

## **WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1991**

The directors submit their report and the audited consolidated financial statements of the company and its subsidiary undertakings ("the group") for the year ended 31 July 1991.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

On 31 December 1990 the trade, assets and liabilities of the company's subsidiary, Wolseley Building Supplies Limited, were transferred to the company at their net book amounts.

The results for the year are set out in the profit and loss accounts on pages 5 and 6.

#### **SUBSEQUENT EVENTS**

On 1 August 1991 the trade, assets and liabilities of a fellow subsidiary, Builder Center Limited, were transferred to the company at their net book amounts.

#### **FUTURE DEVELOPMENTS**

The group has identified further areas of growth which it plans to exploit in the coming years.

#### **DIVIDENDS AND TRANSFERS TO RESERVES**

An interim dividend of £13,507,000 (1990 £14,256,000) has been paid. No final dividend is proposed. The sum of £13,360,000 (1990 £12,715,000) has been transferred to group reserves.

#### **RESEARCH AND DEVELOPMENT**

The group 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 material difference between book and market value of land and buildings.

A valuation of freehold and long leasehold properties was carried out on 31 July 1974. Consequently, these properties are included in the accounts at revalued amounts.

## WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1991 (CONTINUED)

#### DIRECTORS

The directors of the company during the year ended 31 July 1991 were:

J Lancaster  
 JW Footman (Chairman)  
 MD Foord  
 RA Horne  
 RB Slater  
 JC Watson  
 AJ Hutton  
 KHD Jones  
 PW Sheppard  
 P Gauron  
 D Bradley (Appointed 1 August 1990)

On 1 August 1991, D Elliott was appointed as a director of the company.

#### 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>1991</u>	Shares interest at 1 August <u>1990</u>	Options interest at 1 August <u>1990</u>	Granted during <u>the year</u>	Exercised during <u>the year</u>	Options interest at 31 July <u>1991</u>
MD Foord	35,719	22,641	62,837	8,500	43,598	27,739
RA Horne	772	772	61,372	8,500	45,072	24,800
RB Slater	-	-	54,714	7,000	27,778	33,936
JC Watson	20,000	26,900	71,972	12,800	49,672	35,100
AJ Hutton	-	-	47,008	10,020	12,000	45,028
KHD Jones	3,305	7,502	48,220	8,006	13,304	42,922
PW Sheppard	28,786	-	43,443	8,510	28,786	23,167
P Gauron	-	-	40,786	6,400	28,786	18,400
D Bradley	-	-	30,657	6,400	18,000	19,057

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 AND ITS SUBSIDIARIES**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1991 (CONTINUED)**

#### **EMPLOYMENT OF DISABLED PERSONS**

It is group 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 group continues to keep them informed on matters affecting them as employees and on the performance of the group. 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

16 October 1991

Registered Office

PO Box 21  
Boroughbridge Road  
Ripon  
HG4 1SL



We have audited the financial statements on pages 5 to 23 in accordance with Auditing Standards.

Pie Waterhouse

**Chartered Accountants and  
Registered Auditor**

16 October 1991

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1991

	Notes	<u>1991</u> £,000	<u>1990</u> £,000
<b>TURNOVER</b>	1,2	477,685	437,157
Change in stocks of goods purchased for resale		(3,393)	8,206
Own work capitalised		699	257
Raw materials and consumables	3	(364,189)	(345,398)
Staff costs		(39,601)	(34,282)
Depreciation written off tangible fixed assets		(6,988)	(6,278)
Other operating income		8,360	7,854
Other operating charges		<u>(33,460)</u>	<u>(26,721)</u>
<b>OPERATING PROFIT</b>	4	39,113	40,795
Interest receivable	5	<u>1,721</u>	<u>2,150</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		40,834	42,945
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	6	<u>(13,367)</u>	<u>(15,974)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		26,867	26,971
<b>DIVIDENDS PAID</b>		<u>(13,507)</u>	<u>(14,256)</u>
<b>PROFIT RETAINED AND TRANSFERRED TO RESERVES</b>	15	<u>13,360</u>	<u>12,715</u>

Movements on reserves are shown in Note 15

**WOLSELEY CENTERS LIMITED****COMPANY PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 1991**

	<u>Notes</u>	<u>1991</u> £'000	<u>1990</u> £'000
<b>TURNOVER</b>	1,2	456,066	433,364
Change in stocks of goods purchased for resale		5,909	(1,097)
Own work capitalised		699	257
Raw materials and consumables		(357,118)	(335,065)
Staff costs	3	(37,629)	(33,728)
Depreciation written off tangible fixed assets		(6,853)	(6,278)
Other operating charges		(32,716)	(25,384)
Other operating income		8,305	7,854
Exceptional items		<u>-</u>	<u>(3,219)</u>
<b>OPERATING PROFIT</b>	4	36,663	36,704
Interest receivable	5	<u>2,263</u>	<u>2,150</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		38,926	38,854
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	6	<u>(13,967)</u>	<u>(15,974)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		24,959	22,880
<b>DIVIDENDS PAID</b>		<u>(13,507)</u>	<u>(14,256)</u>
<b>PROFIT RETAINED AND TRANSFERRED TO RESERVES</b>	15	<u>11,452</u>	<u>8,624</u>

Movements on reserves are set out in Note 15.

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET - 31 JULY 1991

	<u>Notes</u>	<u>1991</u> £'000	<u>1990</u> £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	<u>25,562</u>	<u>24,312</u>
<b>CURRENT ASSETS</b>			
Stocks	9	74,810	78,204
Debtors	10	78,765	78,975
Cash at bank and in hand		7,241	7,892
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(120,882)</u>	<u>(132,204)</u>
<b>NET CURRENT ASSETS</b>		<u>39,934</u>	<u>32,867</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		65,496	57,179
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12		(300)
Other provisions	13	<u>(10,435)</u>	<u>(11,828)</u>
		55,061	45,051
		<u>55,061</u>	<u>45,051</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	31	31
Revaluation reserve	15	428	428
Other reserves	15	98	98
Profit and loss account	15	<u>54,504</u>	<u>44,494</u>
		55,061	45,051
		<u>55,061</u>	<u>45,051</u>



John Watson

DIRECTOR

APPROVED BY THE BOARD  
ON 16 OCTOBER 1991

# WOLSELEY CENTERS LIMITED

## COMPANY BALANCE SHEET - 31 JULY 1991

	Notes	<u>1991</u> £'000	<u>1990</u> £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	25,562	23,733
Investments	8	<u>-</u>	<u>16,100</u>
		<u>25,562</u>	<u>39,833</u>
<b>CURRENT ASSETS</b>			
Stocks	9	74,810	68,901
Debtors	10	84,595	71,126
Cash at bank and in hand		7,241	7,891
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(120,882)</u>	<u>(132,238)</u>
<b>NET CURRENT ASSETS</b>		<u>45,764</u>	<u>15,680</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		71,326	55,513
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	-	(300)
Other provisions	13	<u>(6,637)</u>	<u>(1,976)</u>
		64,689	53,237
		<u>64,689</u>	<u>53,237</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	31	31
Revaluation reserve	15	428	428
Other reserves	15	98	98
Profit and loss account	15	<u>64,132</u>	<u>52,680</u>
		64,689	53,237
		<u>64,689</u>	<u>53,237</u>

  
John Watson

DIRECTOR

APPROVED BY THE BOARD  
ON 16 OCTOBER 1991



# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 JULY 1991

	£'000	1990 £'000
<b>FUNDS GENERATED FROM TRADING</b>		
Profit before tax	40,834	42,945
Depreciation	6,988	6,278
Profit on disposal of tangible fixed assets and investments	(193)	(420)
Goodwill	<u>(3,350)</u>	<u>(12,831)</u>
	<u>44,279</u>	<u>35,972</u>
<b>CHANGES IN WORKING CAPITAL (excluding subsidiary undertakings acquired/sold)</b>		
Stocks reduction/(increase)	3,394	(8,206)
Debtors reduction/(increase)	427	(8,824)
Creditors increase	4,398	13,748
Change in amounts owed to/by group undertakings	<u>(459)</u>	<u>147</u>
	<u>7,760</u>	<u>(3,135)</u>
<b>CHANGES IN FIXED ASSETS</b>		
Purchase of tangible fixed assets	(10,348)	(8,237)
Proceeds of sale of tangible fixed assets	<u>2,304</u>	<u>1,449</u>
	<u>(8,044)</u>	<u>(6,788)</u>
<b>CASH FLOW FROM OPERATIONS</b>	43,995	26,049
Taxes paid	(31,139)	(11,408)
Interim dividend	<u>(13,507)</u>	<u>(14,456)</u>
<b>NET (OUTFLOW)/INFLOW OF FUNDS</b>	(651)	185
<b>NET FUNDS AT BEGINNING OF YEAR</b>	<u>7,892</u>	<u>7,707</u>
<b>NET FUNDS AT END OF YEAR</b>	<u>7,241</u>	<u>7,892</u>

Net funds comprise bank and other loans, bank overdrafts and current assets investments.

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991

### 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 comply with United Kingdom Statements of Standard Accounting Practice.

#### (2) Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiary undertakings for the year ended 31 July 1991. New subsidiary undertakings are included from their respective dates of acquisition during the year.

#### (3) Turnover

Turnover is the amount derived from the provision of goods and services falling within the group's ordinary activities, excluding trade discounts and Value Added Tax.

#### (4) 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 estimate useful lives. The principal rates of depreciation are:

Freehold buildings and long leaseholds	2%
Short leaseholds	15%
Plant and machinery	15%-25%
Fixtures and fittings	15%
Motor vehicles	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 AND ITS SUBSIDIARIES

### NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

#### 1 ACCOUNTING POLICIES (CONTINUED)

##### (7) Deferred tax

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

##### (8) Investments

In the accounts of Wolseley Centers Limited, investments held as fixed assets are stated at cost.

##### (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.

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 2 TURNOVER

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
United Kingdom	477,798	437,284	456,179	433,491
Exports	76	152	76	152
Less:				
Intra-group sales	<u>(189)</u>	<u>(279)</u>	<u>(189)</u>	<u>(279)</u>
	<u>477,685</u>	<u>437,157</u>	<u>456,066</u>	<u>433,364</u>

### 3 EMPLOYEES

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Staff costs:				
Wages and salaries	35,065	30,332	33,270	29,877
Social security costs	2,634	2,170	2,562	2,071
Other pension costs (Note 18)	1,814	1,679	1,709	1,679
Redundancy payments	<u>88</u>	<u>101</u>	<u>88</u>	<u>101</u>
	<u>39,601</u>	<u>34,282</u>	<u>37,629</u>	<u>33,728</u>
	Number	Number	Number	Number
Average numbers employed:				
Staff	<u>3,310</u>	<u>2,910</u>	<u>3,093</u>	<u>2,886</u>

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 4 OPERATING PROFIT

This is stated after charging/(crediting):

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Directors' remuneration	942	844	942	844
Operating lease rentals:				
Plant and machinery	12	-	-	-
Other	8,666	6,145	7,725	6,084
Auditors' remuneration	82	78	82	78
Profit on sale of fixed assets	(193)	(420)	(202)	(420)
Rent received	(734)	(338)	(661)	(338)
Exceptional provision against investment in, and loan to, a subsidiary company	-	-	3,219	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Directors' remuneration comprises:

#### Group and company

	<u>1991</u>	<u>1990</u>
	£'000	£'000
Executive remuneration (including pension contributions)	<u>942</u>	<u>844</u>
Emoluments (excluding pension contributions) of the Chairman and highest paid director	<u>174</u>	<u>172</u>

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 4 OPERATING PROFIT (CONTINUED)

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

	<u>1991</u> Number	<u>1990</u> Number
£0 - £5,000	1	1
£55,000 - £60,000	-	1
£60,001 - £65,000	2	-
£65,001 - £70,000	3	4
£70,001 - £75,000	1	-
£75,001 - £80,000	1	1
£80,001 - £85,000	-	1
£85,001 - £90,000	1	-
£115,000 - £120,000	-	1
£120,001 - £125,000	1	-

### 5 INTEREST RECEIVABLE

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Interest receivable:				
Third parties	52	51	52	51
Group undertakings	<u>1,669</u>	<u>2,099</u>	<u>2,211</u>	<u>2,099</u>
	1,721	2,150	2,263	2,150

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

<i>Group and company</i>	<u>1991</u> £'000	<u>1990</u> £'000
Corporation tax at 33.67% (1990 - 35%)	14,720	15,900
Deferred taxation	(300)	300
Over provision in respect of previous periods	<u>(453)</u>	<u>(226)</u>
	13,967	15,974

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 7 TANGIBLE FIXED ASSETS

Group	Land and <u>buildings</u>	Plant and <u>equipment</u>	Fixtures and <u>fittings</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost or valuation</u>	£'000	£'000	£'000	£'000	£'000
At 31 July 1990	16,348	16,506	1,179	14,017	48,050
Additions	2,765	3,254	119	4,210	10,348
Disposals	(505)	(704)	(27)	(2,826)	(4,062)
Transfers to group companies	<u>(150)</u>	<u>(54)</u>	<u>(-)</u>	<u>(220)</u>	<u>(424)</u>
At 31 July 1991	<u>18,458</u>	<u>19,002</u>	<u>1,271</u>	<u>15,181</u>	<u>53,912</u>
<u>Depreciation</u>					
At 31 July 1990	5,875	9,939	904	7,020	23,738
Disposals	(88)	(540)	(5)	(1,707)	(2,340)
Transfers to group companies	(10)	-	-	(26)	(36)
Charge in year	<u>1,340</u>	<u>2,428</u>	<u>106</u>	<u>3,114</u>	<u>6,988</u>
At 31 July 1991	<u>7,117</u>	<u>11,827</u>	<u>1,005</u>	<u>8,401</u>	<u>28,350</u>
<u>Net book amount</u>					
At 31 July 1991	<u>11,341</u>	<u>7,175</u>	<u>266</u>	<u>6,780</u>	<u>25,562</u>
At 31 July 1990	<u>10,473</u>	<u>6,567</u>	<u>275</u>	<u>6,997</u>	<u>24,312</u>
Cost or valuation of land and buildings comprises:				<u>1991</u>	<u>1990</u>
				£'000	£'000
Freehold				6,572	5,608
Long term leasehold				1,189	1,346
Short term leasehold				<u>10,697</u>	<u>9,394</u>
				18,458	16,348

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 7 TANGIBLE FIXED ASSETS (CONTINUED)

Company	Land and <u>buildings</u> £'000	Plant and <u>equipment</u> £'000	Fixtures and <u>fittings</u> £'000	Vehicles £'000	<u>Total</u> £'000
<u>Cost or valuation</u>					
At 31 July 1990	15,768	16,506	1,179	14,017	47,470
Additions	2,651	2,903	119	3,307	8,980
Disposals	(505)	(704)	(27)	(2,717)	(3,953)
Transfers from group companies	<u>544</u>	<u>297</u>	<u>-</u>	<u>574</u>	<u>1,415</u>
At 31 July 1991	<u>18,458</u>	<u>19,002</u>	<u>1,271</u>	<u>15,181</u>	<u>53,912</u>
<u>Depreciation</u>					
At 31 July 1990	5,874	9,939	904	7,020	23,737
Disposals	(88)	(540)	(5)	(1,682)	(2,315)
Transfers from group companies	8	13	-	54	75
Charge in year	<u>1,323</u>	<u>2,415</u>	<u>106</u>	<u>3,009</u>	<u>6,853</u>
At 31 July 1991	<u>7,117</u>	<u>11,827</u>	<u>1,005</u>	<u>8,401</u>	<u>28,350</u>
<u>Net book amount</u>					
At 31 July 1991	<u>11,341</u>	<u>7,175</u>	<u>266</u>	<u>6,780</u>	<u>25,562</u>
At 31 July 1990	<u>9,894</u>	<u>6,567</u>	<u>275</u>	<u>6,997</u>	<u>23,733</u>
Cost or valuation of land and buildings comprises:				<u>1991</u> £'000	<u>1990</u> £'000
Freehold				6,572	5,608
Long term leasehold				1,189	1,346
Short term leasehold				<u>10,697</u>	<u>8,814</u>
				18,458	15,768



# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 7 TANGIBLE FIXED ASSETS (CONTINUED)

Freehold land, which is included above and amounts to £475,720, 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.

If those properties had not been revalued, their amounts would have been:

	<u>1991</u> £'000	<u>1990</u> £'000
Historical cost	18,162	16,052
Accumulated depreciation based on cost	<u>(7,056)</u>	<u>(5,794)</u>
Net book amount	<u>11,106</u>	<u>10,258</u>

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

	<u>1991</u> £'000	<u>1990</u> £'000
Cost	24	36
Depreciation	<u>(12)</u>	<u>(13)</u>
Net book amount	<u>12</u>	<u>23</u>

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

Future capital expenditure authorised by directors:

#### Group and company

	<u>1991</u> £'000	<u>1990</u> £'000
Contracted for but not provided in the accounts	844	916
Not contracted for	<u>-</u>	<u>-</u>

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 8 FIXED ASSETS - INVESTMENTS

Company	Shares at <u>cost</u> £'000	<u>Loans</u> £'000	<u>Provision</u> £'000	<u>Net</u> £'000
Interest in group undertakings:				
At 1 August 1990	2,810	16,509	(3,219)	16,100
Repayment during year	—	(16,100)	—	(16,100)
At 31 July 1991	2,810	409	(3,219)	-

<u>Name of company</u>	Country of incorporation/ <u>registration</u>	<u>Proportion held</u>	<u>Activity</u>
Wolseley Building Supplies Limited	England	100%	Dormant from 31 December 1990
Paladin Plastics Limited	England	100%	Dormant

On 31 December 1990 the trade assets and liabilities of Wolseley Building Supplies Limited were transferred to Wolseley Centers Limited at their net book amounts.

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>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Goods purchased for resale	74,810	78,204	74,810	68,901

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 AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 10 DEBTORS

Amounts falling due within one year:

Trade debtors  
Amounts owed by group undertakings  
Other debtors  
Prepayments and accrued income

Group		Company	
1991	1990	1991	1990
£'000	£'000	£'000	£'000

74,945	75,563	74,945	67,536
331	114	6,161	262
447	192	447	192
<u>3,042</u>	<u>3,106</u>	<u>3,042</u>	<u>3,106</u>
78,765	78,975	84,595	71,126

### 11 CREDITORS

Amounts falling due within one year:

Loan from Wolseley plc  
Trade creditors  
Amounts owed to group undertakings  
Corporation tax  
Other taxation and social security  
Other creditors  
Accruals and deferred income

Group		Company	
1991	1990	1991	1990
£'000	£'000	£'000	£'000

27,299	28,804	27,299	32,799
67,652	61,272	67,652	57,445
2,017	754	2,017	635
14,346	31,217	14,346	31,202
3,133	3,271	3,133	3,271
1,297	612	1,297	612
<u>5,138</u>	<u>6,274</u>	<u>5,138</u>	<u>6,274</u>
120,882	132,204	120,882	132,238

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 12 DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential amounts, at 33% (1990 35%), are as follows:

	<u>Provided</u>		<u>Potential</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
<b>Group and company</b>				
Capital allowances in excess of depreciation	500	840	500	840
Other timing differences	(500)	(540)	(500)	(540)
Capital gains rolled over	—	—	90	—
	-	300	90	300
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

### 13 OTHER PROVISIONS

#### Group

	<u>1990</u>	<u>Provided</u>	<u>Released</u>	<u>Utilised</u>	<u>1991</u>
	£'000	in year	£'000	£'000	£'000
		£'000			
Pensions and similar obligations	256	-	(256)	-	-
Acquisition provisions	10,412	7,374	(1,717)	(7,300)	8,769
Dilapidations provisions	<u>1,160</u>	<u>506</u>	<u>—</u>	<u>—</u>	<u>1,666</u>
	11,828	7,880	(1,973)	(7,300)	10,435
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

#### Company

	<u>1990</u>	<u>Provided</u>	<u>Released</u>	<u>Transfers</u>	<u>Utilised</u>	<u>1991</u>
	£'000	in year	£'000	£'000	£'000	£'000
		£'000				
Pensions and similar obligations	256	-	(256)	-	-	-
Acquisition provisions	560	-	(146)	6,505	(1,948)	4,971
Dilapidations provision	<u>1,160</u>	<u>506</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,666</u>
	1,976	506	(402)	6,505	(1,948)	6,637
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

# WOLSELEY CENTERS LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS - 31 JULY 1991 (CONTINUED)

### 13 OTHER PROVISIONS (CONTINUED)

The acquisition provisions relate to the cost of re-organising and integrating the business of Wolseley Building Supplies Limited, acquired from the receiver of Needwood (Holdings) Limited, with that of Wolseley Centers Limited. The above noted transfer reflects the transfer to the company of the provision in the books of Wolseley Building Supplies Limited at 31 December 1990.

### 14 SHARE CAPITAL

	<u>1991</u> £'000	<u>1990</u> £'000
Authorised:		
Ordinary shares of £1 each	40	40
2,000 7.5% (5.25% net) redeemable preference shares of £1 each	<u>2</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>

### 15 RESERVES

	<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
<b>Group</b>				
At 31 July 1990	428	98	44,494	45,020
Profit for the year	-	-	13,360	13,360
Goodwill written off	<u>-</u>	<u>-</u>	<u>(3,350)</u>	<u>(3,350)</u>
At 31 July 1991	428	98	54,504	55,030
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Company</b>				
At 31 July 1990	428	98	52,680	53,206
Profit for the year	<u>-</u>	<u>-</u>	<u>11,452</u>	<u>11,452</u>
At 31 July 1991	428	98	64,132	64,658
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>