

Registered number 6569959

WOLSELEY FINANCE (HAWK) LIMITED

Directors' report and financial statements

for the year ended 31 July 2013

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WOLSELEY FINANCE (HAWK) LIMITED

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WOLSELEY FINANCE (HAWK) LIMITED

Directors' report for the year ended 31 July 2013

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

Principal activities and review of business

The Company is a wholly owned subsidiary of Wolseley plc

The principal activity of the Company is that of an internal investment company for the Wolseley plc Group (the "Group"). There have been no significant changes in the Company's principal activity in the year under review. At the date of this report the directors do not foresee there will be any major changes in the Company's activities in the next year.

The risks of the Company are managed as part of the portfolio of companies in the Group.

On 1 June 2013 the Company purchased Wolseley Finance (Hawthorn) LLC from its subsidiary Wolseley Capital Limited for a cash consideration of £513,225,000.

On the same day the Company received a cash dividend from its subsidiary Wolseley Capital Limited of £511,230,000. £435,128,000 has been treated as a return of capital and a reduction of the cost of investment. The remaining £76,102,000 has been treated as income from shares in Group undertakings.

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

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business. The key performance indicators of Wolseley plc, which includes the Company, are discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

The Company has no operations external to the Group and therefore its financial risks are governed by the Group policies and procedures. The Group is exposed to market risks arising from its international operations. The Group has well defined and consistently applied policies for the management of foreign exchange and interest rate exposures. There has been no change since the year end in the major financial risks faced by the Group. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The treasury committee of Wolseley plc reviews and agrees policies for managing each of these risks for the Group and these policies are regularly reviewed and updated.

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

Health, safety and environment

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

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

WOLSELEY FINANCE (HAWK) LIMITED

Directors' report for the year ended 31 July 2013

Results and dividends

The profit for the financial year, after taxation, was £76,096,000 (2012 - £23,000)

During the year, no dividends have been paid or proposed (2012 - £nil)

Going Concern

The directors consider the Company has adequate resources to continue operating in the foreseeable future

Directors

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

J W Martin
R I Shoylekoy
M J R Verrier

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

Post balance sheet event

On 31 December 2013 the Company's subsidiary Wolseley Capital Limited was dissolved.

WOLSELEY FINANCE (HAWK) LIMITED

Directors' report for the year ended 31 July 2013 Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Qualifying third party indemnity provisions

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

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



J W Martin
Director

Date 10 January 2014

Parkview 1220
Arlington Business Park
Theale
Reading
RG7 4GA

WOLSELEY FINANCE (HAWK) LIMITED

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 2013, which comprise the Profit and loss account, the Balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

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

This report, including the opinions, has been prepared for 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 all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 July 2013 and of its 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.

WOLSELEY FINANCE (HAWK) LIMITED

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

Matters on which we are required to report by exception

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

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



Christopher Richmond (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 January 2014

WOLSELEY FINANCE (HAWK) LIMITED**Profit and loss account
for the year ended 31 July 2013**

	Note	2013 £000	2012 £000
Income from shares in Group undertakings	4	76,102	-
Interest receivable and similar income	5	5	33
Interest payable and similar charges	6	(13)	(2)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		76,094	31
Tax on profit on ordinary activities	7	2	(8)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	12	76,096	23
		<hr/>	<hr/>

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

WOLSELEY FINANCE (HAWK) LIMITED
Registered number 6569959

Balance sheet
as at 31 July 2013

	Note	£000	2013 £000	2012 £000
FIXED ASSETS				
Investments	8		513,225	435,128
CURRENT ASSETS				
Debtors	9	37	-	
Cash at bank and in hand		-	521	
		<u>37</u>	<u>521</u>	
CREDITORS , amounts falling due within one year	10	(1,582)	(65)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(1,545)</u>	<u>456</u>
NET ASSETS			<u>511,680</u>	<u>435,584</u>
CAPITAL AND RESERVES				
Called up share capital	11		435,128	435,128
Profit and loss account	12		76,552	456
SHAREHOLDERS' FUNDS	13		<u>511,680</u>	<u>435,584</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 January 2014

Jon Martin

J W Martin
Director

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

WOLSELEY FINANCE (HAWK) LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, 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.

1.2 Going concern

The directors consider the Company has adequate resources to continue operating in the foreseeable future.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1 (revised 1996) "Cash Flow Statements".

1.4 Fixed asset investments

Fixed asset investments are stated at cost, or retranslated cost, less provision for impairment. Certain fixed asset investments denominated in a foreign currency which are not hedged by foreign currency borrowings are held at their initial cost and not retranslated. The Company assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

1.5 Consolidated financial statements

As a wholly owned subsidiary of Wolseley plc and in accordance with FRS 2 "Accounting for subsidiary undertakings", the Company has not prepared consolidated financial statements. The results of the Company and its subsidiaries are consolidated in the financial statements of Wolseley plc, a company registered in Jersey.

1.6 Foreign currencies

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

1.7 Dividends

Dividends receivable on fixed asset investments are recognised when received.

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

2 Auditors' remuneration

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

WOLSELEY FINANCE (HAWK) LIMITED

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

3. Staff costs

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

4 Income from shares in Group undertakings

	2013 £000	2012 £000
Income from shares in Group undertakings	76,102	-

On 1 June 2013 the Company received a cash dividend from its subsidiary Wolseley Capital Limited of £511,230,000 £435,128,000 has been treated as a return of capital and a reduction of the cost of investment The remaining £76,102,000 has been treated as income from shares in Group undertakings

5. Interest receivable and similar income

	2013 £000	2012 £000
Bank interest receivable	5	5
Exchange gains on cash	-	28
	<u>5</u>	<u>33</u>

6. Interest payable and similar charges

	2013 £000	2012 £000
On bank loans and overdrafts	6	2
Exchange losses	7	-
	<u>13</u>	<u>2</u>

7. Tax on profit of ordinary activities

	2013 £000	2012 £000
UK corporation tax (credit)/charge on profit for the year	(2)	8

WOLSELEY FINANCE (HAWK) LIMITED

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

7. Tax on profit of ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - the same as) the effective rate of corporation tax in the UK of 23.67% (2012 - 25.33%)

	2013 £000	2012 £000
Profit on ordinary activities before tax	76,094	31
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.67% (2012 - 25.33%)	18,011	8
Effects of:		
Income from Group undertakings not taxable	(18,013)	-
Current tax (credit)/charge for the year	(2)	8

Factors that may affect future tax charges

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

8 Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 August 2012	435,128
Additions	513,225
Reduction in investment	(435,128)
At 31 July 2013	513,225
Net book value	
At 31 July 2013	513,225
At 31 July 2012	435,128

Subsidiary undertakings

The following were subsidiary undertakings of the Company at 31 July 2013

Name	Class of shares	Holding
Wolseley Capital Limited	Ordinary	100%
Wolseley Finance (Hawn) LLC	Ordinary	100%

WOLSELEY FINANCE (HAWK) LIMITED

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

8. Fixed asset investments (continued)

Name	Principal Activity	Country of incorporation
Wolseley Capital Limited	Investment	United Kingdom
Wolseley Finance (Hawn) LLC	Financing	USA

On 1 June 2013 the Company purchased Wolseley Finance (Hawn) LLC from its subsidiary Wolseley Capital Limited for a cash consideration of £513,225,000

On the same day the Company received a cash dividend from its subsidiary Wolseley Capital Limited of £511,230,000 £435,128,000 has been treated as a return of capital and a reduction of the cost of investment. The remaining £76,102,000 has been treated as income from shares in Group undertakings

In the opinion of the directors, the value of the investment in its subsidiary undertakings is not less than the aggregate amount at which they are stated in the financial statements

9 Debtors

	2013 £000	2012 £000
Amounts owed by Group undertakings	37	-

At 31 July 2013 amounts owed by Group undertakings were unsecured and non interest bearing

10. Creditors Amounts falling due within one year

	2013 £000	2012 £000
Bank loans and overdrafts	1,537	-
Amounts owed to Group undertakings	-	61
Corporation tax	43	4
Accruals and deferred income	2	-
	<u>1,582</u>	<u>65</u>

At 31 July 2013 amounts owed to Group undertakings were unsecured and non-interest bearing

11. Share capital

	2013 £000	2012 £000
Allotted, called up and fully paid		
859,769,100 Ordinary shares of \$1 each	435,128	435,128

Shares issued are stated at an historic exchange rate of US\$1 9759 to £1

WOLSELEY FINANCE (HAWK) LIMITED

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

12. Reserves

	Profit and loss account £000
At 1 August 2012	456
Profit for the financial year	76,096
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At 31 July 2013	76,552
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13 Reconciliation of movement in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' funds	435,584	435,561
Profit for the financial year	76,096	23
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Closing shareholders' funds	511,680	435,584
	<hr/>	<hr/>

14. 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

15. Post balance sheet events

On 31 December 2013 the Company's subsidiary Wolseley Capital Limited was dissolved

16. Ultimate parent undertaking and controlling party

The immediate parent company is Wolseley Investments, Inc. The ultimate parent company and controlling party is Wolseley plc, which is registered in Jersey. It is the smallest and largest parent undertaking to consolidate these financial statements. Copies of the Group financial statements may be obtained from the Company Secretary, Wolseley plc, Grafenauweg 10, CH 6301, Zug, Switzerland