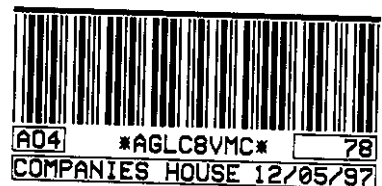


WH BODDINGTON & CO LIMITED

DIRECTORS' REPORT AND ACCOUNTS
(Registered Number 497339)

FOR THE YEAR ENDED 31 JULY 1996



WH BODDINGTON & CO LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 1996

The directors submit their report and the audited accounts of the company for the year ended 31 July 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be that of plastics injection moulders.

The past year has been difficult, but the company has remained profitable.

The results for the year are set out in the profit and loss account on page 5.

FUTURE DEVELOPMENTS

The company has taken action to maintain profitability in the coming months.

DIVIDENDS AND TRANSFER TO RESERVES

An interim dividend of £2,600,000 has been paid (1995: £208,000). The directors do not propose the payment of a final dividend (1995: £Nil). The sum of £2,351,821 has been transferred from reserves (1995: transferred to reserves - £206,584).

RESEARCH AND DEVELOPMENT

The company is committed to developing new products and maintaining an attractive and profitable product range.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by United Kingdom company law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period.

Following discussions with the auditors, the directors consider that in preparing the accounts, appropriate accounting policies have been used and applied consistently, supported by reasonable and prudent judgements and estimates, and that applicable accounting standards have been followed.

The accounts have been prepared on the going concern basis.

The directors are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

WH BODDINGTON & CO LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 1996 (CONTINUED)

PAYMENTS TO CREDITORS

The policy of the company is consistent with the CBI Prompt Payers Code.

FIXED ASSETS

Changes in fixed assets are set out in note 6 on page 11.

The company's land and buildings were revalued on an existing use basis at 31 July 1979. In the opinion of the directors there is no material difference between book and market value of land and buildings.

DIRECTORS

The directors of the company during the year ended 31 July 1996 were:

B Monk (Chairman)
D R Boddington
D M Boddington
A J Rapp

DIRECTORS' INTEREST IN SHARES

The notifiable interests of the directors in the 25p ordinary shares of Wolseley plc and options on those shares granted pursuant to the terms of the various Wolseley plc share option schemes are shown below:

Name of Director	Shares interest at 31 July 1996	Shares interest at 1 August 1995	Options interest at 31 July 1996	Options		Options Interest at 1 August 1995
				Granted	Exercised	
D R Boddington	4,253	4,572	37,027	4,562	(1,510)	33,975
D M Boddington	944	77	15,108	2,562	(1,510)	14,056
A J Rapp	9,566	9,392	20,011	2,562	(1,510)	18,959

Mr B Monk is a director of Wolseley plc, accordingly his interest is not shown.

Options under the Savings Related Share Option Scheme are normally exercisable between 1995 and 2000 at prices ranging between 114p and 379p per share.

Options under the Executive Share Options Schemes are normally exercisable between 1995 and 2004 at prices ranging between 114.5p and 388.75p per share.

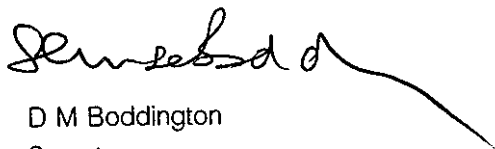
WH BODDINGTON & CO LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 1996 (CONTINUED)

AUDITORS

The auditors, Price Waterhouse, are willing to continue in office and their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'D M Boddington', with a long, sweeping horizontal line extending to the right.

D M Boddington
Secretary

17 October 1996

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF WH BODDINGTON & CO LIMITED

We have audited the accounts on pages 5 to 15 which have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
And Registered Auditors

17 October 1996

WH BODDINGTON & CO LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 JULY 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	1&2	4,834,256	6,066,772
Change in stocks of finished goods and work in progress		35,186	20,221
Raw materials and consumables		(1,632,772)	(2,044,902)
Staff costs	3	(1,660,775)	(1,977,808)
Depreciation written off tangible fixed assets		(219,770)	(189,926)
Other operating charges		<u>(1,070,799)</u>	<u>(1,325,631)</u>
OPERATING PROFIT	4	285,326	548,726
Interest receivable from Group undertakings		<u>88,124</u>	<u>75,095</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		373,450	623,821
Tax on profit on ordinary activities	5	<u>(125,271)</u>	<u>(209,237)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		248,179	414,584
Dividends paid		<u>(2,600,000)</u>	<u>(208,000)</u>
(LOSS)/PROFIT RETAINED AND TRANSFERRED (FROM)/TO RESERVES	12	<u>(2,351,821)</u>	<u>206,584</u>

Movements on reserves are set out in note 12.

The retained (loss)/profit represents the total of all recognised gains and losses relating to the financial year and the corresponding year.

The profit and loss account for the year ended 31 July 1996 and the preceding year relate to the continuing activities of the company.

A note of historical cost profits and losses is set out on page 7.

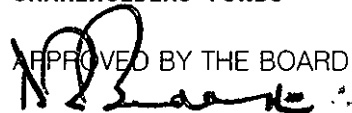
The notes on pages 8 to 15 form part of these accounts.

WH BODDINGTON & CO LIMITED

BALANCE SHEET - 31 JULY 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	1,436,013	1,495,037
CURRENT ASSETS			
Stocks	7	448,077	425,589
Debtors	8	753,591	869,485
Amounts owed by parent undertaking		1,609,106	1,268,863
Cash at bank and in hand		<u>74,739</u>	<u>341,206</u>
		2,885,513	2,905,143
CREDITORS - (amounts falling due within one year)	9	<u>(926,640)</u>	<u>(1,107,596)</u>
NET CURRENT ASSETS		1,958,873	1,797,547
TOTAL ASSETS LESS CURRENT LIABILITIES		3,394,886	3,292,584
CREDITORS - (amounts falling due after more than one year)	9	(2,476,000)	-
Deferred taxation	10	<u>(124,091)</u>	<u>(145,968)</u>
NET ASSETS		794,795	3,146,616
		<u><u>794,795</u></u>	<u><u>3,146,616</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	147,200	147,200
Revaluation reserve	12	175,412	175,412
Other reserves	12	364,363	364,363
Profit and loss account	12	<u>107,820</u>	<u>2,459,641</u>
SHAREHOLDERS' FUNDS	13	794,795	3,146,616
		<u><u>794,795</u></u>	<u><u>3,146,616</u></u>
Equity interests		662,795	3,014,616
Non-equity interests		<u>132,000</u>	<u>132,000</u>
SHAREHOLDERS' FUNDS		794,795	3,146,616
		<u><u>794,795</u></u>	<u><u>3,146,616</u></u>

APPROVED BY THE BOARD ON 17 OCTOBER 1996


D R Boddington
DIRECTOR

The notes on pages 8 to 15 form part of these accounts.

WH BODDINGTON & CO LIMITED**NOTE OF HISTORICAL COST PROFITS AND LOSSES - 31 JULY 1996**

	<u>1996</u>	<u>1995</u>
	£	£
Profit on ordinary activities before taxation	373,450	623,821
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>2,512</u>	<u>2,512</u>
Historical cost profit on ordinary activities before taxation	<u>375,962</u>	<u>626,333</u>
Historical cost (loss)/profit for the year retained after taxation and dividends	<u>(2,349,309)</u>	<u>209,096</u>

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts are prepared under the historical cost convention, modified to include certain assets at valuation, and in accordance with applicable accounting standards.

(2) Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities, excluding trade discounts and value added tax.

(3) Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land, on mainly a straight line basis to write off the cost of those assets over their estimated useful lives. The principal rates of depreciation used are freehold buildings, 2%, fixtures and fittings 15%, plant and equipment 10%, computers 25-33% and motor vehicles 25%.

(4) Stocks

Stocks have been consistently valued at the lower of cost and estimated net realisable value, due allowance being made for obsolete or slow moving items.

Raw materials, bought in components and goods purchased for resale are stated at cost on a first in first out basis. In case of goods of own manufacture, cost includes the relevant proportion of works overheads.

(5) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

(6) Research and development

Research and development expenditure is written off as incurred.

(7) Deferred tax

Provision is made for deferred tax only in as far as payment is likely to be made in the foreseeable future.

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(8) Pensions

Contributions to the Wolseley Group Retirement Benefits Plan are assessed by a qualified actuary and are charged to the profit and loss account in the period for which they become payable.

(9) Cashflow statement

Wolseley plc, the ultimate parent company, has included a cashflow statement in its group accounts for the year ended 31 July 1996. Under paragraph 8c of Financial Reporting Standard 1, no cash flow statement is therefore required in the accounts of this company.

2 TURNOVER

	<u>1996</u>	<u>1995</u>
	£	£
United Kingdom	4,212,979	5,457,885
Exports	82,158	94,662
Group companies in the UK	<u>539,119</u>	<u>514,225</u>
	4,834,256	6,066,772
	<u>=====</u>	<u>=====</u>

3 EMPLOYEES

	<u>1996</u>	<u>1995</u>
	£	£
<u>Staff costs:</u>		
Wages and salaries	1,451,255	1,762,915
Social security costs	124,527	150,825
Other pension costs	<u>84,993</u>	<u>64,068</u>
	1,660,775	1,977,808
	<u>=====</u>	<u>=====</u>
	<u>1996</u>	<u>1995</u>
<u>Average number of employees:</u>		
Staff	22	22
Operatives	<u>81</u>	<u>97</u>
	103	119
	<u>=====</u>	<u>=====</u>

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

4 OPERATING PROFIT

	<u>1996</u> £	<u>1995</u> £
This is stated after charging/(crediting):		
Directors' remuneration	180,846	208,472
Auditors' remuneration in respect of audit services	9,896	10,096
(Profit)/loss on sale of fixed assets	<u>(8,597)</u>	<u>(25,265)</u>
Directors' remuneration comprises:		
Other emoluments (including pension contributions)	<u>180,846</u>	<u>208,472</u>
Emoluments (excluding pension contributions) of the chairman	<u>Nil</u>	<u>Nil</u>
Emoluments (excluding pension contributions) of the highest paid director	<u>69,340</u>	<u>80,397</u>

Directors' emoluments (excluding pension contributions) fell within the following ranges:

	<u>1996</u> Number	<u>1995</u> Number
£ Nil - £5,000	1	1
£45,001 - £50,000	1	-
£50,001 - £55,000	1	-
£55,001 - £60,000	-	1
£60,001 - £65,000	-	1
£65,001 - £70,000	1	-
£80,001 - £85,000	-	1
	<u> </u>	<u> </u>

Details of share options granted to directors are shown in the directors report on page 2.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u> £	<u>1995</u> £
Corporation tax	147,417	202,965
Deferred tax	(21,877)	7,039
Prior year	<u>(269)</u>	<u>(767)</u>
	<u>125,271</u>	<u>209,237</u>

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Vehicles, fixtures, fittings, tools and equipment £	Total £
<u>Cost or valuation</u>				
At 31 July 1995	646,638	2,336,876	218,559	3,202,073
Additions	-	84,153	85,369	169,522
Disposals	-	(2,000)	(35,229)	(37,229)
At 31 July 1996	646,638	2,419,029	268,699	3,334,366
<u>Depreciation</u>				
At 31 July 1995	148,955	1,394,769	163,312	1,707,036
Disposals	-	(2,000)	(35,051)	(37,051)
Charge for the year	10,306	173,098	44,964	228,368
At 31 July 1996	159,261	1,565,867	173,225	1,898,353
<u>Net book value</u>				
At 31 July 1996	487,377	853,162	95,474	1,436,013
At 31 July 1995	497,683	942,107	55,247	1,495,037

Freehold land which is included above, and amounts to £80,998 (1995 - £80,998), is not depreciated.

The company's land and buildings were professionally revalued on an existing use basis during 1979.

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

6 TANGIBLE FIXED ASSETS (CONTINUED)

Historical cost

If the land and buildings had not been revalued, their amounts would have been:

	£
Historical cost:	
At 31 July 1995 and 1996	470,676
Depreciation based on cost:	
At 31 July 1995	126,382
Charge for the year	7,794
At 31 July 1996	134,176
Net historical cost:	
At 31 July 1996	336,500
At 31 July 1995	344,294

Future capital expenditure authorised by the directors

	<u>1996</u>	<u>1995</u>
	£	£
Contracted for but not provided in the accounts	-	48,054

7 STOCKS

	<u>1996</u>	<u>1995</u>
	£	£
Raw materials	149,266	161,964
Work in progress	60,473	51,798
Finished goods	238,338	211,827
	448,077	425,589

There is no material difference between the balance sheet amount of stocks and their replacement cost.

8 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Amounts due within one year:		
Trade debtors	588,585	676,520
Amounts owed by group undertakings	15,032	45,859
Prepayments and accrued income	86,724	83,856
Amounts due in more than one year:		
Amounts owed by group undertakings	63,250	63,250
	753,591	869,485

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

9	CREDITORS	1996 £	1995 £
	<u>Amounts falling due within one year:</u>		
	Trade creditors	390,926	499,466
	Amounts owed to group undertakings	64,363	54,467
	Corporation tax	147,148	202,965
	Other taxation and social security	94,856	168,028
	Accruals and deferred income	<u>229,347</u>	<u>182,670</u>
		926,640	1,107,596
	<u>Amounts falling due after more than one year:</u>		
	Amounts owed to parent undertaking	2,476,000	-

10 DEFERRED TAX

Deferred tax provided in the accounts and the potential amounts at 33% (1994 - 33%) are as follows:

	Provision		Potential	
	1996 £	1995 £	1996 £	1995 £
Capital allowances in excess of depreciation	141,757	140,864	141,757	140,864
Other timing differences	<u>(17,666)</u>	<u>5,104</u>	<u>(17,666)</u>	<u>5,104</u>
	124,091	145,968	124,091	145,968

11 SHARE CAPITAL

	1996 £	1995 £
Authorised, allotted, issued and fully paid:		
Equity		
Ordinary shares of £1 each	15,200	15,200
Non Equity		
Deferred shares of £1 each	<u>132,000</u>	<u>132,000</u>
	147,200	147,200

The non equity shares have no rights to participate in any profits of the company. On a winding the non equity shareholders will be entitled to only the amount paid up on such shares.

With regard to voting rights the non equity shareholders shall have the right to receive notice and to be present, but have no right to speak or to vote, either in person or by proxy, at any general meeting of the company by virtue of their holdings of such non equity shares.

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

12 RESERVES

	Profit & loss account £	Revaluation Reserve £	Other Reserves £
Balance at 31 July 1995	2,459,641	175,412	364,363
Loss for the year	<u>(2,351,821)</u>	<u>-</u>	<u>-</u>
Balance at 31 July 1996	<u>107,820</u>	<u>175,412</u>	<u>364,363</u>

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u> £	<u>1995</u> £
Profit for the financial year	248,179	414,584
Dividends	<u>(2,600,000)</u>	<u>(208,000)</u>
Net (reduction)/addition to shareholders' funds	(2,351,821)	206,584
Opening shareholders' funds	<u>3,146,616</u>	<u>2,940,032</u>
Closing shareholders' funds	<u>794,795</u>	<u>3,146,616</u>

14 CONTINGENT LIABILITIES

In addition to its own bank account the company has a joint bank account with Wolseley plc and certain other group companies which is taken into the accounts of Wolseley plc and is not therefore taken into these accounts.

The company, together with certain other group companies, has given its main UK clearing bank authority at any time to transfer any sum outstanding to the credit of the company against or towards satisfaction of the liability to the bank of these other group companies.

The company together with certain other group companies, is party to a group VAT registration.

WH BODDINGTON & CO LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1996 (CONTINUED)

15 PENSIONS COSTS

The company participates in the Wolseley Group Retirement Benefits Plan.

The scheme is of the defined benefit type providing benefits to certain employees within the Group and the assets are held separately from the Group's assets.

The total pension cost for the company was £84,993 (1995: £64,068).

The latest actuarial valuation of the Wolseley Group Retirement Benefits Plan was carried out as at 1 May 1995. Details of the latest actuarial valuation of this pension scheme are contained in the financial statements of Wolseley plc.

16 PARENT COMPANY

The ultimate parent company is Wolseley plc. Copies of the Group accounts may be obtained from The Secretary, Wolseley plc, PO Box 18, Vines Lane, Droitwich, Worcestershire, WR9 8ND.

17 RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary it has taken advantage of section 3(c) of Financial Reporting Standard 8 not to disclose related party transactions with other members of the Group.