

Registered number: 02961334

HOME DEPOT (U.K.) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



HOME DEPOT (U.K.) LIMITED

COMPANY INFORMATION

Directors	C L B Tome J J Hunter S Bomar
Company secretary	J J Hunter & J W Rogers
Registered number	02961334
Registered office	BDO LLP, Thames Tower Station Road Reading Berkshire RG1 1LX
Independent auditors	Moore Stephens LLP Chartered Accountants & Statutory Auditors 58 Queens Road Reading Berkshire RG1 4RP

HOME DEPOT (U.K.) LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Profit and Loss Account	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 15

HOME DEPOT (U.K.) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 audited 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;
- prepare the audited 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 to enable them to ensure that the audited 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

The directors who served during the year were:

C L B Tome
J J Hunter
S Bomar

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.

HOME DEPOT (U.K.) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Auditors

Moore Stephens LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The company has taken exemption from the requirement to prepare a Strategic Report as it is only prevented from applying small company exemptions in preparing its accounts by virtue of it being part of an ineligible group.

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



S Bomar
Director

Date: 9/5/18

HOME DEPOT (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOME DEPOT (U.K.) LIMITED

Opinion

We have audited the financial statements of Home Depot (U.K.) Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

Other information

The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 this regard.

HOME DEPOT (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOME DEPOT (U.K.) LIMITED (CONTINUED)

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

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors are not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

HOME DEPOT (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOME DEPOT (U.K.) LIMITED
(CONTINUED)

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.



Daniel Henwood (Senior Statutory Auditor)
For and on behalf of Moore Stephens LLP, Statutory Auditor
Reading
United Kingdom

12 SEPTEMBER 2018

HOME DEPOT (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 €	2016 €
Turnover	4	601,326	561,622
Gross profit		601,326	561,622
Administrative expenses		(549,374)	(511,075)
Operating profit	5	51,952	50,547
Interest receivable and similar income	8	163	152
Profit before tax		52,115	50,699
Tax on profit	9	(9,467)	(7,960)
Profit for the financial year		42,648	42,739

There was no other comprehensive income for 2017 (2016:€NIL).

The notes on pages 9 to 15 form part of these financial statements.

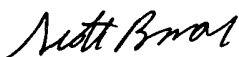
HOME DEPOT (U.K.) LIMITED
REGISTERED NUMBER: 02961334

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 €	2016 €
Current assets			
Debtors: amounts falling due within one year	10	456	456
Cash at bank and in hand	11	426,892	387,420
		<u>427,348</u>	<u>387,876</u>
Creditors: amounts falling due within one year	12	(321,043)	(324,219)
Net current assets		<u>106,305</u>	<u>63,657</u>
Total assets less current liabilities		<u>106,305</u>	<u>63,657</u>
Net assets		<u>106,305</u>	<u>63,657</u>
Capital and reserves			
Called up share capital	13	1,636	1,636
Profit and loss account	14	104,669	62,021
		<u>106,305</u>	<u>63,657</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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


S Bomar
Director

Date: 9/5/18
The notes on pages 9 to 15 form part of these financial statements.

HOME DEPOT (U.K.) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2017	1,636	-	62,021	63,657
Comprehensive income for the year				
Profit for the year	-	-	42,648	42,648
Total comprehensive income for the year	-	-	42,648	42,648
Capital contribution in respect of share based payments	-	37,878	-	37,878
Reimbursement of restricted stock charge	-	(37,878)	-	(37,878)
Total transactions with owners	-	-	-	-
At 31 December 2017	1,636	-	104,669	106,305

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2016	1,636	-	19,282	20,918
Comprehensive income for the year				
Profit for the year	-	-	42,739	42,739
Total comprehensive income for the year	-	-	42,739	42,739
Capital contribution in respect of share based payments	-	39,599	-	39,599
Reimbursement of restricted stock charge	-	(39,599)	-	(39,599)
Total transactions with owners	-	-	-	-
At 31 December 2016	1,636	-	62,021	63,657

The notes on pages 9 to 15 form part of these financial statements.

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Home Depot (UK) Limited is a private company, limited by shares, incorporated in England and Wales (registration number 02961334). The address of its registered office is Thames Tower, Station Road, Reading, Berkshire RG1 1LX.

The principal activity of the company during the year was that of procurement services to Home Depot Services LLC and other entities in the group of companies controlled by The Home Depot ("The Home Depot Group").

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102'), and the Companies Act 2006.

2.2 Financial reporting standard 102 - reduced disclosure exemption

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) and note to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d) and the requirements of Section 7 Statement of Cash Flows, not to prepare a statement of cash flows;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23, not to disclose the weighted average number of shares and exercise price;
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b) and 11.41(e) not to disclose financial assets and financial liabilities at amortised cost.
- the requirements of Section 33 Related Party Disclosures paragraph 33.7, not to disclose key management personnel compensation in total.

This information is included in the consolidated financial statements of Home Depot Inc. Limited as at 31 December 2016 and these financial statements may be obtained from 2455 Paces Ferry Road, Atlanta, Georgia 20339-4024, USA.

2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Revenue

Turnover represents amounts receivable for services from other entities in The Home Depot Group and relates to services provided in Europe.

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange rate differences are recognised in profit or loss in the period in which they arise.

2.6 Restricted stock

The company is part of a group share based payment scheme involving the issue of restricted stock units to employees. When restricted stock units are granted to employees the fair value of those units is charged to the profit and loss account evenly over the period from the grant date to the date on which the units vest. As the units are granted by the parent company the units are initially credited to a capital reserve. The parent company recharges the value of the units which reduces the capital reserve initially created.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit or Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.8 Interest income

Interest income is recognised in the Profit or Loss Account using the effective interest method.

2.9 Taxation

Tax is recognised in the Profit or Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and amounts owed to group undertakings.

Financial assets and liabilities are measured at cost and amortised cost and are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit or Loss Account.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

There are no judgements which are deemed to have had a significant effect on the amounts recognised in the financial statements.

4. Turnover

Turnover is attributable to the one principal activity of the company.

Analysis of turnover by country of destination:

	2017 €	2016 €
United States of America	601,326	561,622
	<u>601,326</u>	<u>561,622</u>

5. Operating profit

The operating profit is stated after charging:

	2017 €	2016 €
Fees payable to the company's auditor for the audit of the company's annual financial statements	9,549	5,894
Exchange differences	2,552	357
Defined contribution pension cost	7,359	5,650
	<u>7,359</u>	<u>5,650</u>

During the year, no director received any emoluments (2016 - €Nil).

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Employees

Staff costs were as follows:

	2017 €	2016 €
Wages and salaries	276,055	263,879
Social security costs	57,543	49,455
Health Insurance	7,359	5,650
	<u>340,957</u>	<u>318,984</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Average number of employees	<u>2</u>	<u>2</u>

7. Restricted stock

Restricted stock units in the parent company are awarded to employees of the company. The awards have a four year vesting period with 50% vesting after two years and are amortised over the vesting period. The charge in the profit and loss account for the year ended 31 December 2017 was €37,878 (2016 - €39,599).

8. Interest receivable

	2017 €	2016 €
Other interest receivable	163	152
	<u>163</u>	<u>152</u>

HOME DEPOT (U.K.) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Taxation

	2017 €	2016 €
Corporation tax		
Current tax on profits for the year	9,682	8,515
Adjustments in respect of previous periods	(215)	(555)
	<u>9,467</u>	<u>7,960</u>
Total current tax	<u>9,467</u>	<u>7,960</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>9,467</u>	<u>7,960</u>

Factors affecting tax charge for the year

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19.25% from 1 April 2017. The effects of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2016 (on 7 September 2016) includes a reduction to the main rate to 17% from 1 April 2020.

There were no other factors that affect future tax charges.

	2017 €	2016 €
Profit on ordinary activities before tax	<u>52,115</u>	<u>50,699</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	10,030	10,140
Effects of:		
Income not deductible for tax purposes	(216)	(1,241)
Adjustments to tax charge in respect of prior periods	-	(62)
Prior period exchange rate difference between opening and closing spot rates	(215)	(493)
Current exchange rate difference between opening and closing spot rates	(132)	(384)
Total tax charge for the year	<u>9,467</u>	<u>7,960</u>

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

9. Taxation (continued)

Factors that may affect future tax charges

The Finance (No. 2) Bill 2015, which provides for reductions in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020 were announced in the July 2015 budget and were substantively enacted on 26th October 2015.

10. Debtors: amounts falling due within one year

	2017 €	2016 €
Prepayments and accrued income	456	456
	<u>456</u>	<u>456</u>

11. Cash and cash equivalents

	2017 €	2016 €
Cash at bank and in hand	426,892	387,420
	<u>426,892</u>	<u>387,420</u>

12. Creditors: amounts falling due within one year

	2017 €	2016 €
Trade creditors	12,386	16,636
Amounts owed to group undertakings	279,781	282,729
Corporation tax	9,187	7,960
Other taxation and social security	10,885	10,892
Accruals	8,804	6,002
	<u>321,043</u>	<u>324,219</u>

HOME DEPOT (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. Share capital

	2017 €	2016 €
Allotted, called up and fully paid		
1,000 Ordinary Shares of £1 each shares of €1.636 each	<u>1,636</u>	<u>1,636</u>

The company has one class of ordinary shares which carries no right to fixed income.

14. Reserves

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits, losses and other comprehensive income made by the company, as well as distributions and other adjustments.

Capital reserve

The capital reserve represents the movement on share based payments in the year.

15. Related party transactions

Turnover derived from entities controlled by The Home Depot Inc. was €601,326 (2016: €561,622).

	2017 €	2016 €
Amount due to related parties at the balance sheet date	<u>279,781</u>	<u>282,729</u>
	<u>279,781</u>	<u>282,729</u>

16. Controlling party

The ultimate parent company is The Home Depot Inc. and the company's immediate holding company is Home Depot International Inc. These companies represent the largest and smallest levels of consolidation that includes this company's financial information. Both of these companies are organised under the laws of the State Delaware, United States of America. Copies of the companies consolidated financial statements may be obtained from 2455 Paces Ferry Road, Atlanta, Georgia 20339-4024, USA.

The directors do not consider there to be an ultimate controlling party.