2013 £000 | £000 | 2012 £000 |
|---|------|--------|--------------------|---------|--------------------|
| FIXED ASSETS | | | | | |
| Investments | 7 | | 6,231,731 | | 6,656,090 |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 46,811 | | 53,538 | |
| CREDITORS amounts falling due within one year | 9 | (395) | | (4,280) | |
| NET CURRENT ASSETS | | | 46,416 | | 49,258 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 6,278,147 | | 6,705,348 |
| CREDITORS amounts falling due after more than one year | 10 | | (2,415,462) | | (2,331,492) |
| NET ASSETS | | | 3,862,685 | | 4,373,856 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 12 | | 33 | | 424,392 |
| Share premium account | 13 | | 257,891 | | 257,891 |
| Profit and loss account | 13 | | 3,604,761 | | 3,691,573 |
| SHAREHOLDERS' FUNDS | 14 | | 3,862,685 | | 4,373,856 |

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


S Gray
Director

Date 9 January 2014

The notes on pages 8 to 13 form part of these financial statements

WOLSELEY OVERSEAS HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 July 2013

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, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently applied 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.

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 Deferred taxation

Full 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. All currency translation differences are taken to the profit and loss account.

1.6 Preference shares

Preference shares issued by the Company are classified as equity where they have similar characteristics to ordinary shares and are not entitled to a preference dividend.

1.7 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 approved by the shareholders of the Company (generally in the case of the final dividend) or paid (in the case of interim dividends).

WOLSELEY OVERSEAS HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 July 2013

1. Accounting policies (continued)

1.8 Consolidated financial statements

As a wholly owned subsidiary of Wolseley plc and in accordance with FRS2 "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.

2. Auditors' remuneration

The audit fee for the year of £2,000 (2012 - £2,000) was borne by Wolseley (Group Services) Limited and was not recharged to the Company.

3. Staff costs

The Company has no employees (2012 - none) other than the directors, who did not receive any emoluments in respect of their services to the Company (2012 - £nil).

4. Interest receivable and similar income

| | 2013 £000 | 2012 £000 |
|--------------------------|--------------|--------------|
| Bank interest receivable | <u>14</u> | <u>153</u> |

5. Interest payable and similar charges

| | 2013 £000 | 2012 £000 |
|----------------------------------|----------------|----------------|
| On bank loans and overdrafts | 11 | 257 |
| On loans from Group undertakings | 107,226 | 110,373 |
| Exchange losses | 27 | 178 |
| | <u>107,264</u> | <u>110,808</u> |

WOLSELEY OVERSEAS HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 July 2013

6 Tax on loss on ordinary activities

| | 2013 £000 | 2012 £000 |
|--|-----------------|-----------------|
| Analysis of tax credit in the year | | |
| Current tax | | |
| UK corporation tax credit on loss for the year | (25,383) | (10,013) |
| Adjustments in respect of prior periods | (11,415) | - |
| Total current tax credit | <u>(36,798)</u> | <u>(10,013)</u> |
| Deferred tax (see note 11) | | |
| Origination and reversal of timing differences | 16,360 | (16,360) |
| Tax credit on loss on ordinary activities | <u>(20,438)</u> | <u>(26,373)</u> |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the effective rate of corporation tax in the UK of 23.67% (2012 - 25.33%). The differences are explained below

| | 2013 £000 | 2012 £000 |
|--|------------------|------------------|
| Loss on ordinary activities before tax | <u>(107,250)</u> | <u>(110,655)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.67% (2012 - 25.33%) | (25,383) | (28,029) |
| Effects of | | |
| Adjustments in respect of prior periods | (11,415) | - |
| Short term timing difference | - | 18,016 |
| Current tax credit for the year | <u>(36,798)</u> | <u>(10,013)</u> |

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013 and will change to 21% with effect from 1 April 2014 and 20% from 1 April 2015. Accordingly tax on the Company's profits for the current year are charged at an effective rate of 23.67%.

WOLSELEY OVERSEAS HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 July 2013

7 Fixed asset investments

| | Investments in subsidiary companies £000 |
|-----------------------------------|--|
| Cost or valuation | |
| At 1 August 2012 | 10,461,277 |
| Disposals | (424,359) |
| At 31 July 2013 | 10,036,918 |
| Impairment | |
| At 1 August 2012 and 31 July 2013 | 3,805,187 |
| Net book value | |
| At 31 July 2013 | 6,231,731 |
| At 31 July 2012 | 6,656,090 |

Subsidiary undertakings

At 31 July 2013, the Company held 100% of the ordinary share capital of its subsidiary undertaking Wolseley Overseas Limited, an internal investment company incorporated in the United Kingdom

On 1 June 2013 the Company's investment in preference shares in Wolseley UK Holdings Limited was repurchased at par for cash of £424,359,000. On the same day it repurchased all of its issued preference share capital for cash of £424,359,000 from another Group undertaking and immediately cancelled these shares.

In the opinion of the directors, the value of the investment in its subsidiary undertaking is not less than the aggregate amount at which it is stated in the financial statements.

8. Debtors

| | 2013 £000 | 2012 £000 |
|------------------------------------|---------------|---------------|
| Amounts owed by Group undertakings | 34,120 | 37,175 |
| Deferred tax asset (see note 11) | - | 16,360 |
| Corporation tax | 12,691 | - |
| Prepayments and accrued income | - | 3 |
| | 46,811 | 53,538 |

At 31 July 2013 and at 31 July 2012, amounts owed by Group undertakings were unsecured and non-interest bearing.

WOLSELEY OVERSEAS HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 July 2013

9. Creditors Amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|------------------------------|--------------|--------------|
| Bank loans and overdrafts | 394 | 262 |
| Corporation tax | - | 4,003 |
| Accruals and deferred income | 1 | 15 |
| | <u>395</u> | <u>4,280</u> |

10. Creditors Amounts falling due after more than one year

| | 2013 £000 | 2012 £000 |
|------------------------------------|------------------|------------------|
| Amounts owed to Group undertakings | <u>2,415,462</u> | <u>2,331,492</u> |

At 31 July 2013 and at 31 July 2012, amounts owed to Group undertakings were unsecured under a two year revolving loan facility expiring 1 August 2014 and were interest bearing at a rate of LIBOR plus 3.5%

11. Deferred taxation

| | 2013 £000 | 2012 £000 |
|------------------------------------|--------------|---------------|
| Asset balance at beginning of year | 16,360 | - |
| (Decrease)/Increase in the year | (16,360) | 16,360 |
| Asset balance at end of year | <u>-</u> | <u>16,360</u> |

The deferred taxation balance is made up as follows

| | 2013 £000 | 2012 £000 |
|-------------------------------|--------------|---------------|
| Unutilised non-trading losses | <u>-</u> | <u>16,360</u> |

The deferred tax asset has been calculated at the corporation tax rate of 20% as this is the rate expected to be in force when the timing difference is expected to reverse

12. Share capital

| | 2013 £000 | 2012 £000 |
|---|--------------|----------------|
| Allotted, called up and fully paid | | |
| 3,301,238,892 (2012 - 3,301,238,892) Ordinary shares of £0.00001 each | 33 | 33 |
| 2013 - Nil (2012 - 424,359,219) Preference shares of £1 each | - | 424,359 |
| | <u>33</u> | <u>424,392</u> |

On 1 June 2013 the Company repurchased all of the issued preference share capital for cash consideration of £424,359,000 from another Group undertaking and immediately cancelled these shares

WOLSELEY OVERSEAS HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 July 2013

13 Reserves

| | Share premium account £000 | Profit and loss account £000 |
|----------------------|-------------------------------------|------------------------------------|
| At 1 August 2012 | 257,891 | 3,691,573 |
| Movement in the year | - | (86,812) |
| At 31 July 2013 | <u>257,891</u> | <u>3,604,761</u> |

14 Reconciliation of movement in shareholders' funds

| | 2013 £000 | 2012 £000 |
|--|------------------|------------------|
| Opening shareholders' funds | 4,373,856 | 4,458,138 |
| Loss for the financial year | (86,812) | (84,282) |
| Repurchase and cancellation of preference shares | (424,359) | - |
| Closing shareholders' funds | <u>3,862,685</u> | <u>4,373,856</u> |

15 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

16. Ultimate parent undertaking and controlling party

The immediate parent company is Wolseley Group Holdings Limited. The ultimate parent company and 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.