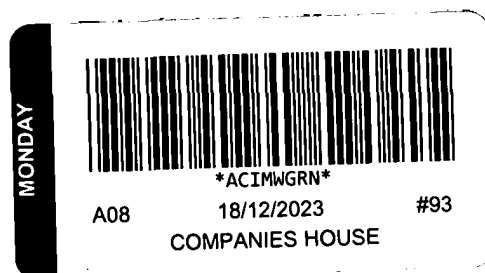


Registered number: 00636445

Wolseley UK Limited
Annual report and financial statements
for the year ended 31 July 2023



Wolseley UK Limited

Annual report and financial statements

For the year ended 31 July 2023

Contents

Page

Directors and advisers	1
Strategic report	2
Directors' report	8
Independent auditor's report to the members of Wolseley UK Limited.....	12
Income statement.....	16
Balance sheet.....	17
Statement of changes in equity	18
Notes to the financial statements	19

Wolseley UK Limited

Directors and advisers

Directors

S Gray

N Randle

S N Oakland

Company secretary

N Randle

Independent auditor

Deloitte LLP

Statutory Auditor

1 City Square

Leeds

United Kingdom

LS1 2AL

Registered office

2 Kingmaker Court

Warwick Technology Park

Gallows Hill

Warwick

Warwickshire

United Kingdom

CV34 6DY

Registered number

00636445

Wolseley UK Limited

Strategic report

The Directors present their strategic report on Wolseley UK Limited (“the Company”) for the year ended 31 July 2023.

The Company is a wholly owned subsidiary of its intermediate parent company, Wolseley Group Holdings Limited (“Group”), which prepares consolidated financial statements. On 29 January 2021, the Company was acquired by Clayton, Dubilier & Rice (“CD&R”) from Ferguson plc, with CD&R becoming the principal investor, more details can be found in the Group annual report on page 24. The Group annual report was signed on 27 October 2023 and is available on the Group corporate website.

Wolseley at a glance

Wolseley is a leading specialist merchant distributing plumbing, heating, renewables, cooling and infrastructure products to trade customers, predominantly supplying professional contractors.

The Company operates a number of businesses trading as multiple distinct brands, across three main sectors within the UK construction market. Wolseley operates in both the repairs, maintenance and improvement (“RMI”) and new construction sectors within three market sectors:

- Residential
- Infrastructure
- Commercial building

Each of these market sectors consist of four distinct trade customer types, and the Company’s different brands deliver tailored specialist service offerings to meet these customers’ different needs. All of the businesses within the Company hold leading market positions. The customer types are:

- Installers
- Contractors
- Utility companies
- Medium and large corporate entities

At 31 July 2023 the Company operated from 544 branches (2022: 543). The average number of employees increased by 234 during the year to 4,720.

Strategy

The Company’s vision is to be the service-led partner of choice to trade professionals. It will provide customers with the expertise of its people, an unrivalled range and availability of products, local relationships, and national scale.

The Company’s strategy is to continuously improve the customer proposition, enhance efficiency of the operations and invest in digital technologies. This strategy makes full use of the Company’s strengths:

- Every business has a strong market position
- Diversified supplier base and strong relationships with all major suppliers
- Trusted own brand products
- Highly experienced and knowledgeable employees
- Efficient cost base and strong balance sheet

Wolseley UK Limited

Strategic report (continued)

Strategy (continued)

The strategy focuses on a clear objective to deliver sustainable profitable growth through three clear actions:

- *Targeted customer focus* – specialist propositions, aligned to clear identities, that drive meaningful customer relationships
- *Fair pricing* – consistent pricing which also rewards customers for increased spend
- *Ease of doing business*:
 - Sector leading e-commerce, quoting and invoicing tools
 - National distribution and local fulfilment delivery
 - Industry leading breadth and depth of range with availability
 - Best in class customer service utilising the knowledge of employees
 - Access to appropriate payment terms for professional customers

Financial performance and key performance indicators

Revenue for the year ended 31 July 2023 has continued to grow predominantly organically, with total revenues increasing by £140m (8%) to £1,870m. Operating profit for the year ended 31 July 2023 was £75m (2022: £65m) with the increase in operating profit due to the increase in revenue.

The net assets of the Company at 31 July 2023 were £434m (2022: £390m), an increase of £44m compared to the net assets at 31 July 2022. The main reason for the increase in net assets was the profit after tax of the business, £60m less dividends paid, £16m.

During the year ended 31 July 2023 the Company received £69m (2022: £114m) of income from shares in Group undertakings from nine UK subsidiaries. The Company invested in four businesses in the year at a cost of £34m. An impairment of £52m was recorded in the year against investments in four subsidiaries following dividend receipts of £50m.

The Directors believe that further key performance indicators (“KPIs”) for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. Details of the Group KPIs are shown on page 9 of the Group’s annual report.

Principal risks and uncertainties

The Directors have overall responsibility for ensuring that the Company has an appropriate risk management framework. This includes clearly defining the level of risk it is willing to accept to achieve its strategic objectives, monitoring the amount of risk being taken and ensuring the businesses activities operate within this framework.

Throughout the year the Company has continued to strengthen its risk management framework, working with risk leads in the businesses and support functions to enhance risk registers. Work remains ongoing to drive the risk process into business as usual activities and projects across the Company.

A risk review process is undertaken three times per year where each business and support function identify and assess their key risks and update their respective risk registers. Each risk is evaluated using a defined criteria based on its potential consequence, likelihood and the existing level of mitigating controls. Any action plans to further mitigate or reduce the risks identified are also captured as part of this process.

Wolseley UK Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

The output of this exercise is used to update the Company's risk register, which is reviewed by the Directors and senior management team with all new and emerging risks and material changes highlighted. Each risk is assigned an owner who is responsible for actioning agreed mitigations. Independent oversight and challenge of this end-to-end process is provided by the Group Assurance function. The Directors gain assurance the controls identified in the risk registers are well designed and operating effectively, through several mechanisms using the established three lines of defence model. This includes the oversight provided by senior management within the businesses, periodic testing by the Assurance team to assess the effectiveness of key business controls and using internal audits to provide independent assurance. The principal risks and risk management activities of the Group, which include and reflect those of the Company, are detailed in the Group's annual report on pages 13 to 21.

Information technology and cyber security

The Company is reliant on the normal and reliable operation of its Information Technology ("IT") systems to conduct its business. The Company operates an IT governance framework that includes policies to manage risks such as information security and access management. Support arrangements for critical IT systems are regularly reviewed. These systems together with the data centres have documented disaster recovery plans which are tested annually.

Strategy and market dynamics

The Company's products are mainly distributed to trade professionals and therefore the Company's results are dependent on the levels of activity in the residential, commercial building and infrastructure market sectors. Whilst the Company cannot control market conditions or the actions of its competitors, it does have effective controls in place to respond to them. These include: a deep understanding of customer needs and a focus on service; the development of differentiated business models; pricing and gross margin controls; and cost controls and productivity improvements. The Company has also made certain strategic investments in the year in order to augment geographical coverage and introduce new capabilities in order to strengthen the Company's market position. These dynamics are closely monitored on a business-by-business basis as part of the systematic performance review process that is in place.

Talent and people management

The Company's business models are dependent on the knowledge, expertise and experience of its people and on the service, they provide to customers. In some cases, specialist knowledge can reside in a limited number of individuals, therefore the retention of talent and knowledge are critical success factors. In order for the businesses to develop, the Company needs to attract and retain high quality talent from diverse backgrounds and with experience from different sectors. Therefore, the retention of key knowledge and talent is a critical success factor for the Company.

Strategy execution and investment integration

Without the appropriate resources to implement the businesses' strategic plans successfully and integrate acquisitions effectively, there is a risk that financial performance and future prospects will be adversely impacted. It may also mean that senior management becomes distracted from managing the core business with a similar detrimental impact.

The Company continually monitors the resources, capabilities and external support it requires to execute its plans and progress on key strategic initiatives is reviewed as part of the systematic performance review process. A robust due diligence process is in place to identify potential risks, opportunities and value drivers of businesses being acquired. The insights gathered from this exercise are also used to inform the post-acquisition integration plan. A framework has been established to ensure the newly acquired businesses meet the Company's standards in key areas such as IT, cyber security, health and safety, and financial reporting. A flexible acquisition integration approach has been developed to ensure all other areas of compliance, internal control and risk management are aligned to the Company's minimum governance standards.

Wolseley UK Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Net zero transition

The UK Government's commitment to achieve net zero carbon emissions by 2050 will possibly involve retrofitting new heating systems to approximately 28 million homes from a new generation of trained installers. The move to reduce greenhouse gas emissions will have a significant impact on the products that the Company sell, as demand and consumer preferences for heating and cooling products will change. The UK Government's policy will also impact the way residential and commercial buildings are designed and constructed and may significantly alter the way heating is provided to these buildings. This transition represents both a significant opportunity and a risk for the Company, as there is great deal of uncertainty regarding which heating technologies will be used by different sectors to meet the net zero carbon objectives and to what extent this will be Government policy driven. More information on the Company's approach to ESG can be found on pages 27 to 34 of the Group's annual report.

Health and safety

The Company places primary importance on the health, safety and wellbeing of its people and other stakeholders who may be affected by its business activities.

Safety risk awareness in respect of the movement, storage and transportation of the Company's products is taken seriously within the Company. These risks are reviewed frequently by senior management and the Directors. This strong tone from the top is reflected in the Company's values and in the focus placed on health and safety in the Company's operations. More information on the Group's health and safety performance can be found on pages 27 and 29 of the Group's annual report.

Liquidity risk

The Company's operations are generally cash generative and the Group uses a mixture of cash balances, long-term debt and short-term facilities to maintain liquidity, ensuring there are sufficient funds available for on-going operations and future developments. The Company regularly monitors cash flow forecasts and maintains funds on demand to meet all working capital requirements and the servicing of financial obligations.

Compliance and governance

The Company does not operate in a highly regulated sector, but it is nevertheless affected by various statutes, laws and regulations in the UK and Ireland. This includes laws affecting competition, fraud, bribery and corruption, the environment, health and safety, transportation, labour and employment practices, data protection and other matters. There have been no material changes in these requirements in the year.

A failure to comply with these laws and regulations, or being complicit in an activity with another party where these laws and regulations are breached, could lead to fines, prosecution, significant operational disruption, reputational damage and have an adverse impact on the Company's financial position.

Corporate Governance

The Company is a wholly owned subsidiary of Wolseley Group Holdings Limited. Under the Companies (Miscellaneous Reporting) Regulations 2018 regulation 14, the Company is required to report on its governance arrangements. The Company is subject to and abides by the Group's policies and procedures including the Wales Corporate Governance Principles for Large Private Companies as the adopted corporate governance code. The Company complies with the principles, to the extent that they are relevant and applicable to an unlisted, privately owned, company. Details of the Group's governance arrangements are detailed in the Group's annual report on page 22 to 34.

Wolseley UK Limited

Strategic report (continued)

Corporate Governance (continued)

The Company is a wholly owned subsidiary, and the Board recognises the importance of good governance for the long-term sustainable success of the Company and ensures the Company complies with all Group policies. The governance framework of the Group delegates authority for local decision making to the Company up to defined levels of cost and impact. The Company has set up its own governance framework within its delegated authority. The Board delegates the management of certain operational matters to operational leaders and subject matter experts to support it in discharging its obligations.

Section 172(1) statement

This statement contains an overview of how the Directors have performed their duty to promote the success of the Company as set out in section 172(1) of the UK's Companies Act 2006. That section requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its stakeholders. In doing this, the Directors have regard, amongst other matters, to:

- a) The likely consequences of any decision in the long term,
- b) The interest of the Company's employees,
- c) The need to foster the Company's business relationships with suppliers, customers and others,
- d) The impact of the Company's operations on the community and the environment,
- e) The desirability of the Company maintaining a reputation for high standards of business conduct, and
- f) The need to act fairly between members of the Company.

Decision making

The Board places significant importance on the strength of its relationship with all stakeholders to promote the sustainable success of the Company. In order to fulfil their duties, the Directors have regard to the likely consequences on all stakeholders of decisions and actions they take. Such considerations ensure the Company is making decisions with a long-term view in mind with the sustainable success of the business at its core.

Shareholder

The Company relies on the support of the Group, and its opinions are important to the Company. There is an open dialogue with the shareholder through monthly meetings which cover a wide range of topics including health and safety, financial performance, strategy, outlook, governance and ethical practices.

Employees

Employees are key to the Company's success and the Directors want them to be successful individually and as a team. Engagement is achieved through colleague surveys, regular internal department briefings, online forums, one-to-one meetings and through the anonymous colleague concern line. Key areas of focus include business updates, new products and services, health and wellbeing, development opportunities and colleague recognition.

Customer

The Company works with a large number of diverse customers from large national corporations to individual self-employed tradespeople. Its strategy remains consistent with great customer service and product availability supported by specialist sales knowledge. The Company engages regularly with its customers through a dedicated support network in order to obtain feedback and understand how it can improve its service offering.

Suppliers

The Company builds strong relationships with its suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through contract negotiation, formal reviews and product ordering. Key areas of focus include pricing, availability, sustainability, product development, health and safety and inventory management.

Wolseley UK Limited

Strategic report (continued)

Corporate Governance (continued)

Communities and the environment

Key areas of focus include how the Company can support local causes and issues, create opportunities to recruit and develop local people and protect the environment. The Company usually selects one charity partner to work with across the business but also works with local charities and organisations at a local level to raise awareness and funds. The impact of decisions on the environment both locally and nationally is considered with such considerations as the use, re-use and disposal of packaging.

Government and regulators

The Company engages with the government and regulators through a range of industry forums, meetings and conferences to communicate its views to policy makers relevant to its business. Key areas of focus are compliance with laws and regulations, health and safety and product safety. The Directors are updated on legal and regulatory developments and take these into account when considering future actions.

Non-financial and sustainability information statement

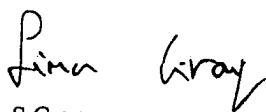
The Directors consider that the climate-related risks and opportunities of the Company are integrated with those of the Group, and that any climate-related impact on the Company would originate in the operating businesses of the Group. Accordingly, the Directors primarily consider climate change in relation to potential changes in the carrying value of the Company's assets including its investments in subsidiaries and amounts due from Group undertakings, which would be driven by factors arising in the wider Group. The assessment of carrying values is carried out at least annually, or when a triggering event occurs.

The interests of the Company's stakeholders within and outside the Group are also considered as part of this assessment, when appropriate.

Accordingly, the climate-related risks and opportunities of the Group, and its arrangements for managing them (including the related time periods and potential impacts on the Group's business model and strategy), are detailed on pages 27 to 34 of the Group's annual report, which does not form part of this report.

As a result of the above, the Directors do not consider that it is necessary for an understanding of the Company's business to include here a description of the actual or potential impacts on the business model and strategy or their resilience under different climate-related scenarios, or the targets or key performance indicators used.

Approved by the Board and signed on its behalf by:



S Gray

Director

1 December 2023

Wolseley UK Limited

Directors' report

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 July 2023.

Principal activities

The principal activities of the business are detailed in the strategic report page 2.

Going concern

The Company's principal objective when managing cash and debt is to safeguard its ability to continue as a going concern for the foreseeable future. The Directors review detailed forecasts covering a minimum of eighteen months from the date of this report and model a range of scenarios to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom in its committed borrowing facilities so that the Company does not breach borrowing limits on any of its borrowing facilities.

A number of scenarios were considered including downside scenarios flexing the trading and working capital performance alongside their impact on the level of asset backed loan facilities that would be available to the Group. These scenarios included a reasonable worst case and an extreme worst case that tested to the point of breaking, assessing the factors that might cause the Company to require further liquidity, and views were formed of the probability of those occurring. As the facilities available under the asset backed loan are linked to receivables and inventory balances the assessments included reviewing the level of receivables and inventory under each scenario and the impact this would have on the size of asset backed facility available.

After making appropriate enquiries and having considered the business activities and the Company's principal risks and uncertainties on pages 3 to 5, the Directors are satisfied that the Company has adequate resources and financing available from the asset backed facility to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Financial instruments and financial risk management

The Company's financial instruments consist of cash, and items such as trade receivables and trade payables which arise directly from operations. The Company does not actively trade in financial instruments. Details of the Group's financial risk management which applies to the Company are set out in the Group's annual report on page 19 and 20.

Future developments and events after the balance sheet date

There are no material events after the balance sheet date.

Results and dividends

The Company's profit before tax for the financial year was £73m (2022: £146m). The Directors have not declared a final dividend (2022: £nil). Interim dividends were paid during the year of £16m (2022: £20m).

Wolseley UK Limited

Directors' report (continued)

Directors

The Directors of the Company during the year ended 31 July 2023 and up to the date of signing the financial statements, were:

S Gray
N Randle
S N Oakland

Directors' 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 remains in force at the date of approval of the financial statements. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance.

Employees, customers and suppliers

Details of the number of employees and related costs can be found in note 3 to the financial statements.

It is the Company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of staff who become disabled, and to provide equal opportunities for the training and career development of disabled employees.

The Modern Slavery Act 2015 requires the Company to report steps taken to ensure operations and supply chains are free of human trafficking and slavery. The Company maintains processes and activities to ensure compliance in this area. The Company's full statement can be found on its website (<https://corporate.wolseley.co.uk/modern-slavery-statement>)

The Directors have chosen to present information regarding engagement with employees, suppliers and customers in the Company's strategic report on page 6.

Health and safety

The Company recognises the importance of the health, safety and wellbeing of its employees and other stakeholders who may be affected by its business activities. The Directors recognises that the movement, storage and transportation of heavy, bulky and sometimes hazardous products in its branches and distribution centres is inherently dangerous. The Company has developed a detailed suite of policies and procedures that are continually reviewed and updated to reflect best practice. These procedures are prepared in line with local regulatory bodies and the appropriate authorities are engaged to ensure the practices undertaken at site are commensurate with the level of risk involved.

Key operational members of senior management meet on a regular basis to review safety performance and progress on key safety improvement initiatives. Additionally, each of the businesses meet and discuss local performance regularly. All lost time and reportable incidents are investigated by the Health and Safety team with a formal report produced identifying any improvement actions.

Wolseley UK Limited

Directors' report (continued)

Health and safety (continued)

Health and safety training is a key feature for all employees and mandatory training is required every year, with completion rates monitored. A health and safety IT system exists to improve the quality of the health and safety risk management processes and provides significantly enhanced reporting capabilities.

Environment

The Company's environmental principles include the integration of environmental management into its business operations, a commitment to comply with local environmental legislation and ensuring proper communication with employees on environmental matters. There is a risk of increased operational cost due to rising energy and fuel prices, increasing carbon and waste taxes and more burdensome regulatory requirements. To address the risk, the Company has targets in place to improve energy, fuel and waste efficiency. The Company is exempt from the Streamlined Energy and Carbon Reporting disclosure as this is disclosed in the Group's annual report on pages 27 to 34.

Directors' responsibilities statement

The Directors are responsible for preparing the annual 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 and in conformity with the requirements of the Companies Act 2006. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "*Reduced Disclosure Framework*". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Wolseley UK Limited

Directors' report (continued)

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

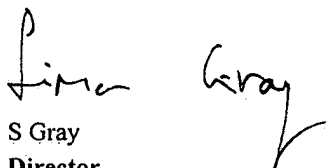
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Directors duty to promote the success of the Company

The Directors of the Company have a duty under section 172 of the Companies Act to promote the success of the Company. It is set out on pages 6 to 7 how the Directors have addressed elements of the Section 172 requirements in the fulfilment of their duties.

Approved by the Board and signed on its behalf by:



S Gray
Director

1 December 2023

Wolseley UK Limited

Independent auditor's report to the members of Wolseley UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Wolseley UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 July 2023 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- assessed the accuracy of the underlying figures in the cash-flow forecast;
- assessed the key assumptions used in the forecast and whether these encompassed the business model and identified principal risks of the business;
- reviewed the availability of financing facilities and the amount of headroom on a monthly basis;
- analysed management's 'reasonable worst case' scenario, whether this was sufficient given the changing economic environment and if there continues to be sufficient headroom in the financing facilities; and
- reviewed the sophistication of the model used to prepare the forecasts, testing the clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

Wolseley UK Limited

Independent auditor's report to the members of Wolseley UK Limited

(continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Wolseley UK Limited

Independent auditor's report to the members of Wolseley UK Limited

(continued)

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team relevant internal specialists such as tax, valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- appropriateness of management's inventory provisioning policy given the balance is highly material and judgemental in nature. We have challenged the appropriateness of this policy in light of the current macro economic environment by using data analytics procedures to assess management's judgement through looking at historical accuracy and forward looking impacts. Further, we have performed enhanced substantive procedures over a sample of exceptions highlighted through our data analytics. We have also gained an understanding of the controls relating to the stock provision.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Wolseley UK Limited

Independent auditor's report to the members of Wolseley UK Limited

(continued)

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

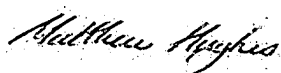
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Matthew Hughes ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Leeds, UK
1 December 2023

Wolseley UK Limited
Income statement
For the year ended 31 July

	Note	2023 Before exceptional items £'000	2023 Exceptional items (note 6) £'000	2023 Total £'000	2022 Before exceptional items £'000	2022 Exceptional items (note 6) £'000	2022 Total £'000
Revenue	2	1,869,810	-	1,869,810	1,729,905	-	1,729,905
Cost of sales		(1,410,442)	-	(1,410,442)	(1,302,687)	-	(1,302,687)
Gross profit		459,368	-	459,368	427,218	-	427,218
Staff costs	3	(199,009)	(925)	(199,934)	(190,197)	-	(190,197)
Tangible fixed assets depreciation and impairment	10	(42,814)	-	(42,814)	(39,782)	-	(39,782)
Profit / (Loss) on sale of tangible fixed assets		721	-	721	(461)	688	227
Other operating charges		(138,525)	(3,703)	(142,228)	(130,247)	(2,662)	(132,909)
Operating profit/(loss)		79,742	(4,628)	75,114	66,531	(1,974)	64,557
Impairment of investments	11	(490)	(51,657)	(52,147)	-	(25,937)	(25,937)
Income from shares in group undertakings		19,096	49,676	68,772	80,750	33,046	113,796
Profit before finance costs		98,348	(6,609)	91,739	147,281	5,135	152,416
Finance income	7	741	-	741	-	-	-
Finance costs	7	(19,373)	-	(19,373)	(6,180)	-	(6,180)
Profit before tax		79,716	(6,609)	73,107	141,101	5,135	146,236
Tax	8	(13,496)	-	(13,496)	(12,633)	-	(12,633)
Profit for the year		66,220	(6,609)	59,611	128,468	5,135	133,603

The notes on pages 19 to 43 form part of these financial statements. There were no items of other comprehensive income in the year and therefore no separate statement of comprehensive income is required.

Wolseley UK Limited

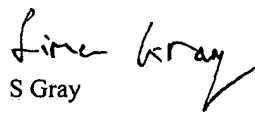
Balance sheet

As at 31 July

Registered Number: 00636445

Assets	Note	2023 £'000	2022 £'000
Non-current assets			
Goodwill and intangible assets	9	14,750	8,768
Property, plant and equipment	10	94,166	83,912
Right-of-use assets	10	99,360	78,581
Investments	11	161,956	179,987
Deferred tax	16	8,215	17,269
Trade and other receivables	13	2,766	2,172
		381,213	370,689
Current assets			
Inventories	12	294,681	272,367
Trade and other receivables	13	417,226	428,298
Current tax receivable	8	4,800	195
Cash and cash equivalents	14	85,305	99,115
Assets held for sale	10	234	-
		802,246	799,975
Total assets		1,183,459	1,170,664
Liabilities			
Current liabilities			
Trade and other payables	15	(477,269)	(518,234)
Lease liabilities	22	(19,849)	(18,889)
Short-term provisions	18	(13,835)	(12,513)
		(510,953)	(549,636)
Non-current liabilities			
Trade and other payables	15	(132,500)	(146,464)
Lease liabilities	22	(84,018)	(62,491)
Long-term provisions	18	(22,218)	(21,914)
		(238,736)	(230,869)
Total liabilities		(749,689)	(780,505)
Net current assets		291,293	250,339
NET ASSETS		433,770	390,159
Equity attributable to equity holders of the Company			
Share capital	20	24,531	24,531
Retained earnings	20	409,239	365,628
TOTAL EQUITY		433,770	390,159

The financial statements of Wolseley UK Limited on pages 16 to 43 were approved by the Board of Directors on 1 December 2023 and were signed on its behalf by:


S Gray
Director

Wolseley UK Limited
Statement of changes in equity
For the year ended 31 July

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000
At 1 August 2021	24,531	-	252,025	276,556
Profit for the year	-	-	133,603	133,603
Interim dividends paid	-	-	(20,000)	(20,000)
At 31 July 2022	24,531	-	365,628	390,159
Profit for the year	-	-	59,611	59,611
Interim dividends paid	-	-	(16,000)	(16,000)
At 31 July 2023	24,531	-	409,239	433,770

Interim dividends were paid to Wolseley Group Limited of £16,000,000 equivalent to £0.65 per share (2022: £20,000,000). The Directors have not declared a final dividend (2022: £nil).

Wolseley UK Limited

Notes to the financial statements

For the year ended 31 July

1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

General information and basis of accounting

Wolseley UK Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of a cash flow statement, remuneration of key management personnel, leases, standards in issue not yet effective, revenue from contracts with customers, prior year comparatives for PPE and intangibles and related party transactions.

The functional and presentational currency of the Company is GB pounds sterling since that is the currency of the primary economic environment in which the Company operates. The financial statements have been prepared on the historical cost basis and on the going concern basis, further details are provided on page 8.

The Company is consolidated into the financial statements of its intermediate parent, Wolseley Group Holdings Limited, which may be obtained from writing to the Company Secretary at the registered office given on page 1.

Group financial statements

As permitted by Section 400 of the Companies Act 2006, consolidated financial statements have not been prepared because the Company itself is a wholly owned subsidiary of its intermediate parent company, Wolseley Group Holdings Limited (note 25) and its results are included in the consolidated financial statements of that company.

Revenue

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company considers whether there are other promises in the revenue transaction that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties).

The Company offers a right of return to its customers for most of its goods sold. Revenue is reduced by the amount of expected returns estimated based on historical data. The Company also provides customers with assurance-type warranties for some own brand goods. Obligations under these warranties are recorded as provisions.

The Company has no contracts, other than framework agreements which set out commercial terms of supply but do not contain volume commitments, with an expected duration of more than one year and has taken advantage of the practical expedient afforded by IFRS 15. Therefore, the Company is not required to disclose information about its remaining performance obligations.

Wolseley UK Limited

Notes to the financial statements (continued)

For the year ended 31 July

1 Accounting policies (continued)

Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items are presented as exceptional within their relevant income statement category to assist in the understanding of the trading and financial results of the Group as these types of costs do not form part of the underlying business. Examples of items that are considered by the Directors for designation as exceptional items include, but are not limited to:

- restructuring costs within a segment which are both material and incurred as part of a significant change in strategy or due to the closure of a large part of a business and are not expected to be repeated on a regular basis;
- significant costs incurred as part of the purchase and integration of an acquired business and which are considered to be material;
- gains or losses on disposals of businesses are considered to be exceptional in nature as they do not reflect the performance of the trading business;
- material costs or credits arising as a result of regulatory and litigation matters; and
- other items which are material and considered to be non-recurring in nature and/or are not as a result of the underlying trading activities of the business.

The classification of exceptional items requires significant management judgement to determine the nature and intention of a transaction.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiary undertakings is included within intangible assets.

Goodwill is tested for impairment on an annual basis. An impairment test is a comparison of the carrying value of assets to their recoverable amount. Where an asset's carrying value is higher than the recoverable amount, an impairment results. Any impairment charges are included in operating expenses in the Statement of Comprehensive Income.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

1 Accounting policies (continued)

Goodwill (continued)

Company law requires goodwill to be written off over a finite period. Non-amortisation of goodwill, in accordance with International Financial Reporting Standards, is a departure from the requirements of company law for the overriding purpose of giving a true and fair view. If this departure from company law had not been made, the profit for the financial year would have been reduced by amortisation of goodwill. However, the amount of amortisation cannot reasonably be quantified other than by reference to an arbitrary assumed period for amortisation.

Intangible assets

Computer software that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Costs include software licences, consultancy and internal costs directly attributable to the development, design and implementation of the computer software. Costs in respect of training and data conversion are expensed as incurred. Computer software (except assets in the course of construction) is amortised using the straight-line method so as to charge the cost of the assets to the income statement over their estimated useful lives. Provision is made for any impairment.

Software-as-a-Service (SaaS) arrangements are service contracts providing the Company with access to the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of the costs incurred relate to the development of software code that enhances or modifies existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset

Trade names, brands and customer relationships are included at cost and depreciated in equal annual instalments over their estimated useful economic life (five to twenty five years). Provision is made for any impairment where required.

Investments

Investments in subsidiaries are recorded 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.

An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an investment's net realisable value and value in use.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Assets (except freehold land and assets in the course of construction) are depreciated on a straight-line basis so as to write off the cost of the assets, less their residual values, over their estimated useful lives. The principal rates of depreciation are as follows:

Land and buildings	2% - life of lease
Plant and machinery	10 - 15%
Fixtures, fittings, tools and equipment	15 - 33⅓%
Motor vehicles	14 - 25%

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

1 Accounting policies (continued)

Leases

Under IFRS 16, the Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment should the estimated useful life be assessed as less than the remaining lease term.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

ii) Lease liabilities (continued)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

1 Accounting policies (continued)

Leases (continued)

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Cash at bank and in hand

Cash includes cash in hand, transit and short term (less than 90 days) deposits held with banks.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The operating results of overseas branches are translated into sterling using average rates of exchange ruling during the relevant period. Assets and liabilities of overseas branches' operations are translated at the exchange rate ruling at the balance sheet date and accounted for under the net investment method.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured 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. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that generated the tax expense or income.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

1 Accounting policies (continued)

Taxation (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to offset the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: (a) the Company has a legally enforceable right to offset current tax assets against current tax liabilities; and (b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which the deferred tax liabilities or assets are expected to be settled or recovered.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price and where applicable are subsequently measured at amortised cost. No items are measured at fair value through profit and loss or fair value through other comprehensive income.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to offset the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, or (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

The Company enters into a variety of financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expired.

For financial assets carried at amortised cost, the amount of impairment is the difference between the financial asset's carrying amount and the present value of its estimated future cash flows, discounted at the financial asset's original effective interest rate.

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 if an impairment loss reversal is appropriate. 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.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

1 Accounting policies (continued)

Pensions

The Company contributes to a defined contribution pension scheme. The assets of the defined contribution scheme are held separately from those of the Company in an independently administered fund. The pension costs disclosed in note 3 represents contributions paid by the Company to the defined contribution scheme.

Inventories

Inventory comprises finished goods, and is valued on a first in, first out basis. Provisions are made against slow moving, obsolete and damaged inventory for which the net realisable value is estimated to be less than the carrying value. Inventory which is damaged or obsolete is written down as identified. The risk of obsolescence of slow-moving inventory is assessed by comparing the level of inventory held to future sales projected on the basis of historical experience. The actual realisable value of inventory may differ materially from the estimated value on which the provision is based.

Trade receivables

Trade receivables are recognised initially at fair value and measured subsequently at amortised cost using the effective interest method, less the loss allowance. The loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses, estimated based on historical write-offs adjusted for forward-looking information where appropriate. The loss is recognised in the income statement. Trade receivables are written off when recoverability is assessed as being remote. Subsequent recoveries of amounts previously written off are credited to the income statement.

Supplier rebates

In line with industry practice, the Company has agreements ("supplier rebates") with a number of its suppliers whereby volume-based rebates, marketing support and other discounts are received in connection with the purchase of goods for resale from those suppliers. Supplier rebates relating to the purchase of goods for resale are accrued as earned and are recorded initially as a deduction in inventory with a subsequent reduction in cost of sales when the goods are sold.

Volume-based rebates

The majority of volume-based rebates are determined by reference to guaranteed rates of rebate. These are calculated through a mechanical process with minimal judgement required to determine the amount recorded in the combined income statement.

A small proportion of volume-based rebates are subject to tiered targets where the rebate percentage increases as volumes purchased reach agreed targets within a set period of time, usually a 12 month period. The majority of rebate agreements apply to purchases in a calendar year and therefore, for tiered rebates, judgement is required to estimate the rebate amount recorded in the combined income statement at the end of the period. The Company assesses the probability that targeted volumes will be achieved in the year based on forecasts which are informed by historical trading patterns, current performance and trends. This judgement is exercised consistently, with historically insignificant true ups at the end of the period.

An amount due in respect of supplier purchase rebates is recognised as a reduction in the cost of inventory, and not recognised within the combined income statement until all the relevant performance criteria, where applicable, have been met and the goods have been sold to a third party.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

1 Accounting policies (continued)

Supplier rebates receivable

Supplier rebates are offset with amounts owing to each supplier at the balance sheet date and are included within trade payables, where the Company has the legal right to offset and net settles balances. Where the supplier rebates are not offset against amounts owing to a supplier, the outstanding amount is included within other receivables.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provision is made against the estimated costs to be incurred under leasehold property dilapidation claims anticipated in respect of properties leased by the business. Within the dilapidations provision, a decommissioning provision for distribution centres is recognised, being the present value of management's best estimate of the expenditure required to settle the present obligation at that balance sheet date. The discount rate used to determine the present value reflects market assessments of the time value of money.

Provision is made for restructuring costs based on management's estimation of the outflow of resources required to settle the obligation. Environmental liabilities include known and potential legal claims and environmental liabilities.

Dividends payable

Dividends on ordinary shares are recognised in the Company's financial statements in the period in which the dividends are paid or approved by the shareholders of the Company.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described elsewhere in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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, other factors that are considered to be relevant and are regularly reviewed. Actual results may differ from these estimates.

There are no critical accounting judgements or estimation uncertainty within the current or prior year.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

2 Revenue

Revenue originates primarily from the sale of goods in the UK and relates entirely to the principal activities of the Company. Revenue and operating profit derived from overseas is not material to the results of the Company.

Consideration is given to the disaggregation of revenue but due to the operating model of the Company being a specialist merchant distributor of plumbing, heating, renewables, cooling and infrastructure products, and the similar markets in which it operates no further disclosure is considered necessary.

3 Employee and key management information

	2023 £'000	2022 £'000
Staff costs (including key management)		
Wages and salaries	173,465	164,568
Social security costs	15,877	15,231
Pension costs – defined contribution schemes	10,122	9,196
Redundancy costs	470	1,202
	199,934	190,197

	2023 Number	2022 Number
Average monthly number of employees and key management:		
Distribution	4,262	4,051
Administration	458	435
	4,720	4,486

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director of the Company.

During the year ended 31 July 2023 and the year ended 31 July 2022, the Directors were also directors of a number of Group companies. It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include all emoluments in respect of their services with none recharged to Group companies.

4 Auditor's remuneration

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £760,000 (2022: £670,000). There were no fees for non-audit services paid to Deloitte LLP during the current year or prior period.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

5 Operating profit

	Note	2023 £'000	2022 £'000
Operating profit is stated after charging/(crediting):			
Amounts included in cost of sales with respect to inventory		1,420,061	1,307,373
Impairment losses / (gains) on inventory		2,433	(1,888)
Depreciation of property, plant and equipment	10	42,814	39,782
Amortisation of intangible fixed assets	9	2,457	4,098
Staff costs	3	199,934	190,197
Operating lease rentals for short term leases:			
- Plant and machinery		3,963	3,943
- Other		4,316	3,983
Loss allowance on trade receivables		5,160	5,672

The lease expense relates to leases expensed to the income statement on a straight-line basis for leases not qualifying for recognition under IFRS 16 due to being short term leases.

6 Exceptional items

	2023 £'000	2022 £'000
Exceptional items are analysed by purpose as follows:		
Acquisition integration fees	(4,628)	(1,974)
Impairment of investments	(51,657)	(25,937)
Income from shares in group undertakings	49,676	33,046
	(6,609)	5,135

For the year ended 31 July 2023 and the year ended 31 July 2022, acquisition integration fees relate to the costs incurred in integrating acquired businesses into the Wolseley operating model.

For the year ended 31 July 2023, the Company impaired four investments (2022: two). For information on the £52m impairment charge is disclosed in note 11.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

7 Finance income/(costs)

Finance income	2023	2022
	£'000	£'000
Interest on cash deposits	586	-
Interest receivable from group undertakings	155	-
Finance income	741	-
Finance costs	2023	2022
	£'000	£'000
Interest on bank loans	-	851
Interest payable to group undertakings	14,290	2,407
Interest expense on lease liabilities	4,514	2,228
Other interest payable	569	694
Finance costs	19,373	6,180

For the year ended 31 July 2023, other interest payable included the unwinding of discounts (note 18) on long term provisions of £528,000 (2022: £549,000).

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

8 Tax

The tax charge for the year comprises:	2023 £'000	2022 £'000
Current tax		
Current year tax charge	5,701	3,850
Adjustment in respect of prior years	(1,124)	(547)
Total current tax charge	4,577	3,304
Deferred tax		
Current year tax charge	6,873	8,324
Adjustments in respect of prior years	1,209	(649)
Tax rate changes	837	1,654
Total deferred tax charge (note 16)	8,919	9,329
Total tax charge recognised through the income statement	13,496	12,633

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

8 Tax (continued)

The tax charge for the year is lower (2022: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

Tax reconciliation	2023 £'000	2022 £'000
Profit before taxation	73,107	146,236
Profit before taxation multiplied by the effective standard rate of UK tax of 21% (2022: 19%)	15,359	27,784
Effects of:		
Expenses not deductible	12,349	6,383
Income not taxable	(14,828)	(21,923)
Adjustments from previous periods	85	(1,195)
Tax rate changes	837	1,654
Amount chargeable to controlled foreign corporation	-	27
Transfer pricing adjustments	(306)	(82)
Share based payments	-	(15)
Total tax charge recognised through the income statement	13,496	12,633

The UK tax rate at the 31 July 2023 is 25%. 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.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

9 Goodwill and intangible assets

	Goodwill £'000	Software costs £'000	Trade name costs £'000	Customer relationship costs £'000	Total £'000
Cost					
At 1 August 2022	120,625	19,919	-	-	140,544
Additions	-	229	-	-	229
Acquisitions	4,123	-	1,983	2,477	8,583
Disposals	-	(7,607)	-	-	(7,607)
At 31 July 2023	124,748	12,541	1,983	2,477	141,749
Accumulated amortisation and impairment					
At 1 August 2022	120,625	11,151	-	-	131,776
Amortisation charge for the year	-	2,457	154	192	2,803
Disposals	-	(7,580)	-	-	(7,580)
At 31 July 2023	120,625	6,028	154	192	126,999
Net book value					
At 31 July 2023	4,123	6,513	1,829	2,285	14,750
At 31 July 2022	-	8,768	-	-	8,768

The amortisation charge for the year of £2,803,000 (2022: £4,098,000) is included within 'Other operating charges' on the face of the income statement. For further information on the acquisitions refer to note 19.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

10 Property, plant and equipment

	Land and buildings £'000	Right-of- use assets £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 August 2022	103,709	151,732	27,085	75,191	13,270	370,987
Acquisitions	-	-	7	56	59	122
Additions	5,388	51,702	3,747	4,619	9,562	75,018
Disposals	(876)	(26,368)	(1,282)	(2,857)	(1,217)	(32,600)
Assets held for sale	(450)	-	-	-	-	(450)
At 31 July 2023	107,771	177,066	29,557	77,009	21,674	413,077
Accumulated depreciation and impairment						
At 1 August 2022	48,781	73,151	17,901	61,950	6,711	208,494
Depreciation charge for the year	4,691	30,448	3,099	4,020	556	42,814
Disposals	(663)	(25,893)	(1,010)	(2,799)	(1,176)	(31,541)
Assets held for sale	(216)	-	-	-	-	(216)
At 31 July 2023	52,593	77,706	19,990	63,171	6,091	219,551
Net book value						
At 31 July 2023	55,178	99,360	9,567	13,838	15,583	193,526
At 31 July 2022	54,928	78,581	9,183	13,241	6,559	162,493

At 31 July 2023, there was no future capital expenditure authorised by the Directors that has been contracted but not provided in the financial statements (2022: £nil).

The property, plant and equipment has been pledged as security for the Group's loan facility.

Cost of land and buildings comprises:

	2023 £'000	2022 £'000
Freehold	45,867	46,013
Short leasehold	61,904	57,696
	107,771	103,709

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

11 Investments

	£'000
Cost	
At 1 August 2022	263,793
Additions	34,116
At 31 July 2023	297,909
Provision	
At 1 August 2022	83,806
Impairment of investments	52,147
At 31 July 2023	135,953
Net book value	
At 31 July 2023	161,956
At 31 July 2022	179,987

During the year the Company invested £33,204,000 in acquiring 81% of the share capital of CPH Holdco Limited with a further 19% to be acquired in 2024, £760,000 in acquiring 19% of the share capital of WB Solutions Ltd, £100,000 in acquiring 2.04% of the share capital of Digital Heat and £450,000 in acquiring a further 10% of the share capital of Gas App UK Ltd. A further £398,148 has been recognised as a reduction in investment reflecting refunds on completion for Jointing Tech Limited of £247,495 and Domestic Heating Services (Wholesale) Limited of £150,653.

An impairment charge of £52,146,450 has been recognised reflecting the reduction in net assets of Wolseley UK Finance Limited of £39,646,100, Cascade Clamps U.K. Limited of £9,157,622, Domestic Heating Services (Wholesale) Limited of £2,851,933 and Wholesale Supplies (C.I.) Limited of £490,795, following dividends received.

The Directors believe that the carrying values of all investments are supported by their underlying net assets. A full list of subsidiaries is included in note 25.

12 Inventories

	2023 £'000	2022 £'000
Finished goods	294,681	272,367

In the opinion of the Directors there is no material difference between the value of inventory as disclosed in the balance sheet and net realisable value at the balance sheet date. The Company held provisions in respect of inventory balances at 31 July 2023 amounting to £32,836,000 (2022: £30,491,000). The gross value of inventory is reduced to reflect supplier rebates where the inventory has not been sold. As at 31 July 2023, this deduction from gross inventory amounted to £46,420,000 (2022: £48,617,000).

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

13 Trade and other receivables

	2023 £'000	2022 £'000
Current:		
Trade receivables	332,128	328,773
Amounts owed by group undertakings	30,075	44,985
Other receivables and prepayments	51,523	54,540
Term deposits placed for greater than 90 days	3,500	-
	417,226	428,298
Non-current:		
Other receivables and prepayments	2,766	2,172

The current amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Trade receivables have been aged with respect to the payment terms specified in the terms and conditions established with customers as follows:

	Amounts not yet due £'000	Less than six months past due £'000	More than six months past due £'000	Total £'000
At 31 July 2023				
Expected credit loss rate	2%	2%	79%	
Gross trade receivables	269,238	69,329	3,459	342,026
Lifetime expected credit losses	(5,449)	(1,715)	(2,734)	(9,898)
Net trade receivables	263,789	67,614	725	332,128
At 31 July 2022				
Expected credit loss rate	2%	2%	71%	
Gross trade receivables	261,760	72,041	3,080	336,881
Lifetime expected credit losses	(4,699)	(1,228)	(2,181)	(8,108)
Net trade receivables	257,060	70,813	900	328,773

No contract contains a significant financing component. Payment from customers is typically due within 30 to 60 days from the end of the month the customer is invoiced within.

The contractual amounts outstanding on trade receivables that were written off during the periods reported and that are subject to enforcement activity are as follows:

	2023 £'000	2022 £'000
Amounts written off that are subject to enforcement activity	3,968	4,835

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

13 Trade and other receivables (continued)

Included in other receivables are amounts due in relation to supplier rebates where there is no right of offset against trade payable balances as follows:

	2023 £'000	2022 £'000
Supplier rebates with no right of offset against trade payables	39,298	41,425

14 Cash and cash equivalents

	2023 £'000	2022 £'000
Cash and cash equivalents	52,805	99,115
Short term deposits	32,500	-
	85,305	99,115

The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value. Short term deposits are made for varying periods not exceeding 90 days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

15 Trade and other payables

	2023 £'000	2022 £'000
Current:		
Trade payables	384,239	392,675
Amounts owed to group undertakings	16,826	44,043
Other payables	15,713	40,334
Other taxation and social security	22,260	21,447
Accruals and deferred income	38,231	19,736
	477,269	518,234
Non-current:		
Amounts owed to group undertakings	132,500	146,464

The non-current amounts owed to group undertakings is an unsecured loan facility - interest of 5% over SONIA, subject to certain conditions, repayable 29 January 2026.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

15 Trade and other payables (continued)

The current amounts owed to group undertakings are unsecured, and can be analysed as follows:

	2023 £'000	2022 £'000
Balance repayable on demand and interest free	9,607	41,544
6 months SONIA + 0.5% repayable on demand	7,219	1,485
12 months SONIA + 0.6% repayable in full 13 March 2023	-	1,013
	16,826	44,043

16 Deferred tax assets

The elements and movements on deferred tax are shown in the table below:

	Fixed assets £'000	Temporary trading differences £'000	Tax losses £'000	Intangible assets £'000	Pension £'000	IFRS 16 £'000	Total £'000
1 August 2021	13,470	455	10,506	-	-	2,166	26,597
Adjustment to prior year	5,703	94	(5,148)	-	-	-	649
Credited/ (charged) to Income statement	(5,105)	(173)	(4,780)	-	313	(232)	(9,977)
(Charged) to OCI	-	-	-	-	-	-	-
Transfer of trade	-	-	-	-	-	-	-
31 July 2022	14,068	376	578	-	313	1,934	17,269
Adjustment to prior year	(1,342)	38	95	-	-	-	(1,209)
Transfer of trade	(30)	1,010	-	(1,115)	-	-	(135)
Rate change	(671)	(15)	(107)	14	5	(62)	(836)
Credited/ (charged) to Income statement	(6,001)	(81)	(566)	73	26	(325)	(6,874)
31 July 2023	6,024	1,328	-	(1,028)	344	1,547	8,215

The Company has unrecognised gross UK capital losses of £nil (2022: £1,761,711) as these were utilised against capital gains in the period.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

17 Financial instruments and financial risk management

Financial instruments by measurement basis

The carrying value of financial instruments by category as defined by IFRS 9 "Financial Instruments: Recognition and Measurement" is as follows:

	2023 £'000	2022 £'000
Financial assets		
Financial assets at amortised cost	518,254	519,468
Financial liabilities		
Financial liabilities at amortised cost	(772,803)	(780,397)

The Company has access to draw directly from the £305m asset backed loan facility (2022: £205m) – interest of 2% over SONIA, subject to certain conditions, facility available until July 2026 and amounts repayable at the end of each interest period unless rolled over. The asset backed loan facility is linked to receivables and inventory balances of the Company. At 31 July 2023 Wolseley Group Limited had drawn £139.5m and this was disclosed in their annual report

18 Provisions

Provisions, and movements during the year, are analysed as follows:

	Restructuring £'000	Property dilapidations £'000	Environmental £'000	Guarantees & legal £'000	Total £'000
At 1 August 2022	3,067	26,954	2,855	1,551	34,427
Utilised in the year	(638)	(380)	-	-	(1,018)
Acquisitions	725	250	-	-	975
Additions	160	1,642	-	-	1,802
(Releases) / Charges for the year	(515)	(73)	-	(73)	(661)
Unwinding of discount	-	528	-	-	528
At 31 July 2023	2,799	28,921	2,855	1,478	36,053

Provisions are analysed between current and non-current as follows:

	Restructuring £'000	Property dilapidations £'000	Environmental £'000	Guarantees & legal £'000	Total £'000
At 31 July 2023					
Current	1,711	9,727	919	1,478	13,835
Non-current	1,088	19,194	1,936	-	22,218
Total provisions	2,799	28,921	2,855	1,478	36,053

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

18 Provisions (continued)

At 31 July 2022	Restructuring £'000	Property dilapidations £'000	Environmental £'000	Guarantees & legal £'000	Total £'000
Current	1,495	10,099	919	-	12,513
Non-current	1,572	16,855	1,936	1,551	21,914
Total provisions	3,067	26,954	2,855	1,551	34,427

Restructuring

The majority of the restructuring provision relates to closed branches and is expected to be utilised over the next 2 years. The amounts credited to the income statement primarily relate to settlement of lease obligations for less than previously provided.

Property dilapidations

The dilapidations provision is the estimated costs to be incurred under leasehold property dilapidation claims with an average period to utilisation over the next 4 years. The decommissioning provision has been stated on a discounted basis using various discount rates depending on the expiry date of the lease.

Environmental

This includes an amount of £1,936,000 (2022: £1,936,000) for asbestos litigation. This amount was actuarially determined as at 31 July 2021. Insurance is in place for asbestos litigation and accordingly an insurance receivable of £1,748,000 (2022: £1,748,000) has been recorded in other debtors. The provision is expected to unwind over the next twenty-five years.

Guarantees & legal

The provision includes £685,000 provided for warranties (2022: £756,000) and £793,000 for anticipated settlement of legal claims made (2022: £795,000).

19 Acquisitions

The Company acquired two businesses in the year which expand the customer offering in contract plumbing and utility supplies within the UK. All transactions have been accounted for by the acquisition method of accounting.

For the year ended 31 July 23 the acquired businesses contributed £27,981,718 of revenue and £1,460,464 of operating profit to the Company's statement of comprehensive income. If each acquisition had been completed on the first day of the financial year, revenue would have been £52,615,441 and operating profit would have been £3,225,789.

Neville Lumb was an asset purchase from Neville Lumb (Wolseley) Limited on 28 February 2023. Cascade Clamps was an asset purchase from Cascade Clamps U.K. Limited on 31 October 2022. The transactions were satisfied by consideration received via intercompany loans, £9,157,722 with Cascade Clamps U.K. Limited and £20,204,619 with Neville Lumb (Wolseley) Limited.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

19 Acquisitions (continued)

The assets and liabilities acquired and the consideration for the acquisition of all businesses are as follows:

	Neville Lumb book value £'000	Cascade Clamps book value £'000	Fair value adjustments £'000	Total fair values acquired £'000
Trade names and brands (note 9)	-	-	4,460	4,460
Property, plant and equipment (note 10)	29	93	-	122
Inventories	13,129	691	-	13,820
Trade and other receivables	9,542	1,321	-	10,863
Cash, cash equivalents and bank overdrafts	32	1,269	-	1,301
Trade and other payables	(3,606)	(788)	-	(4,394)
Provisions (note 18)	(975)	-	-	(975)
Corporation tax	178	-	-	178
Deferred tax	937	43	(1,115)	(135)
Total	19,266	2,629	3,345	25,240
Goodwill arising	938	3,185	-	4,123
Consideration	20,204	5,814	3,345	29,363

20 Share capital and reserves

	2023 £'000	2022 £'000
Allotted, authorised, called-up and fully paid		
24,530,792 (2022: 24,530,792) ordinary shares of £1 each	24,531	24,531

The Company's reserves are as follows:

- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

21 Contingent liabilities

The Company is, from time to time, subject to certain claims and litigation arising in the normal course of business in relation to, among other things, the products that they supply, contractual and commercial disputes and disputes with employees. Provision is made if, on the basis of current information and professional advice, liabilities are considered likely to arise. In the case of unfavourable outcomes, the Company may benefit from applicable insurance protection.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

21 Contingent liabilities

Environmental liabilities

The operations of the Company is subject to specific environmental regulations. From time to time, the Company conducts preliminary investigations through third parties to assess potential risks. Where an obligation to remediate contamination arises, this is provided for, though future liabilities could arise from sites for which no provision is made.

Outcome of claims and litigation

The outcome of claims and litigation to which the Company is party cannot readily be foreseen as, in some cases, the facts are unclear, further time is needed to assess properly the merits of the case, or they are part of continuing legal proceedings. However, based on information currently available, the Directors consider that the cost to the Company of an unfavourable outcome arising from such litigation is not expected to have a material adverse effect on the financial position of the Company.

22 Leases

The Company has lease contracts for properties, plant, and vehicles used in its operations. Leases of property generally have lease terms between 5 and 10 years, while vehicles, plant and equipment generally have lease terms between 4 and 7 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company also has certain leases with lease terms of 12 months or less and leases of equipment with low value. The Company applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period (see also note 10):

	Property £'000	Vehicles £'000	Plant £'000	Other £'000	Total £'000
At 1 August 2022	71,875	5,083	791	832	78,581
Additions	47,801	3,876	25	-	51,702
Depreciation and impairment expense	(25,871)	(3,809)	(335)	(433)	(30,448)
Disposals	(301)	(220)	46	-	(475)
At 31 July 2023	93,504	4,930	527	399	99,360

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

22 Leases (continued)

Set out below are the carrying amounts of the lease liabilities and the movements during the year ended 31 July 2023:

	2023 £'000
At 1 August 2022	81,380
Additions	49,901
Accretion of interest	4,514
Disposals	(580)
Payments	(31,348)
At 31 July 2023	103,867
Current	19,849
Non-current	84,018

The following are the amounts recognised in profit or loss for the year ended 31 July 2023:

	2023 £'000
Depreciation expense of right-of-use assets	30,448
Interest expense on lease liabilities	4,514
Expense relating to short-term leases (included in Other operating charges)	8,279
Total amount recognised in the income statement	43,241

Set out below is a maturity analysis of contractual future payments (excluding future interest expense) relating to lease liabilities held at 31 July 2023:

	2023 £'000
Due in less than one year	19,849
Due in one to two years	20,062
Due in two to three years	17,320
Due in three to four years	12,519
Due in four to five years	8,429
Due in over five years	25,688
Total	103,867

The Company had total cash outflows for leases of £31,347,000 during the year ended 31 July 2023. The Company also had non-cash additions to right-of-use assets and lease liabilities of £51,702,000 during the period.

The Company has lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises judgement in determining whether these termination options are reasonably certain to be exercised. There are no lease payments unprovided where management does not reasonably expect to use the leased asset to the lease expiry date.

Wolseley UK Limited
Notes to the financial statements (continued)
For the year ended 31 July

23 Ultimate parent company and parent undertakings

The ultimate parent company and controlling party at 31 July 2023 was CD&R Wolf SARL, a company incorporated in Luxembourg, 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg. Wolseley Group Holdings Limited was the smallest and CD&R Wolf SARL the largest parent undertaking to consolidate this Company's financial statements as at 31 July 2023. Copies of the Group financial statements of both companies may be obtained from the Group Company Secretary, 2 Kingmaker Court, Warwick Technology Park, Gallows Hill, CV34 6DY, United Kingdom.

24 Post-balance sheet events

There have been no material events after the balance sheet date.

25 Subsidiary undertakings

A full list of subsidiaries in which the Company has a controlling interest of 100% as at 31 July 2023 is set out below. The country of incorporation is also detailed below. Unless otherwise noted, the share capital comprises ordinary shares which are indirectly held by the Company. Unless noted as dormant the nature of business for all subsidiaries is the same as Wolseley UK Limited.

Fully owned subsidiaries:

Bassetts (Wolseley) Limited (Northern Ireland) ^c	Jointing Tech Limited (England)
C P Hart & Sons Limited (England) ^g	Jointing Technologies Limited (Ireland) ^b
C P Hart SRL (Italy) ^h	Langley Engineering Limited (England)
Charco 2010 Limited (England) ^g	Wholesale Supplies (CI) Limited (Jersey) ^d
Continental Product Engineering Limited (England)	William Wilson Holdings Limited (Scotland) ^e
CPH Holdco Limited (England)	William Wilson Limited (Scotland) ^e
Domestic Heating Services (Wholesale) Limited (Guernsey) ^a	Wolseley Developments Limited (England)
Ideal Bathrooms (Wolseley) Limited (England)	Wolseley UK Finance Ltd (England)

Dormant companies

A. C. Electrical Holdings Limited (England)	WM. C. Yuille & Company Limited (Scotland) ^c
A. C. Electrical Wholesale Limited (England)	Wolseley Centers Limited (England)
A C Ferguson Limited (Scotland) ^c	Wolseley Centres Limited (England)
Cascade Clamps U.K Limited (England)	Wolseley DC Plan Trustees Limited
Neville Lumb (Wolseley) Limited (England)	Wolseley Directors Limited (England)
Sellers of Leeds Limited (England)	Wolseley Properties Limited (England)

All of the above companies have the same registered office as the Company except as follows:-

- Longcamps, St Sampsons, Guernsey, GY1 3FD
- Suite 3, One Earlsfort Centre, Lower Hatch Street, Dublin, D02 X668, Ireland
- Hareness Road, Altens Industrial Estate, Aberdeen, AB12 3QA, United Kingdom
- 47 Esplanade, St Helier, Jersey, JE1 0BD, Jersey
- Mahon Industrial Estate, Mahon Road, Portadown, Armagh, Northern Ireland, BT62 3EH
- Muirfield Drive, Naas Road, Dublin 12, Ireland, D12 X0A3
- Unit 40 Charles Park, Claire Causeway, Crossways, Dartford DA2 6QA
- Milano (MI) Via Giuseppe Frua 24