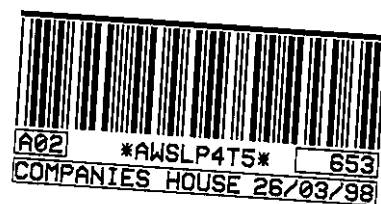


PORTER (SELBY) LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

31 December 1997

The Company's registered number is 402685



PORTER (SELBY) LIMITED

DIRECTORS REPORT

The directors present their annual report on the affairs of the Company, together with the financial statements for the year ended 31 December 1997.

Refinancing arrangements for the group headed by Wickes plc, the Company's ultimate parent company are set out in note 6 to the financial statements. Full details of the position of the Wickes Group are given in the financial statements of Wickes plc for the year ended 31 December 1997.

Principal Activity

The Company has remained dormant throughout the year. The directors do not envisage initiating any change in the Company's role or activities in the foreseeable future.

Results and Dividends

The results for the year are set out in the attached financial statements. The directors do not recommend payment of a dividend (1996 - nil).

Directors

The directors who served during the year and subsequent to the year end were:

	<u>Appointed</u>	<u>Resigned</u>
R A Brennan	1.02.97	
N P S Horne		31.01.97
K R Stokes-Smith		
R N Tilney		

The directors who held office at 31 December 1997 had no interest in the shares of group undertakings, including options, other than those shown below:

Wickes plc Ordinary Shares - Holdings						
Director	Holdings 25p		Holdings 50p			
	1 Jan. 1997	28 Jan 1997	After Share split and conversion	Rights taken up	Bought / (Sold)	31 Dec. 1997
K R Stokes-Smith	0	0	0	0	1,000	1,000
R N Tilney	8,327	8,327	833	833	0	1,666

* or on appointment if later

PORTER (SELBY) LIMITED

DIRECTORS' REPORT (Continued)

Directors (Continued)

Director	Wickes plc Ordinary Shares - Options					
	Options 25p		After Share split and conversion	Options 50p		
	*01 Jan. 1997	28 Jan. 1997		Surrender of options	Grant in the year	31 Dec. 1997
K R Stokes-Smith	25,000	25,000	3,082	3,082	0	0
R N Tilney	25,000	25,000	3,082	3,082	0	0

At the time of the reorganisation, each Wickes plc 25p Ordinary share was split into one 20p Deferred share and one 5p Ordinary share. The 5p Ordinary shares were then consolidated into 50p Ordinary shares. The 20p Deferred shares were subsequently cancelled. As a result the options granted prior to 31 December 1996, were adjusted by a factor of 0.1233 applied to the quantity and by 8.11 applied to the price.

At 31 December 1996 trading in the shares of Wickes plc had been suspended and were relisted on 7 January 1997. The market price of Wickes plc shares during the year ranged from 132.5 p to 279.5 p and at 31 December 1997 was 278.5p

Supplier Payment Code

The Company agrees terms and conditions for its business transactions with suppliers. Payment is then made to those, subject to the terms and conditions being met by the supplier. At 31 December 1997 and 1996 the Company had no external liabilities. As a direct result the outstanding creditor days at 31 December 1997 is nil (1996 - nil).

Auditors

The company was dormant within the meaning of section 252 of the Companies Act 1985, throughout the period to 31 December 1997 and accordingly its accounts have not been audited.

Registered Office
120/138, Station Road,
Harrow,
Middlesex., HA1 2QB

By Order of the Board

K R Stokes-Smith
Secretary
24 February 1998

PORTER (SELBY) LIMITED

DIRECTORS' RESPONSIBILITIES

Company Law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

PORTER (SELBY) LIMITED

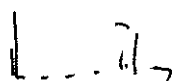
BALANCE SHEET AS AT 31 DECEMBER 1997

	Note	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Amounts due from other Group undertakings		3,000	3,000
NET ASSETS		<u>3,000</u>	<u>3,000</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	3	3,000	3,000
Profit and loss account		0	0
		<u>3,000</u>	<u>3,000</u>

The Company has remained dormant within the meaning of Section 252 of the Companies Act 1985 since the last Balance Sheet date and accordingly this Balance Sheet has not been audited.

Signed on behalf of the board on 24 February 1998

R N Tilney



Director

The notes on pages 5 and 6 form an integral part of these financial statements.

PORTER (SELBY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 1997

1. Accounting Policies

Basis Of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Under the provisions of Financial Reporting Standard No 1 (Revised 1996), the Company has not presented a cash flow statement because it is a subsidiary undertaking of Wickes plc (registered number 2070200) which is registered in England and Wales, and which has prepared consolidated financial statements which include the financial statements of the Company for the period and which contain a cash flow statement.

2. Profit And Loss Account

The Company has not traded during the years ended 31 December 1996 and 1997 and accordingly no profit and loss account has been prepared. The Company has no employees (1996 - nil) and no directors have received remuneration for services to the Company during the year (1996 - nil).

3. Called Up Share Capital

	Authorised		Allotted, Called up and fully paid			
	1997	1996	1997	1997	1996	1996
	£	£	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	3,000	3,000	3,000	3,000
Total	5,000	5,000	3,000	3,000	3,000	3,000

4. Contingent Liabilities

The company is registered for VAT purposes in a group of companies which share a common registration number. As a result it has jointly guaranteed the VAT liability of the group, and failure by other members of the group would give rise to an additional liability for the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 1997

5 Ultimate Parent Company

The company is a wholly-owned subsidiary undertaking of Wickes plc, a company registered in England and Wales.

The only group into which the results of the company are consolidated is that headed by Wickes plc. The consolidated financial statements may be obtained from 120/138 Station Road, Harrow, Middlesex, HA1 2QB.

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related party disclosures", as the consolidated accounts of Wickes plc in which the company is included are available at the address noted above.

6 Refinancing

On 12 December 1996, the group headed by Wickes plc entered into revised arrangements with its bankers under which, subject to the completion of a Rights Issue raising approximately £53 million (net of expenses), adequate bank facilities were committed through to 7 July 1998. The Rights Issue was conditionally underwritten by SBC Warburg, the principal conditions being the approval by Wickes plc shareholders at the Extraordinary General Meeting held on 6 January 1997 and the revised banking arrangements becoming effective.

On 6 January 1997, the refinancing arrangements described above were approved by the shareholders of Wickes plc and the banking arrangements became effective on 7 January 1997. The proceeds of the Rights Issue were received in February 1997.

Following the Rights Issue, Wickes plc undertook a share consolidation and a capital reduction. The latter enabled Wickes plc to eliminate the deficit on its profit and loss account thereby allowing Wickes plc to pay dividends from future earnings earlier than would otherwise be the case. This has been sanctioned by the High Court.

On 24 February 1998, Wickes plc arranged new unsecured revolving facilities for a period of three years commencing 25 February 1998.