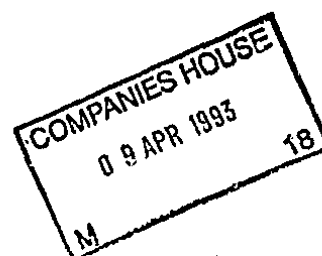


DIRECTORS' REPORT AND ACCOUNTS

WOLSELEY CENTERS LIMITED
(Registered Number 636445)

31 July 1992



WOLSELEY CENTERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1992

The directors submit their report and the audited financial statements of the company for the year ended 31 July 1992.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be that of supplying central heating, plumbing, and sanitary equipment and spares.

On 1 August 1991 the trade, assets and liabilities of fellow subsidiaries, Builder Center Limited and Benton Concrete Limited, were transferred to the company at their net book amounts. These businesses supply building materials and operate a plant hire business.

In early 1992 the company established a branch in France to act as a European base in a search for suitable expansion opportunities in mainland Europe.

On 16 March 1992 the branch acquired Brossette SA and its subsidiaries from B Holding SA. Brossette SA, through its principal subsidiary Brossette BTI, is the largest heating and plumbing supplies distributor in France. Consideration for the acquisition was satisfied by a cash payment of FF100 million and the novation of a loan amounting to FF812 million from B Holding SA to the company's French branch.

Mr John Watson, formerly managing director of the company in the UK has assumed responsibility for investments in Europe. He was appointed to the main board of Wolseley plc, on 1 August 1992 to fulfil that role for the Wolseley group.

The results for the year are set out in the profit and loss account on page 6.

SUBSEQUENT EVENT

On 28 January 1993 Wolseley Centers France, the French branch of the company, entered into an FF800,000,000 5 year term loan facility arranged by Lloyds Bank. The proceeds of the loan will be used to refinance existing borrowings.

FUTURE DEVELOPMENTS

The company continues to seek new opportunities in Europe. In the UK further areas of growth have been identified which it plans to exploit in the coming years.

WOLSELEY CENTERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1992 (CONTINUED)

DIVIDENDS AND TRANSFERS TO RESERVES

An interim dividend of £10,676,000 (1991 £13,507,000) has been paid. No final dividend is proposed. The sum of £7,519,000 (1991 £11,452,000) has been transferred to reserves.

RESEARCH AND DEVELOPMENT

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

FIXED ASSETS

Details of tangible fixed assets are set out in Note 7 to the accounts. In the opinion of the directors there is no significant difference between book and market value of land and buildings.

DIRECTORS

The directors of the company during the year ended 31 July 1992 were:

JW Footman	(Chairman)
J Lancaster	
MD Foord	
D Bradley	
P Gauron	
AJ Hutton	
KHD Jones	
PW Sheppard	
RB Slater	
°JC Watson	
DW Elliott	(Appointed 1 August 1991)
DE Moody	(Appointed 6 November 1991)
DJ Geeve	(Appointed 24 March 1992)
RA Horne	(Deceased 31 December 1991)

WOLSELEY CENTERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1992 (CONTINUED)

DIRECTORS' INTERESTS IN SHARES

The notifiable interest 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 share option schemes are shown below:

	Shares interest at 31 July <u>1992</u>	Shares interest at 1 August <u>1991</u>	Options interest at 1 August <u>1991</u>	Granted during the year	Exercised during the year	Options interest at 31 July <u>1992</u>
MD Foord	28,759	35,719	28,194	10,000	-	38,494
RB Slater	-	-	33,936	7,000	-	40,936
JC Watson	-	20,000	35,100	12,800	-	47,900
AJ Hutton	-	-	45,028	10,605	-	55,633
KHD Jones	2,247	3,305	42,922	8,201	246	50,877
PW Sheppard	8,786	28,786	23,167	9,403	-	32,570
P Gauron	-	-	18,400	7,000	-	25,400
D Bradley	-	-	19,057	9,403	-	28,460
D Elliott	-	6,000	21,000	-	-	21,000
OE Moody	-	-	-	-	-	-
DJ Geeve	7,054	-	20,560	9,884	1,558	28,886

Mr J Lancaster and Mr JW Footman are directors of Wolseley plc and their interests are disclosed in the accounts of that company. Mr JC Watson has a non-beneficial holding of 10,000 Wolseley plc 25p ordinary shares as a trustee, which are not included in his interest disclosed above.

WOLSELEY CENTERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1992 (CONTINUED)

EMPLOYMENT OF DISABLED PERSONS

It is company policy to give full and fair consideration to applications for employment made by disabled persons, to continue wherever possible the employment of staff who become disabled and to provide equal opportunities for the training and career development of disabled employees.

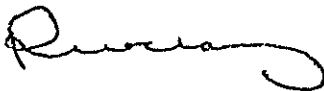
EMPLOYEE CONSULTATION

Considerable importance is placed on the involvement of employees. The management of the company continues to keep them informed on matters affecting them as employees and on the performance of the company. This is done through formal and informal meetings and in-house publications.

AUDITORS

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

On behalf of the Board



R CLAY
Secretary

29 January 1993

Registered Office

PO Box 21
Boroughbridge Road
Ripon
HG4 1SL

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF WOLSELEY CENTERS LIMITED

We have audited the financial statements on pages 6 to 21 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 July 1992 and of the 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 Auditor

29 January 1993

WOLSELEY CENTERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1992

	<u>Notes</u>	£'000	<u>1991</u> <u>£'000</u>
TURNOVER	1, 2	521,679	456,066
Change in stocks of goods purchased for resale		6,814	5,909
Own work capitalised		475	699
Raw materials and consumables		(409,735)	(357,118)
Staff costs	3	(47,858)	(37,629)
Depreciation written off tangible fixed assets		(8,970)	(6,853)
Other operating charges		(41,953)	(32,716)
Other operating income		<u>8,221</u>	<u>8,305</u>
OPERATING PROFIT	4	28,673	36,663
Net interest (payable)/receivable	5	<u>(1,463)</u>	<u>2,263</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,210	38,926
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(9,015)</u>	<u>(13,967)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		18,195	24,959
DIVIDENDS PAID		<u>(10,676)</u>	<u>(13,507)</u>
PROFIT RETAINED AND TRANSFERRED TO RESERVES	15	<u>7,519</u>	<u>11,452</u>

Movements on reserves are set out in Note 15.

WOLSELEY CENTERS LIMITED

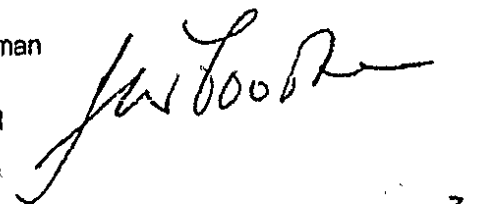
BALANCE SHEET - 31 JULY 1992

	<u>Notes</u>	<u>£'000</u>	<u>1991</u> <u>£'000</u>
FIXED ASSETS			
Tangible fixed assets	7	40,445	25,562
Investments	8	<u>101,690</u>	<u>-</u>
		<u>142,135</u>	<u>25,562</u>
CURRENT ASSETS			
Stocks	9	81,624	74,810
Debtors	10	101,248	84,595
Cash at bank and in hand		<u>-</u>	<u>7,241</u>
		182,872	166,646
CREDITORS (amounts falling due within one year)	11	<u>(243,836)</u>	<u>(120,882)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(60,964)</u>	<u>45,764</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		81,171	71,326
CREDITORS (amounts falling due after more than one year)	11	<u>(1,457)</u>	<u>-</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	-	-
Other provisions	13	<u>(7,569)</u>	<u>(6,637)</u>
		<u>72,145</u>	<u>64,689</u>
CAPITAL AND RESERVES			
Called up share capital	14	31	31
Revaluation reserve	15	428	428
Exchange reserve	15	(63)	-
Other reserves	15	98	98
Profit and loss account	15	<u>71,651</u>	<u>64,132</u>
		<u>72,145</u>	<u>64,689</u>

APPROVED BY THE BOARD
ON 29 JANUARY 1993

John Footman

DIRECTOR



WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992

1 ACCOUNTING POLICIES

(1) Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of certain freehold and long leasehold properties and in accordance with applicable accounting standards.

(2) Group accounts

In accordance with Section 228, Companies Act 1985, group accounts have not been prepared as the company is itself a wholly owned subsidiary.

(3) 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.

(4) Depreciation

Depreciation is provided on all tangible fixed assets (except freehold land) on 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 and long leaseholds 2%, short leaseholds 15%, plant and machinery 15%, vehicles 25%, fixtures and fittings 15% and computers 20-25%.

(5) Stocks

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

Stock consists entirely of goods purchased for resale which are valued at cost on a first in, first out, basis.

(6) Research and development

Research and development expenditure is written off as incurred.

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(7) Deferred tax

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

(8) Investments

Investments held as fixed assets are stated at cost. Provisions are made in respect of any permanent diminution in value.

(9) Goodwill

Goodwill arising on the acquisition of businesses, representing the excess of cost over the fair value ascribed to the net tangible assets at acquisition, is charged to reserves.

(10) Leases

Where leased assets are financed by leasing agreements which give rights approximating to ownership, the assets are treated as if they had been purchased and the capital element of the leasing commitments is shown as obligations under finance leases. The rentals payable are apportioned between interest, which is charged to the profit and loss account, and capital, which reduces the outstanding obligation. Costs in respect of operating leases are charged in arriving at trading profit.

(11) Pension costs

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.

(12) Dilapidation costs

Provision is made against the estimated costs to be incurred under leasehold property dilapidation claims anticipated in respect of properties within five years of the end of the lease period.

(13) Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated into sterling at rates prevailing at the balance sheet date. The trading results of overseas branch operations are translated into sterling using average rates of exchange ruling during the relevant financial period. Exchange differences are dealt with through the profit and loss account.

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

Exchange differences arising between the translation into sterling of the net assets of overseas operations at rates ruling at the beginning and end of the year, or date of investment, are dealt with through reserves, as are exchange differences on foreign currency borrowings raised to finance overseas assets.

2 TURNOVER

	<u>1992</u>	<u>1991</u>
	£'000	£'000
United Kingdom	521,554	456,179
Exports	74	76
Less: Intra-group sales	<u>(37)</u>	<u>(189)</u>
	521,591	456,066
Service recharges to subsidiaries	<u>88</u>	<u>-</u>
	<u>521,679</u>	<u>456,066</u>

3 EMPLOYEES

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Staff costs:		
Wages and salaries	31,435	33,270
Social security costs	3,067	2,562
Other pension costs (Note 18)	2,715	1,709
Redundancy payments	<u>641</u>	<u>88</u>
	47,858	37,629
	<u>Number</u>	<u>Number</u>
Average numbers employed:		
Staff	<u>3,518</u>	<u>3,093</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

4 OPERATING PROFIT

	<u>1992</u> £'000	<u>1991</u> £'000
This is stated after charging/(crediting):		
Directors' remuneration	939	942
Operating lease rentals:		
Plant and machinery	-	-
Other	9,175	7,725
Auditors' remuneration	102	82
Profit on sale of fixed assets	(256)	(202)
Rent received	(769)	(661)
Exceptional provision against investment in, and loan to, a subsidiary company	-	3,219
	<hr/>	<hr/>
Directors' remuneration comprises:		
Executive remuneration (including pension contributions)	<u>939</u>	<u>942</u>
Emoluments (excluding pension contributions) of the Chairman and highest paid director	<u>159</u>	<u>174</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

4 OPERATING PROFIT (CONTINUED)

	<u>1992</u>	<u>1991</u>
	Number	Number
Other directors' emoluments (excluding pension contributions) fell within the following ranges:		
£0 - £5,000	1	1
£15,001 - £20,000	1	-
£20,001 - £25,000	1	-
£30,001 - £35,000	1	-
£55,000 - £60,000	1	-
£60,001 - £65,000	4	2
£65,001 - £70,000	2	3
£70,001 - £75,000	1	1
£75,001 - £80,000	-	1
£85,001 - £90,000	-	1
£115,000 - £120,000	1	-
£120,001 - £125,000	-	1

5 INTEREST PAYABLE/(RECEIVABLE)

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Interest payable on bank loans and overdrafts wholly repayable within 5 years:		
On bank overdrafts	368	-
On bank loan	3,455	-
Interest receivable:		
Third parties	(40)	(52)
Group undertakings	(2,320)	(2,211)
	1,463	(2,263)
	<hr/>	<hr/>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Corporation tax at 33% (1991 - 33.67%)	9,832	14,720
Deferred taxation (note 12)	(252)	(300)
Over-provision in respect of previous years	(565)	(453)
	9,015	13,967
	<hr/>	<hr/>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

7 TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Vehicles £'000	Total £'000
<u>Cost or valuation</u>					
At 31 July 1991	18,458	19,002	1,271	15,181	53,912
Additions	2,513	1,342	579	3,227	7,661
Disposals	(1,385)	(544)	(128)	(2,368)	(4,425)
Transfers from group companies	15,195	1,848	1,186	5,734	23,963
Reclassification	-	(4,108)	6,036	(1,928)	-
At 31 July 1992	<u>34,781</u>	<u>17,540</u>	<u>8,944</u>	<u>19,846</u>	<u>81,111</u>
<u>Depreciation</u>					
At 31 July 1991	7,117	11,827	1,005	8,401	28,350
Disposals	(277)	(456)	(109)	(1,840)	(2,682)
Transfers from group companies	643	1,172	547	3,666	6,028
Charge for the year	1,873	2,822	492	3,783	8,970
Reclassification	-	(3,350)	4,704	(1,354)	-
At 31 July 1992	<u>9,356</u>	<u>12,015</u>	<u>6,639</u>	<u>12,656</u>	<u>40,666</u>
<u>Net book amount</u>					
At 31 July 1992	<u>25,425</u>	<u>5,525</u>	<u>2,305</u>	<u>7,190</u>	<u>40,445</u>
At 31 July 1991	<u>11,341</u>	<u>7,175</u>	<u>266</u>	<u>6,780</u>	<u>25,562</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

7 TANGIBLE FIXED ASSETS (CONTINUED)

	<u>1992</u>	<u>1991</u>
Cost or valuation of land and buildings comprises:	£'000	£'000
Freehold	19,404	6,572
Long term leasehold	2,662	1,189
Short term leasehold	<u>12,715</u>	<u>10,697</u>
	34,781	18,458
	<u> </u>	<u> </u>
Cost	34,010	17,687
Valuation - 1974	<u>771</u>	<u>771</u>
	34,781	18,458
	<u> </u>	<u> </u>

Freehold land, which is included above and amounts to £6,902,000, is not depreciated. At 31 July 1974 the company's freehold and long-term leasehold properties held at that date were valued on an existing use basis. The revaluation surplus arising was credited to a revaluation reserve. Included in fixed assets at 31 July 1992 are properties transferred from Builder Center Limited which were revalued in 1986.

If all those properties had not been revalued, the total amounts of land and buildings would have been:

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Historical cost	31,572	18,162
Accumulated depreciation based on cost	<u>(10,008)</u>	<u>(7,056)</u>
Net historical book amount	21,564	11,106
	<u> </u>	<u> </u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

7 TANGIBLE FIXED ASSETS (CONTINUED)

The cost and accumulated depreciation of fixed assets held under finance leases is as follows:

Cost	24	24
Depreciation	(18)	(12)
Net book amount	6	12

The depreciation charge for the year on fixed assets held under finance leases was £6,000.

Future capital expenditure authorised by directors:

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Contracted for but not provided in the accounts	606	844
Not contracted for	-	-

8 FIXED ASSETS - INVESTMENTS

	Shares at cost £'000	Loans £'000	Provision £'000	Net £'000
Interest in group undertakings:				
At 1 August 1991	2,810	409	(3,219)	Nil
Acquired in the year	<u>101,690</u>	-	-	<u>101,690</u>
At 31 July 1992	<u>104,500</u>	<u>409</u>	<u>(3,219)</u>	<u>101,690</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

8 FIXED ASSETS - INVESTMENTS (CONTINUED)

Principal interests in undertakings

<u>Name of company</u>	<u>Country of incorporation/ registration</u>	<u>Proportion held</u>	<u>Activity</u>
Brossette SA	France	99.5%	Investment holding company.
Brossette BTI SA	France	99.5%	Plumbing and heating distribution.
Boulay SA	France	99.5%	Ditto.
Dogryse et Lesage SA	France	99.5%	Ditto.
Baty SA	France	99.5%	Ditto.

The company owns 47.9% of Brossette SA directly and the remaining 51.6% through two subsidiary companies. The shares in the remaining principal subsidiaries are held indirectly through subsidiaries of the company.

In accordance with S228 of the Companies Act 1985 group accounts have not been prepared. In the opinion of the directors the value of investments in subsidiary undertakings is not less than the aggregate amounts at which they are stated in the accounts.

9 STOCKS

	<u>1992</u>	<u>1991</u>
	<u>£'000</u>	<u>£'000</u>
Goods purchased for resale	<u>81,624</u>	<u>74,810</u>

In the opinion of the directors there is no material difference between the amount of stocks as disclosed in the balance sheet and their replacement cost at the balance sheet date.

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

10 DEBTORS

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	84,937	74,945
Amounts owed by group undertakings	11,546	6,161
Other debtors	1,688	447
Prepayments and accrued income	<u>3,077</u>	<u>3,042</u>
	101,248	84,595

11 CREDITORS

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Amounts falling due within one year:		
Bank loan	84,585	-
Bank overdraft	5,533	-
Loan from Wolseley plc	50,545	27,299
Trade creditors	70,967	67,652
Amounts owed to group undertakings	3,505	2,017
Corporation tax	13,101	14,346
Other taxation and social security	4,081	3,133
Other creditors	5,742	1,297
Accruals and deferred income	<u>5,777</u>	<u>5,138</u>
	243,836	120,882

On 28 January 1993 Wolseley Centers France, the French branch of the company, entered into a FF800,000,000 5 year Term Loan facility arranged by Lloyds Bank. The proceeds of the loan will be used to refinance existing borrowings.

Amounts falling due after more than one year	<u>1992</u>	<u>1991</u>
	£'000	£'000
Other creditors	<u>1,457</u>	<u>-</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

12 DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential amounts, at 33% (1991 35%), are as follows:

	<u>Provided</u>		<u>Potential</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
	£'000	£'000	£'000	£'000
Capital allowances in excess of depreciation	-	500	-	500
Other timing differences	-	(500)	-	(500)
Capital gains rolled over	-	-	-	90
	-	-	-	90
	-	-	-	-

The movement in deferred taxation provisions for the year comprises:

	£'000
Balance at 31 July 1991	-
Transfer from Bulder Center Limited and Benton Concrete Limited	252
Profit and loss account (note 6)	(252)
Balance at 31 July	-

13 OTHER PROVISIONS

	<u>Provided</u>		<u>Utilised</u>	<u>1992</u>
	<u>1991</u>	<u>in year</u>		
	£'000	£'000	£'000	£'000
Acquisition provisions	4,971	2,009	1,661	5,319
Dilapidations provision	1,666	584	-	2,250
	6,637	2,593	1,661	7,569

Acquisition provisions comprise provisions for the cost of integrating the business of Wolseley Building Supplies Limited with that of Wolseley Centers Limited and provisions for potential additional consideration in respect of the acquisition of Brosselle SA.

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

14 SHARE CAPITAL

	<u>1992</u> £'000	<u>1991</u> £'000
Authorised:		
Ordinary shares of £1 each	42	40
2,000 7.5% (5.25% net) redeemable preference shares of £1 each	<u>-</u>	<u>2</u>
	42	42
	<u>-</u>	<u>-</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>31</u>	<u>31</u>

During the year, the preference shares were converted to authorised ordinary shares of £1 each.

15 RESERVES

	<u>Exchange</u> <u>reserve</u> £'000	<u>Revaluation</u> <u>reserve</u> £'000	<u>Other</u> <u>reserves</u> £'000	<u>Profit and</u> <u>loss</u> <u>account</u> £'000	<u>Total</u> £'000
At 31 July 1991	-	428	98	64,132	64,658
Profit for the year	-	-	-	7,519	7,519
Exchange translation:					
Increase in foreign assets	191	-	-	-	191
Increase in foreign borrowings	<u>(254)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254)</u>
At 31 July 1992	<u>(63)</u>	<u>428</u>	<u>98</u>	<u>71,651</u>	<u>72,114</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

16 CONTINGENT LIABILITIES

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

The company, together with certain other Wolseley companies, has given the 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.

All the assets of the company have been charged in common with those of some other subsidiaries of Wolseley plc, as a security of the debenture stocks issued by the parent company.

The company has a contingent liability for the value added tax of certain subsidiaries under a group registration.

17 OBLIGATIONS UNDER LEASES

The company has entered into operating leases and has annual commitments under leases expiring as follows:

	<u>1992</u>	<u>1991</u>
	£'000	£'000
Land and buildings		
Expiring within one year	64	103
Expiring within 2 to 5 years	734	609
Expiring after 5 years	<u>9,046</u>	<u>8,322</u>
	9,844	9,034
Other		
Expiring within one year	<u>3</u>	<u>4</u>

WOLSELEY CENTERS LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1992 (CONTINUED)

18 PENSION COSTS

Wolseley Centers Limited participates in the Wolseley Group Retirement Benefits Plan.

The scheme is of the defined benefit type providing benefits to certain employees within the Wolseley plc group and the assets are held separately from the assets of both Wolseley Centers Limited and Wolseley plc.

The total pension cost for the year was £2,715,000 (1991 £1,814,000).

The latest actuarial valuation of the Wolseley Group Retirement Benefits Plan was carried out as at 1 May 1989. The next valuation, as at 1 May 1992, is currently being undertaken but the results are not yet available. Details of the latest actuarial valuation of this pension scheme are contained in the financial statements of Wolseley plc.

19 PARENT COMPANY

The ultimate parent company is Wolseley plc registered in England. Copies of group accounts of this company can be obtained from The Secretary, Wolseley plc, PO Box 18, Vines Lane, Droitwich, Worcestershire, WR9 8ND.