

Continental Product Engineering Limited

Annual Report and Financial Statements

For the year ended 31 July 2022



Company Registration No. 02700257 (England and Wales)

Continental Product Engineering Limited

Company Information

Directors	S Gray Wolseley Directors Limited
Company Secretary	N Randle
Company number	02700257
Registered office	2 Kingmaker Court Warwick Technology Park Gallows Hill Warwick Warwickshire CV34 6DY
Independent auditor	Deloitte LLP Statutory auditor One Station Square Cambridge CB1 2GA

Continental Product Engineering Limited

Contents

	Page
Strategic report	1 - 4
Directors' report	5 - 8
Independent auditor's report	9 - 12
Income statement	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16 - 30

Continental Product Engineering Limited

Strategic Report

For the year ended 31 July 2022

The Directors present their strategic report on Continental Product Engineering Limited ("the Company") for the year ended 31 July 2022.

Review of the business

The results of the Company are consolidated into its intermediate parent company, Wolseley Group Holdings Limited, "the Group".

The Company's objective is to deliver long term profitable growth through a focus on providing the best service in the industry, improving gross margins and maintaining an efficient cost base. The Company has a strong market position, leading customer propositions and a management team experienced in delivering industry leading products. The main activities include building and testing medium and low-pressure natural gas and LPG domestic meter box installations. The company also has an increasing presence in the emerging Hydrogen metering market through innovative product development and representation on industry specification standards committees.

The focus of the business continues to be on providing product availability and outstanding customer service. The Company monitors the external macro-economic factors, such as the Russia-Ukraine war, in order to maintain continuity of supply and continue to grow revenue.

The Directors believe the following key performance indicators ("KPIs") to be the primary measures for understanding the performance of the Company. In the year to 31 July 2022 the revenue grew to £46,338,352 from £42,560,603 in the year to 31 July 2021. Ongoing success contributes to gross profit increasing from £13,150,590 for the year ended 31 July 2021 to £15,217,611 for the year ended 31 July 2022.

The balance sheet shows that the Company's financial position at the year-end has, in net asset terms, increased by £4,101,032 (2021: increased by £443,612) primarily as a result of the strong trading performance generating £9,351,032 of profit for the year ended 31 July 2022 (2021: 7,443,612) offset by £5,250,000 dividends paid to the parent company (2021: £7,000,000). Details of amounts owed from and to group companies are shown in notes 14 and 15. The results also include a £1,000,000 warranty provision to cover the anticipated exchange of LPG low pressure meter box regulators produced and supplied between 2011 and 2020.

The Directors believe that further KPIs for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. Details of the KPIs across the Group are shown within the strategic report of the Group's annual report.

Principal risks and uncertainties

The Company's operations are affected by advancements within the industry together with the various statutes, regulations and laws in the countries and markets in which it operates. The Company is engaged in a regulated industry and holds representation on the National Standards Committee to monitor and update the requirements of the Gas Industry Standards. This ensures early visibility of advancements in the industry. In addition, the Company is subject to the laws governing businesses generally, including laws affecting competition, international trade, fraud, bribery and corruption, land usage, zoning, the environment, health and safety, transportation, labour and employment practices (including pensions), data protection, payment terms and other matters.

Continental Product Engineering Limited

Strategic Report (Continued)

For the year ended 31 July 2022

The Company conducts a six-monthly risk review to identify risks and ensure appropriate action plans are in place. This is part of the wider Group risk management process, which is designed to identify, manage and mitigate business risk.

There are a number of risks and uncertainties which the Directors believe could have an impact on the Company's long-term financial performance, including but not limited to: pressure on market conditions; margins; ability to execute strategic initiatives; leakage; major contract compliance; health and safety; customer or supplier default; and product liability. The principal risks to financial performance faced by the Company and its management response are summarised below:

Industry Advancement

The Company operates in an industry with continual product advancement through regulation or competitive supply. The Company cannot control industry regulation but by monitoring intended changes is well placed to tailor product design to accommodate changes. Additionally, the Company invests in research and development to increase production efficiencies and generate new product delivery. In doing so the Company is able to maintain its competitive advantage. The Company identifies hydrogen gas as a likely replacement for Natural Gas. Following the successful 12 month BEIS contract, the Company has had product installed in the NGN Hydrogen show homes and is in negotiations with partners for the 2,000 home Hydrogen trials. The Company is placing itself at the forefront of Hydrogen ready mains to metering equipment in anticipation of the future roll-out thus future proofing the business into the next decade.

Supply chain

The Company places great value in its supplier relationships to maintain high standards of quality and encourage collaboration, innovation and longevity from its supply partners. Crucial to the Company's continual success is the stability and competitiveness of the supply chain which underpins the foundation of the company. Sourcing and retaining the correct supplier is paramount to achieving prosperous and long term relationships. As such, over 87% of current spend is with approved suppliers with over ten years trading relationship.

Russia-Ukraine war

The supply chain remained resilient during this crisis with no disruption to stocks or production. Material costs increased considerably due to global shortages based on sanctions against Russia. The Company has managed to re-negotiate price increases or temporary surcharges to help mitigate these increases. Existing processes for product sourcing have continued to prove effective in the Company's ability to import goods as required.

Information security

Technology systems and data are fundamental to the future growth and success of the Company. IT risks are categorised as strategic and operational. Strategic risks are threats that could prevent execution of the IT strategic plan such as inadequate leadership, or poor allocation/management of resources necessary to adopt and apply new business processes. Operational risks include business disruption resulting from systems failures, fraud or criminal activity, security threats and/or failures in the ability of the organisation to operate, recover and restore operations after such disruptions.

Continental Product Engineering Limited

Strategic Report (Continued)

For the year ended 31 July 2022

Credit risk

The Company provides credit terms to many of its customers. There is an associated risk that customers may not be able to pay outstanding balances due to the Company. There are established procedures in place to review and collect outstanding receivables. Outstanding and overdue balances are reviewed regularly and corrective action is taken where necessary. Provisions, when required, are made promptly for debts that may be impaired.

Sustainability

The Group concentrates on three key focus areas to have the greatest possible positive impact on our environment while growing our business. These are 1: employing the best colleagues; 2: having the most efficient operations and 3: promoting sustainable products and solutions from our customers. The Company is exempt from carbon reporting as it is included within the Group's reporting. More details can be found within the governance report of the Group's annual report.

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 policies and procedures including the Wates principles as the adopted corporate governance code. The company seeks to comply with the Code's principles (but not all provisions), to the extent that they are relevant and applicable to an unlisted, privately owned, company. Details of the Group's governance arrangements are set out in full in the Group's annual report within the governance report.

Although the Company is a wholly owned subsidiary, the Board recognises the importance of good governance for the long-term sustainable success of the Company and ensures that 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 director must 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 as 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.

Continental Product Engineering Limited

Strategic Report (Continued)

For the year ended 31 July 2022

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 we want them to be successful individually and as a team. Engagement is achieved through monthly online updates, regular internal department briefings, one-to-one meetings and through our anonymous colleague concern line. Key areas of focus include business updates, new products and services, health and wellbeing, development opportunities and colleague recognition. See page 6 for further information.

Customers

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. We engage regularly with our customers through a dedicated support network in order to obtain feedback and understand how we can improve our service offering.

Suppliers

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

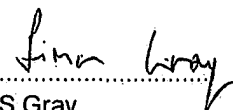
Communities and the environment

Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help look after the environment. The company work with local charities, youth clubs and organisations at a local level to raise awareness and funds. The impact of decisions on the environment both locally and nationally is considered as towards the use, re-use and disposal of packaging.

Government and regulators

We engage with the government and regulators through a range of industry forums, meetings and conferences to communicate our views to policy makers relevant to our 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.

Approved by the Board and signed on its behalf by



S Gray
Director

Date: 27/11/23

Continental Product Engineering Limited

Directors' Report

For the year ended 31 July 2022

The directors present their annual report and financial statements for the year from 1 August 2021 to 31 July 2022.

Principal activities

The Company has over 30 years' experience in the LPG Gas and Natural Gas industry. The main activities include the building and testing of medium and low-pressure natural gas and LPG domestic meter box installations. In addition to this the company is one of only three in the UK that owns their own range of compression meter box tooling and ancillary tooling to enable the complete supply of products from the mains gas supply pipeline, through the regulated meter box and into the property.

Significant growth in the last nine years has seen the company become the major supplier of these installations within the UK. The Company has spent the last eight years designing, developing, and patenting products to assist with the on-site installation process of smart meters.

Going concern

The Company's principal objective when managing cash and debt is to safeguard the Company's ability to continue as a going concern for the foreseeable future. The Company retains sufficient resources to maintain its operations for the foreseeable future. The Company has also taken steps to enhance its operational resilience and position the business for the current operating environment. The balance sheet remained robust during the financial year to 31 July 2022. Sensitivity analysis was used to stress test forecasts up to 31 July 2024 to assess future liquidity requirements after factoring in all known and expected future cash outflows. Changes in revenue have historically had the largest impact on the Company's operating profit and consideration has therefore been given to conducting sensitivity analysis on revenue forecasts. This sensitivity analysis was performed to identify probable future liquidity requirements of the Company. Under a reasonable worst-case scenario, the liquidity requirements were covered by current cash balances.

Having assessed the relevant business risks and considering the prospects of the company under several alternative scenarios, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The Company's profit for the financial year was £9,351,032 (2021: £7,443,612). The Directors do not recommend the payment of a final dividend (2021: £nil), following the interim dividends of £5,250,000 (2021: £7,000,000). The results also include a £1,000,000 warranty provision to cover the anticipated exchange of LPG low pressure meter box regulators produced and supplied between 2011 and 2020.

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 undertake speculative transactions. The Company's risk relating to liquidity is limited to credit risk, see page 3. Funding and financial management are managed by the Group, see Group annual report.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R Bowring (resigned 8 June 2022)

S Gray

Wolseley Directors Limited

Continental Product Engineering Limited

Directors' Report (Continued)

For the year ended 31 July 2022

Directors qualifying third party indemnity provision

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 Group also purchased and maintained throughout the financial year directors' and officers liability insurance in respect of itself and its directors.

Employees

Details of the number of employees and related costs can be found in note 6 to the financial statements.

It is the Company's policy to give full and fair consideration to all applicants for employment, to continue wherever possible the employment of staff and to provide equal opportunities for the training and career development.

Considerable importance is placed on the involvement of employees. The Company is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. This is done through formal and informal meetings, in-house publications and the Company's intranet sites, which provides up to date information on significant developments in the UK business and the Group.

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 a number of processes and activities to ensure compliance, in supply chain activity, recruitment and HR. The full statement can be found on the intermediate parent company Wolseley UK Limited's website <https://corporate.wolseley.co.uk/>.

Future developments and events after the balance sheet date

The Company shall continue to review, develop and focus on its core strategy as outlined in the Strategic report.

The Company paid an interim dividend of £2,500,000 on 9 December 2022 to its immediate parent company, Wolseley UK Limited.

Continental Product Engineering Limited

Directors' Report (Continued)

For the year ended 31 July 2022

Health and safety

The Company recognises the importance of its health, safety and environmental responsibilities and operates in accordance with the Group's Sustainability programme which is described within the governance report of the Group's Annual Report.

The Company provides a safe and healthy working environment and we will not compromise the safety and health of any individual. We will provide the necessary training and resources to allow for the safe performance of day-to-day activities.

The Company places primary importance on the health, safety and wellbeing of its staff and other stakeholders who may be effected by its business activities. Senior management meet on a regular basis to review safety performance and progress on key safety improvement initiatives. Health and safety reporting can be used to demonstrate to third parties that the Company is committed to continual improvement.

Environmental principles include the integration of environmental management into 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.

Other matters

The Company has chosen to present certain information required in the Directors report in the Company's Strategic report. This includes engagement with suppliers, customers and others, see page 4.

Statement of directors' responsibilities

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. 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.

Continental Product Engineering Limited

Directors' Report (Continued)

For the year ended 31 July 2022

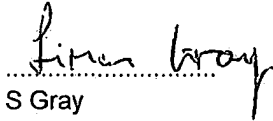
Auditor

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.

Approved by the Board and signed on its behalf by:



S Gray
Director

Date: 27/1/23

Continental Product Engineering Limited

Independent Auditor's Report to the Members of Continental Product Engineering Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Continental Product Engineering Limited ("the Company"):

- give a true and fair view of the state of the Company's affairs as at 31 July 2022 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 23

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard FRS 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.

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.

Continental Product Engineering Limited

Independent Auditor's Report to the Members Of Continental Product Engineering Limited (Continued)

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

Continental Product Engineering Limited

Independent Auditor's Report to the Members Of Continental Product Engineering Limited (Continued)

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.

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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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 and 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. These included Health and Safety Regulations and The Heating Appliances Regulations 1991.

We discussed among the audit engagement team 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 around the valuation of the inventory obsolescence provision. Significant management judgement is involved in determining the adequacy of the provision and the underlying methodology used in calculating the provision.

In order to address this key audit matter we have completed the following procedures

- Obtaining an understanding of the controls relating to inventory provisioning;
- Evaluating the appropriateness of the methodology used to calculate the inventory provision;
- Challenging the reasonableness of management's judgements and the assumptions used; and
- Assessing the integrity of the calculation and the underlying data.

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 group internal 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

Continental Product Engineering Limited

Independent Auditor's Report to the Members Of Continental Product Engineering 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 and the Directors' report

Matters on which we are required to report by exception

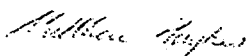
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 BSc (Hons) ACA
for and on behalf of Deloitte LLP
Statutory Auditor
One Station Square
Cambridge
CB1 2GA

Date: 27 January 2023

Continental Product Engineering Limited

Income statement

For the year ended 31 July

	Notes	2022 £	2021 £
Revenue	3	46,338,353	42,560,603
Cost of sales		(31,120,742)	(29,410,013)
Gross profit		15,217,611	13,150,590
Administrative expenses		(6,504,418)	(5,127,529)
Operating profit	4	8,713,193	8,023,061
Finance income	8	231	3,202
Finance costs	9	(286)	(308)
Profit before taxation		8,713,138	8,025,955
Tax on profit	10	637,894	(582,343)
Profit and total comprehensive income for the financial year		9,351,032	7,443,612

The income statement has been prepared on the basis that all operations are continuing operations.

There were no items of other comprehensive income in the year and therefore no separate statement of comprehensive income is required.

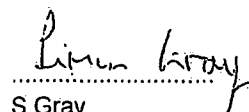
Continental Product Engineering Limited

Balance sheet

As at 31 July

	Notes	2022 £	2021 £
Non-current assets			
Property, plant and equipment	12	433,566	423,801
Deferred tax asset	18	387,417	100,217
		<u>820,983</u>	<u>524,018</u>
Current assets			
Inventories	13	8,930,947	6,123,992
Trade and other receivables	14	6,568,821	3,812,758
Cash and cash equivalents		3,244,866	4,389,738
Current tax asset		1,101,932	-
		<u>19,846,566</u>	<u>14,326,488</u>
Current liabilities			
Trade and other payables	15	5,470,663	4,899,826
Taxation and social security		433,905	454,401
Provision	16	1,173,654	-
Lease liabilities	17	5,732	7,984
		<u>7,083,954</u>	<u>5,362,211</u>
Net current assets		<u>12,762,612</u>	<u>8,964,277</u>
Total assets less current liabilities		<u>13,583,595</u>	<u>9,488,295</u>
Non-current liabilities		-	(5,732)
Net assets		<u>13,583,595</u>	<u>9,482,563</u>
Equity			
Called up share capital	20	10,000	10,000
Retained earnings		13,573,595	9,472,563
Total equity		<u>13,583,595</u>	<u>9,482,563</u>

The financial statements of Continental Product Engineering Limited (registered number 02700257) were approved by the board of directors and authorised for issue on 27 January 2023 and are signed on its behalf



S Gray
Director

Company Registration No. 02700257

Continental Product Engineering Limited

Statement of changes in equity

As at 31 July

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 April 2020		10,000	9,028,951	9,038,951
Year ended 31 July 2021:				
Profit and total comprehensive income for the period		-	7,443,612	7,443,612
Dividends	11	-	(7,000,000)	(7,000,000)
Balance at 31 July 2021		10,000	9,472,563	9,482,563
Year ended 31 July 2022:				
Profit and total comprehensive income for the period		-	9,351,032	9,351,032
Dividends	11	-	(5,250,000)	(5,250,000)
Balance at 31 July 2022		10,000	13,573,595	13,583,595

Continental Product Engineering Limited

Notes to the Financial Statements

For the year ended 31 July 2022

1 Accounting policies

Company information

The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office is 2 Kingmaker Court, Warwick Technology Park, Gallows Hill, Warwick, Warwickshire, CV34 6DY. The company's principal activities and nature of its operations are disclosed in the directors' report on pages 5- 8.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. As permitted by FRS 100, 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, revenue from contracts with customers and related party transactions.

Where required, equivalent disclosures are given in the consolidated group accounts of Wolseley Group Holdings Limited which is the Company's intermediate parent company. The Group accounts are available to the public and can be obtained on the Group's corporate website.

The Company reviews and monitors changes in accounting standards and has not identified any that will have a material impact on the financial statements.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

1 Accounting policies (continued)

1.2 Going concern

The Company's principal objective when managing cash and debt is to safeguard the Company's ability to continue as a going concern for the foreseeable future. The Company retains sufficient resources to maintain its operations for the foreseeable future. The Company has also taken steps to enhance its operational resilience and position the business for the current operating environment. The balance sheet remained robust during the financial year to 31 July 2022. Sensitivity analysis was used to stress test forecasts up to 31 July 2024 to assess future liquidity requirements after factoring in all known and expected future cash outflows. Changes in revenue have historically had the largest impact on the Company's operating profit and consideration has therefore been given to conducting sensitivity analysis on revenue forecasts. This sensitivity analysis was performed to identify probable future liquidity requirements of the Company. Under a reasonable worst-case scenario, the liquidity requirements were covered by current cash balances.

Having assessed the relevant business risks and considering the prospects of the company under several alternative scenarios, the Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

1.3 Revenue

Revenue is the amount derived from the provision of goods falling within the Company's ordinary activities, excluding estimated and actual sales returns, trade and early settlement discounts, value added tax and similar sales taxes.

Revenue from the provision of goods is recognised when the ownership of goods has been transferred to the customer. The ownership of goods is deemed to have been transferred when the goods are despatched, or are picked up by, the customer.

1.4 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. Except freehold land and assets in the course of construction, that not depreciated, other assets 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:

Improvements to leasehold buildings	10%
Fixtures, fittings, tools and equipment	15 - 33.33%
Plant and machinery	10 - 15%
Motor vehicles	25 - 33.33%

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

1 Accounting policies (continued)

1.5 Impairment of tangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less. The Company does not have a need for a bank overdraft facility.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

1 Accounting policies (continued)

1.8 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.

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.

Impairment of financial assets

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.

Derecognition of financial assets

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.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

1 Accounting policies (continued)

1.10 Taxation

The tax expense represents the sum of the current tax and deferred tax charges.

Current tax

The tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 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.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

1 Accounting policies (continued)

1.13 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.14 Foreign exchange

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.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

2 Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies various transactions and balances are valued using estimates and assumptions. Should those estimates or assumptions prove incorrect there may be an impact on the following year's financial statements. The Company believes that the estimates and assumptions that have been applied would not give rise to a material impact within the next financial year.

Provisions

In estimating the cost of replacing LPG low pressure meter box regulators the Directors have considered the cost of replacement product alongside the installation cost. Should installation and replacement be less or more onerous, the cost of replacement may be lower or higher, resulting in a financial impact to the next financial year.

There are no critical accounting judgements which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3 Revenue

	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	46,010,391	42,178,654
Rest of Europe	300,119	371,486
Rest of the World	27,843	10,463
	<u>46,338,353</u>	<u>42,560,603</u>

All revenue relates to the Company's principal activity.

4 Operating profit

	2022 £	2021 £
Operating profit for the period is stated after charging/(crediting):		
Depreciation of property, plant and equipment	136,417	129,788
Cost of inventory recognised as an expense within cost of sales	<u>(31,120,742)</u>	<u>(29,410,013)</u>

Included within cost of inventory is an inventory provision release of £1,252,769 (2021: £347,860).

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>36,000</u>	<u>36,000</u>

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

6 Employee costs

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Administrative	21	18
Warehouse	67	68
Total	88	86

Employee costs comprised:

	2022 £	2021 £
Wages and salaries	4,036,667	3,792,511
Social security costs	484,943	419,671
Pension costs	52,648	53,328
	4,574,258	4,265,510

7 Directors' remuneration

During the year ended 31 July 2022 and the period from 29 January 2021 to 31 July 2021 the emoluments of S Gray were paid by Wolseley Group Limited, which makes no recharge to the Company. For the period from 1 August 2020 to 28 January 2021 the emoluments of S Gray were paid by Wolseley UK Limited which makes no recharge to the company. Wolseley Directors Limited received no remuneration in its capacity as director of the Company during the year ended 31 July 2022 and 31 July 2021. During the year ended 31 July 2022 and the year ended 31 July 2021, the Directors were also directors of a number of fellow group companies. It is not possible to make an accurate apportionment of their emoluments in respect of each of the companies. Accordingly, no emoluments in respect of their services are disclosed in the Company's financial statements.

During the year ended 31 July 2021 and period up to 8 June 2022 the emoluments of R Bowring were paid by Wolseley UK Limited which makes no recharge to the Company.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2021 - 0).

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

8 Finance income

	2022	2021
	£	£
Interest income		
Other interest income	231	3,202

9 Finance costs

	2022	2021
	£	£
Interest on lease liabilities	286	308

10 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	-	635,274
Adjustments in respect of prior periods	(350,694)	(102,060)
Total UK current tax	(350,694)	533,214
Deferred tax		
Origination and reversal of temporary differences	(179,288)	32,974
Changes in tax rates	(68,931)	(24,052)
Adjustment in respect of prior periods	(38,981)	40,207
	(287,200)	49,129
Total tax (credit) / charge	(637,894)	582,343

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

10 Taxation (continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £	2021 £
Profit before taxation	8,713,138	8,025,955
<i>Expected tax charge based on a corporation tax rate of 19.00% (2021: 19.00%)</i>	1,655,496	1,524,931
Effect of expenses not deductible in determining taxable profit	(222,595)	10,039
Adjustment in respect of prior years	(385,195)	(61,853)
Effect of change in UK corporation tax rate	(68,931)	(24,052)
Group relief	(1,603,859)	(866,722)
Other items	(12,810)	-
Taxation (credit) / charge for the period	(637,894)	582,343

Factors that may affect future tax charges

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.

The UK tax rate for the period ended 31 July 2022 is 19%. Increases to 25% to be effective April 2023 were enacted as part of the Finance (No.2) Bill on 24 May 2021. As such, the tax rate used for deferred tax purposes is 25% (2021: 25%).

11 Dividends

	2022 pence per share	2021 pence per share	2022 £	2021 £
Ordinary shares				
Interim dividends paid during the year	52,500	70,000	5,250,000	7,000,000

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

12 Property, plant and equipment

	Improvements to buildings £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Total £
Cost				
At 1 August 2021	45,452	599,676	204,955	850,083
Additions	-	146,183	-	146,183
	<u>45,452</u>	<u>745,859</u>	<u>204,955</u>	<u>996,266</u>
At 31 July 2022	45,452	745,859	204,955	996,266
Accumulated depreciation				
At 1 August 2021	9,139	265,851	151,292	426,282
Charge for the year	4,545	86,109	45,763	136,417
	<u>13,684</u>	<u>351,960</u>	<u>197,055</u>	<u>562,699</u>
At 31 July 2022	13,684	351,960	197,055	562,699
Carrying amount				
At 31 July 2022	<u>31,768</u>	<u>393,890</u>	<u>7,899</u>	<u>433,567</u>
At 31 July 2021	<u>36,313</u>	<u>333,825</u>	<u>53,663</u>	<u>423,801</u>

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets

Motor vehicles

	£
Carrying amount at 1 August 2021	13,900
Depreciation	(8,306)
	<u>5,594</u>
Carrying amount at 31 July 2022	5,594

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

13 Inventories	2022	2021
	£	£
Raw materials, finished goods and goods for resale	8,930,947	6,123,992

14 Trade and other receivables

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
Trade receivables	5,678,347	3,743,590	-	-
Expected credit losses	(36,239)	(123,259)	-	-
	<u>5,642,108</u>	<u>3,620,331</u>	<u>-</u>	<u>-</u>
Amounts owed by fellow group undertakings	718,930	-	-	-
Other receivables	6,765	2,935	-	-
Prepayments and accrued income	201,017	189,492	-	-
	<u>6,568,821</u>	<u>3,812,758</u>	<u>-</u>	<u>-</u>
Current and deferred tax asset (note 18)	1,101,932	-	387,417	100,217
	<u>7,670,753</u>	<u>3,812,758</u>	<u>387,417</u>	<u>100,217</u>

15 Trade and other payables

	2022	2021
	£	£
Trade payables	4,155,450	2,862,285
Amounts owed to fellow group undertakings	-	114,763
Accruals	1,183,484	1,809,380
Other payables	131,729	113,398
	<u>5,470,663</u>	<u>4,899,826</u>

16 Provisions

	Warranty provision
	£
At 1 August 2021	-
Additions	1,173,654
At 31 July 2022	<u>1,173,654</u>

The provision reflects the Company's estimated warranty liability based on sales in the year and for anticipated exchange of LPG low pressure meter box regulators produced and supplied between 2011 and 2020, and is expected to unwind in less than 1 year.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

17 Lease liabilities

	2022 £	2021 £
Maturity analysis		
Within one year	5,732	7,984
In two to five years	-	5,732
Total liabilities	<u>5,732</u>	<u>13,716</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £	2021 £
Current liabilities	5,732	7,984
Non-current liabilities	-	5,732
	<u>5,732</u>	<u>13,716</u>

	2022 £	2021 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>161</u>	<u>308</u>

The fair value of the company's lease obligations is equal to their carrying amount.

Movement of lease liability	Motor vehicles £	Total £
At 1 August 2021	13,716	13,716
Interest expense	161	161
Lease payments	(8,145)	(8,145)
	<u>5,732</u>	<u>5,732</u>
At 31 July 2022		

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

18 Deferred taxation

The following deferred tax assets recognised by the Company and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £	Other differences £	Other short term timing differences £	Total £
Deferred tax asset at 1 April 2020	103,583	13,028	32,734	149,345
Deferred tax movements in prior year (Charge) to income statement	(3,366)	(13,028)	(32,734)	(49,128)
Deferred tax asset at 31 July 2021	100,217	-	-	100,217
Deferred tax movements in current year (Charge) / Credit to income statement	(29,806)	-	317,006	287,200
Deferred tax asset at 31 July 2022	70,411	-	317,006	387,417

Deferred tax assets and liabilities are offset in the financial statements only where the Company has a legally enforceable right to do so.

19 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £52,648 (2021 - £53,328).

20 Share capital

	2022 £	2021 £
Ordinary share capital <i>authorised, issued and fully paid</i> 10,000 Ordinary shares of £1 each	10,000	10,000

21 Contingent liabilities

In the opinion of the directors there are no contingent liabilities at the year end.

Continental Product Engineering Limited

Notes to the Financial Statements (Continued)

For the year ended 31 July 2022

22 Post-balance sheet events

The Company paid an interim dividend of £2,500,000 on 9 December 2022 to its immediate parent company, Wolseley UK Limited.

23 Controlling party

The Company's immediate parent company is Wolseley UK Limited, a company registered in England and Wales.

The ultimate parent company and controlling party at 31 July 2022 was CD&R Wolf SARL, a company incorporated in Luxemburg, 15, Boulevard F.W. Raiffeisen, L-2411 Luxembourg R.C.S. Luxembourg : B245294. Wolseley Group Holdings Limited was the smallest and largest parent undertaking to consolidate this Company's financial statements as at 31 July 2022. Copies of the Group financial statements of Wolseley Group Holdings Limited may be obtained from the Group Company Secretary, 2 Kingmaker Court, Warwick Technology Park, Gallows Hill, CV34 6DY, United Kingdom.