

Wolseley Finance (Hawk) Limited
Annual report and financial statements
for the year ended 31 July 2011

Registered number 6569959



Contents

	Page
Directors' report for the year ended 31 July 2011	1
Independent auditors' report to the members of Wolseley Finance (Hawk) Limited	4
Profit and loss account for the year ended 31 July 2011	6
Balance sheet as at 31 July 2011	7
Notes to the financial statements for the year ended 31 July 2011	8

Directors' report for the year ended 31 July 2011

The directors present their annual report and the audited financial statements of the Company for the year ended 31 July 2011

Principal activities and business review

The Company is a wholly owned subsidiary of Wolseley plc and operates within the Wolseley Group's general corporate division

The Group's principal business activities are the distribution of heating and plumbing products to the professional market and the supply of building materials throughout Europe and North America. The principal activity of the Company is that of an investment company. There have been no significant changes in the Company's principal activity in the year under review. The directors do not foresee, at the date of this report that there will be any major changes in the Company's activities in the next year.

The Company continues to invest in measures to limit the financial risks to the Group structure including cost-effective borrowing structures. This has enabled the Group to adjust its funding profile to match more precisely its investment profile. The directors regard this type of investment as necessary for the continuing success in the medium to long term future.

On 16 November 2010 the Company acquired 957,006 ordinary shares of US\$0.05 each at a consideration of US\$4.56 per share amounting to £2,720,000 in total from Wolseley Capital (Parkview) Limited in lieu of interest due on the outstanding loan balance. These shares were sold on the same day for the same value to another Group company, Wolseley Investments Inc.

On 16 May 2011 the Company acquired 747,821 ordinary shares of US\$0.05 each at a consideration of US\$4.72 per share amounting to £2,161,000 in total from Wolseley Capital (Parkview) Limited in lieu of interest due on the outstanding loan balance. These shares were sold on the same day for the same value to another Group company Wolseley Investments Inc.

On 22 July 2011 the Company acquired 267,121 ordinary shares of US\$0.05 each at a consideration of US\$4.73 per share amounting to £786,000 in total from Wolseley Capital (Parkview) Limited in lieu of interest due on the outstanding loan balance. These shares were sold on the same day for the same value to Wolseley Investments Inc.

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

The Wolseley Group manages its operations on a segmental basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the general corporate division of Wolseley plc, which includes the Company, is discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

The Company does not operate external to the Group and therefore its financial risks are governed by the Group policies and procedures. The Group is exposed to market risks arising from its international operations. The Group has well defined and consistently applied policies for the management of foreign exchange and interest rate exposures. There has been no change since the year end in the major financial risks faced by the Group. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The treasury committee of the Wolseley plc Board reviews and agrees policies for managing each of these risks at Group level and these policies are regularly reviewed.

Group risks are discussed in depth in the Group's Annual Report which does not form part of this report.

Directors' report for the year ended 31 July 2011 (continued)

Health, safety and environment

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

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

Results and dividends

The results of the Company for the year ended 31 July 2011 are set out in the profit and loss account on page 6.

During the year, no dividends have been paid or proposed (2010 dividend in specie of £37,412,000 / 4.35 pence per share). The profit of £153,000 (2010 £37,537,000) has been transferred to reserves.

Directors

The directors of the Company during the year ended 31 July 2011 and up to the date of signing the financial statements were:

R I Shoykov
M J R Verner
J W Martin

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

Directors' report for the year ended 31 July 2011 (continued)

Directors' responsibilities statement (continued)

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.

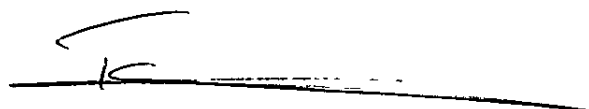
Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' indemnities

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

By order of the Board,



T Brophy
Company Secretary
Date 20 January 2012

Registered office:
Parkview 1220
Arlington Business Park
Theale
Reading
Berkshire
RG7 4GA

Independent auditors' report to the members of Wolseley Finance (Hawk) Limited

We have audited the financial statements of Wolseley Finance (Hawk) Limited for the year ended 31 July 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement on pages 2 and 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 July 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Wolseley Finance (Hawk) Limited (continued)

Matters on which we are required to report by exception

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

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



Richard Lawson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 20 January 2012

Wolseley Finance (Hawk) Limited
Annual report and financial statements
for the year ended 31 July 2011

Profit and loss account for the year ended 31 July 2011

	Note	2011 £'000	2010 £'000
Income from shares in Group undertakings		-	37,412
Net interest receivable and similar income	3	211	166
Profit on ordinary activities before taxation		211	37,578
Tax on profit on ordinary activities	4	(58)	(41)
Profit for the financial period	10	153	37,537

The Company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial periods stated above and their historical cost equivalents

Wolseley Finance (Hawk) Limited
Annual report and financial statements
for the year ended 31 July 2011

Balance sheet as at 31 July 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	5	435,128	435,128
Current assets			
Debtors amounts due within one year	6	-	1,149
Debtors amounts due after one year	6	-	497,386
Cash at bank and in hand		546	331
		546	498,866
Creditors: amounts falling due within one year	7	(99)	(1,188)
Net current assets		447	497,678
Total assets less current liabilities		435,575	932,806
Creditors: amounts falling due after one year	8	(14)	(497,398)
Net assets		435,561	435,408
Capital and reserves			
Called up share capital	9	435,128	435,128
Profit and loss account	10	433	280
Total shareholders' funds	11	435,561	435,408

The notes on pages 8 to 12 form part of these financial statements

The financial statements on pages 6 to 12 were approved by the Board on 20 January 2012

and signed on its behalf by



J W Martin
Director

Date 20 January 2012

Wolseley Finance (Hawk) Limited
Registered number. 6569959

Notes to the financial statements for the year ended 31 July 2011

1. Accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently followed are set out below.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment. The Company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

Foreign currencies

Foreign currency transactions entered into during the year are translated into sterling at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All currency translation differences are taken to the profit and loss account.

Consolidated financial statements

As a wholly owned subsidiary of Wolseley plc and in accordance with Section 400 of the Companies Act 2006, the Company has not prepared consolidated financial statements. The results of the Company and its subsidiaries are consolidated in the financial statements of Wolseley plc, a company registered in Jersey.

Cash flow statement

Wolseley plc, the ultimate parent company, has included a cash flow statement in its Group financial statements for the year ended 31 July 2011 which are publicly available. Under paragraph 5(a) of FRS 1 (revised 1996), "Cash flow statements" no cash flow statement is therefore required in the financial statements of this Company.

Dividends payable

Dividends on ordinary shares are recognised in the Company's financial statements in the period in which the dividends are paid.

2. Employees, directors' remuneration and audit fees

The Company had no employees during the year under review (2010: none).

None of the directors received any emoluments in respect of their services to the Company during the year (2010: £nil).

The audit fee for the year of £2,000 (2010: £2,000) was borne by Wolseley (Group Services) Limited and was not recharged to the Company.

Notes to the financial statements for the year ended 31 July 2011 (continued)

3. Net interest receivable and similar income

	2011	2010
	£'000	£'000
Interest receivable from Group undertakings	4,518	6,213
Bank interest receivable	4	1
Exchange gains on cash	-	12
Interest receivable and similar income	4,522	6,226
Interest payable to Group undertakings	(4,292)	(6,060)
Exchange losses on cash	(19)	-
Interest payable and similar charges	(4,311)	(6,060)
Net interest receivable and similar income	211	166

4. Tax on profit on ordinary activities

	2011	2010
	£'000	£'000
Current tax		
UK Corporation tax on profits of the year	58	46
Adjustments in respect of prior period	-	(5)
Tax on profits on ordinary activities	58	41

The standard rate of Corporation tax in the UK changed from 28% to 26% with effect from 1 April 2011 and will change to 25% with effect from 1 April 2012. Accordingly the company's profits for the period are taxed at the effective rate 27.33%.

The tax assessed for the year is equal to (2010: lower than) the effective rate of tax in the UK of 27.33% (2010: standard rate of 28%). The differences are explained below.

Tax reconciliation

	2011	2010
	%	%
Profit on ordinary activities at effective rate of corporation tax in the UK of 27.33% (2010: 28%)	27	28
Income from shares in Group undertakings not taxable	-	(28)
	27	-

Notes to the financial statements for the year ended 31 July 2011 (continued)

5. Fixed asset investments

Cost	Shares in Group undertakings £'000
Cost as at 1 August 2010	435,128
Additions	5,667
Disposals	(5,667)
Cost as at 31 July 2011	435,128

On 16 November 2010 the Company acquired 957,006 ordinary shares of US\$0.05 each at a consideration of US\$4.56 per share amounting to £2,720,000 in total from Wolseley Capital (Parkview) Limited in lieu of interest due on the outstanding loan balance. These shares were sold on the same day for the same value to another Group company, Wolseley Investments Inc.

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As at the year end, the Company had the following direct investments

Name of company	Country of incorporation	Investment held	Type of share held	Principal activities
Wolseley Capital Limited	UK	100%	Ordinary	Investment company

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

The Company has indirect investments in the following company through Wolseley Capital Limited

Name of company	Country of incorporation	Investment held	Type of share held	Principal activities
Wolseley Finance Hawk LLC	USA	100%	Ordinary	Financing company

6. Debtors

Amounts due within one year	2011 £'000	2010 £'000
Amounts owed by Group undertakings	-	1,149

At 31 July 2010 amounts owed by Group undertakings were unsecured, due within one year and were not interest bearing.

Notes to the financial statements for the year ended 31 July 2011 (continued)

6. Debtors (continued)

	2011	2010
	£'000	£'000
Amounts due after one year		
Amounts owed by Group undertakings	-	497,386

At 31 July 2010 amounts owed by Group undertakings were unsecured, were borrowed under a three year revolving loan facility expiring 1 August 2013 and were interest bearing at rates that varied between LIBOR plus 0.5% and LIBOR plus 3.5%

7. Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Amounts owed to Group undertakings	70	1,165
Corporation tax	29	23
	99	1,188

At 31 July 2011 and at 31 July 2010 amounts owed to Group undertakings were unsecured, were due within one year and were not interest bearing

8. Creditors: amounts falling due after one year

	2011	2010
	£'000	£'000
Amounts owed to Group undertakings	14	497,398

At 31 July 2011 and at 31 July 2010 amounts owed to Group undertakings were unsecured, were borrowed under a three year revolving loan facility expiring 1 August 2013 and are interest bearing at rates that vary between LIBOR plus 0.5% and LIBOR plus 3.5%

9. Called up share capital

	2011 and 2010	2011 and 2010
	Number	£'000
Authorised		
Ordinary shares of US\$1 each	1,000,000,000	506,099
Allotted and fully paid.		
Ordinary shares of US\$1 each	859,769,100	435,128

Cumulatively, shares issued are stated at an exchange rate of US\$1.9759 to £1

10. Profit and loss account

	£'000
As at 1 August 2010	280
Profit for the financial year	153
As at 31 July 2011	433

Notes to the financial statements for the year ended 31 July 2011 (continued)

11. Reconciliation of movements in shareholders' funds

	2011	2010
	£'000	£'000
Profit for the financial year	153	37,537
Dividend paid	-	(37,412)
Net additions to shareholders' funds	153	125
Opening shareholders' funds	435,408	435,283
Closing shareholders' funds	435,561	435,408

12. Related party transactions

The Company has taken advantage of the exemption available under FRS 8 "Related party disclosures" to dispense with the requirement to disclose transactions with fellow subsidiaries, all of whose voting rights are held within the Group, and which are included in the consolidated financial statements of Wolseley plc which are publicly available

13. Ultimate parent company and controlling party

The immediate parent company is Wolseley Investments Inc. The ultimate parent company and controlling party is now Wolseley plc, which was registered in Jersey on 23 November 2010. It is the smallest and largest parent undertaking to consolidate these financial statements. Copies of the Group financial statements may be obtained from the Company Secretary, Wolseley Group Services, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.

The ultimate parent company and controlling party at 31 July 2010 was Wolseley plc, which was registered in England and was the smallest and largest parent undertaking to consolidate these financial statements as at 31 July 2010. On 25 November 2010, Wolseley plc re-registered as Wolseley Limited and became a subsidiary of the Jersey registered Wolseley plc.