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**WOLSELEY CENTERS LIMITED**  
**(REGISTERED NUMBER 636445)**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 July 1993**

## **WOLSELEY CENTERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1993**

The directors submit their report and the audited financial statements of the company for the year ended 31 July 1993.

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

The principal activity of the company continues to be that of the supply of central heating, plumbing, building materials and spares. The company also invests in plumbing, heating and sanitary equipment supply businesses in Europe.

On 1 August 1992 the trade, assets and liabilities of a fellow subsidiary, RSJ Plastics and Wood Veneers Limited, were transferred to the company at their net book amounts. The business supplies timber and plastic sheeting products.

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

#### **FUTURE DEVELOPMENTS**

The company continues to seek new opportunities in Europe through its French branch. In the UK the company will continue to seek areas of profitable expansion in the building material distribution sector.

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

An interim dividend of £12,169,000 (1992 £10,676,000) has been paid. No final dividend is proposed. The sum of £8,784,000 (1992 £7,519,000) 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.

On 31 July 1993 the company acquired certain properties from Wolseley Properties Limited, a fellow subsidiary. Consideration amounted to £12,909,000. Properties with a book value of £970,000 acquired in this transaction are not expected to be used by the company and are held as properties for resale.

On 31 July 1993 the directors reviewed the carrying value of the company's freehold and long leasehold properties. As a result of this review property with a net book value of £11,903,000 was written down by £1,479,000. The write-down was charged to the profit and loss account.

In the opinion of the directors there is no significant difference between book and market value of land and buildings.

# WOLSELEY CENTERS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1993 (CONTINUED)

### DIRECTORS

The directors of the company during the year ended 31 July 1993 were:

JW Footman	(Chairman)
J Lancaster	
MD Foord	(Resigned 30 November 1993)
D Bradley	
P Gauron	
AJ Hutton	
KHD Jones	
PW Sheppard	
RB Slater	
JC Watson	
DW Elliott	
DE Moody	
DJ Geeve	

### 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 1993	Shares interest at 1 August 1992	Options interest at 1 August 1992	Granted during the year	Exercised during the year	Options interest at 31 July 1993
MD Foord	19,341	28,759	38,494	7,724	582	45,636
RB Slater	-	-	40,936	7,449	-	48,385
AJ Hutton	-	-	55,633	6,000	1,940	59,693
KHD Jones	1,684	2,247	50,877	6,724	437	57,164
PW Sheppard	3,786	8,786	32,570	6,000	-	38,570
P Gauron	-	-	25,400	5,400	-	30,800
D Bradley	-	-	28,460	6,724	-	35,184
D Elliott	-	-	21,000	-	-	21,000
DE Moody	-	-	-	20,899	-	20,899
DJ Geeve	7,830	7,054	28,886	6,327	774	34,439

Mr J Lancaster, Mr JW Footman and Mr JC Watson are directors of Wolseley plc and their interests are disclosed in the accounts of that company.

# **WOLSELEY CENTERS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1993 (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.

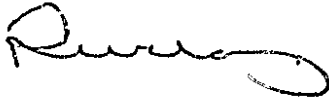
### **EMPLOYEE CONSULTATION**

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

10 December 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 5 to 20 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 1993 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

10 December 1993

# **WOLSELEY CENTERS LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1993**

	<u>Notes</u>	<u>1993</u> £'000	<u>1992</u> £'000
<b>TURNOVER</b>	1, 2	552,071	521,679
Change in stocks of goods purchased for resale		8,828	6,814
Own work capitalised		-	475
Raw materials and consumables		(436,229)	(409,735)
Staff costs	3	(47,467)	(47,858)
Depreciation written off tangible fixed assets		(8,552)	(8,970)
Other operating charges		(45,372)	(41,953)
Income from shares in group undertakings		5,360	-
Other operating income		<u>7,502</u>	<u>8,221</u>
<b>OPERATING PROFIT</b>	4	36,141	28,673
Net interest payable	5	<u>(11,534)</u>	<u>(1,463)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		24,607	27,210
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	6	<u>(3,654)</u>	<u>(9,015)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		20,953	18,195
<b>DIVIDENDS PAID</b>		<u>(12,169)</u>	<u>(10,676)</u>
<b>PROFIT RETAINED AND TRANSFERRED TO RESERVES</b>	15	<u>8,784</u>	<u>7,519</u>

Movements on reserves are set out in Note 15.

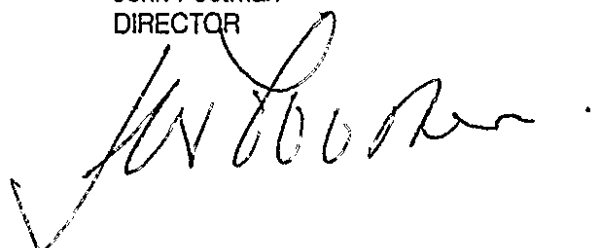
# WOLSELEY CENTERS LIMITED

## BALANCE SHEET - 31 JULY 1993

	Notes	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	49,244	40,445
Investments	8	<u>111,840</u>	<u>101,690</u>
		161,084	142,135
<b>CURRENT ASSETS</b>			
Real property awaiting disposal		2,243	1,328
Stocks	9	90,452	81,624
Debtors	10	104,715	99,920
Cash at bank and in hand		<u>13,332</u>	<u>-</u>
		210,742	182,872
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(191,105)</u>	<u>(243,836)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		19,637	(60,964)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		180,721	81,171
<b>CREDITORS (amounts falling due after more than one year)</b>	11	(92,085)	(1,457)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Other provisions	13	<u>(7,651)</u>	<u>(7,569)</u>
		80,985	72,145
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	31	31
Revaluation reserve	15	428	428
Exchange reserve	15	(7)	(63)
Other reserves	15	98	98
Profit and loss account	15	<u>80,435</u>	<u>71,651</u>
		80,985	72,145

Approved by the Board on 10 December 1993

John Footman  
DIRECTOR



# **WOLSELEY CENTERS LIMITED**

## **STATEMENTS OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 1993**

	<u>1993</u> £'000	<u>1992</u> £'000
Profit for the financial year	20,953	18,195
Currency translation differences on foreign currency net investments	<u>56</u>	<u>(63)</u>
Total recognised gains and losses for the financial year	<u>21,009</u>	<u>18,132</u>

## **NOTES OF HISTORICAL COST PROFITS AND LOSSES**

Profit on ordinary activities before taxation	24,607	27,210
Difference between historical charge and the actual depreciation charge for the year calculated on the revalued amount	<u>39</u>	<u>43</u>
Historical cost profit on ordinary activities before taxation	<u>24,646</u>	<u>27,253</u>
Historical cost profit for the year retained after taxation and dividends	<u>8,823</u>	<u>7,562</u>



# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993

### 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) Property awaiting disposal

Property available for disposal is transferred to current assets at the lower of book written-down value and estimated net realisable value. Depreciation is not applied to property awaiting disposal but the carrying value is reviewed annually and written down through the profit and loss account to current estimated net realisable value if lower.

#### (6) 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.

## **WOLSELEY CENTERS LIMITED**

### **NOTES TO THE ACCOUNTS - 31 JULY 1993 (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**

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.

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.

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 2 TURNOVER

	<u>1993</u>	<u>1992</u>
	£'000	£'000
United Kingdom	550,815	521,480
Exports	131	74
Group sales	<u>36</u>	<u>37</u>
	550,982	521,591
Service recharges to subsidiaries	<u>1,089</u>	<u>88</u>
	<u>552,071</u>	<u>521,679</u>

### 3 EMPLOYEES

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Staff costs:		
Wages and salaries	41,016	41,435
Social security costs	3,212	3,067
Other pension costs (Note 19)	2,513	2,715
Redundancy payments	<u>726</u>	<u>641</u>
	47,467	47,858
	<u>Number</u>	<u>Number</u>
Average numbers employed:		
Staff	<u>3,434</u>	<u>3,518</u>

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 4 OPERATING PROFIT

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
This is stated after charging/(crediting):		
Directors' remuneration	1,049	939
Operating lease rentals:		
Plant and machinery	6	-
Other	9,832	9,175
Auditors' remuneration	122	125
Profit on sale of fixed assets	(40)	(256)
Rent receivable	(774)	(769)
Write-down of properties	1,479	-
Write-down of property held for resale	634	-
	<hr/>	<hr/>
Directors' remuneration comprises:		
Executive remuneration (including pension contributions)	1,049	939
	<hr/>	<hr/>
Emoluments (excluding pension contributions) of the Chairman and highest paid director	174	159
	<hr/>	<hr/>

The number of directors' performing their duties mainly within the United Kingdom, whose emoluments (excluding pension contributions) were within the following bands are:

	Number	Number
£0 - £5,000	1	1
£15,001 - £20,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	1	-
£35,001 - £40,000	-	1
£40,001 - £45,000	1	4
£45,001 - £50,000	1	2
£50,001 - £55,000	6	1
£55,001 - £60,000	1	-
£60,001 - £65,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	1	-
£75,001 - £80,000	-	1
£80,001 - £85,000	-	1
£85,001 - £90,000	1	-

Mr J Lancaster is a director of Wolseley plc. He receives no emoluments for services to Wolseley Centers Limited. His emoluments for services to Wolseley plc are disclosed in the accounts of that company.

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 5 INTEREST PAYABLE/(RECEIVABLE)

	<u>1993</u> £'000	<u>1992</u> £'000
Interest payable on bank loans and overdrafts wholly repayable within 5 years:		
On bank overdrafts	3,162	368
On bank loans	10,614	3,455
Interest receivable:		
Third parties	(55)	(40)
Group undertakings	<u>(2,187)</u>	<u>(2,320)</u>
	11,534	1,463
	<u>          </u>	<u>          </u>

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1993</u> £'000	<u>1992</u> £'000
Corporation tax at 33% (1992 - 33.67%)	6,964	9,832
Deferred taxation (note 12)	-	(252)
Over-provision in respect of previous years	<u>(3,310)</u>	<u>(565)</u>
	3,654	9,015
	<u>          </u>	<u>          </u>

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (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 1992	34,781	17,540	8,944	19,846	81,111
Additions	1,506	2,054	659	4,554	8,773
Disposals	(31)	(1,699)	(18)	(3,358)	(5,106)
Transfers from group companies	12,905	176	180	514	13,775
Reclassification	12	129	(141)	-	-
Transfers to property awaiting disposal	(1,044)	-	-	-	(1,044)
Write down of properties	(1,479)	-	-	-	(1,479)
At 31 July 1993	46,650	18,200	9,624	21,556	96,030
<u>Depreciation</u>					
At 31 July 1992	9,356	12,015	6,639	12,656	40,666
Disposals	(11)	(1,082)	(17)	(2,708)	(3,818)
Transfers from group companies	762	88	131	348	1,329
Charge for the year	1,801	2,157	774	3,819	8,551
Reclassification	8	107	(115)	-	-
Transfers from property awaiting disposal	58	-	-	-	58
At 31 July 1993	11,974	13,285	7,412	14,115	46,786
<u>Net book amount</u>					
At 31 July 1993	34,676	4,915	2,212	7,441	49,244
At 31 July 1992	25,425	5,525	2,305	7,190	40,445

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 7 TANGIBLE FIXED ASSETS (CONTINUED)

Cost or valuation of land and buildings comprises:	<u>1993</u> £'000	<u>1992</u> £'000
Freehold	29,356	19,404
Long term leasehold	3,356	2,662
Short term leasehold	<u>13,938</u>	<u>12,715</u>
	46,650	34,781
	<hr/>	<hr/>
Cost	35,531	34,010
Valuation - 1974	695	771
Valuation - 1993	<u>10,424</u>	<u>-</u>
	46,650	34,781
	<hr/>	<hr/>

Freehold land, which is included above and amounts to £10,234,000 (1992 £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.

The carrying value of the company's freehold and long leasehold properties was reviewed by the directors at 31 July 1993. As a result of that review property with a net book value of £11,903,000 was written down by £1,479,000. The write-down was charged to the profit and loss account.

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

	<u>1993</u> £'000	<u>1992</u> £'000
Historical cost	46,216	31,572
Accumulated depreciation based on cost	<u>(11,845)</u>	<u>(10,008)</u>
Net historical book amount	<hr/> 34,371	<hr/> 21,564

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 7 TANGIBLE FIXED ASSETS (CONTINUED)

Future capital expenditure authorised by directors:

	<u>1993</u> £'000	<u>1992</u> £'000
Contracted for but not provided in the accounts	909	606
Not contracted for	-	-
	<u>          </u>	<u>          </u>

### 8 FIXED ASSETS - INVESTMENTS

	<u>Shares at</u> <u>cost</u> £'000	<u>Loans</u> £'000	<u>Provision</u> £'000	<u>Net</u> £'000
Interest in group undertakings:				
At 1 August 1992	104,500	409	(3,219)	101,690
Acquired in the year	1,189	-	-	1,189
Exchange gain on retranslation	<u>8,961</u>	<u>-</u>	<u>-</u>	<u>8,961</u>
At 31 July 1993	<u>114,650</u>	<u>409</u>	<u>(3,219)</u>	<u>111,840</u>

Principal interests in undertakings:

<u>Name of company</u>	<u>Country of</u> <u>incorporation/</u> <u>registration</u>	<u>Proportion held</u>	<u>Activity</u>
Brossette SA	France	100%	Investment holding company.
Brossette BTI SA	France	100%	Plumbing and heating distribution.
Boulay SA	France	100%	Ditto.
Degryse et Lesage SA	France	100%	Ditto.
Baty SA	France	100%	Ditto.



# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 8 FIXED ASSETS - INVESTMENTS (CONTINUED)

The company owns 48.4% 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>1993</u> £'000	<u>1992</u> £'000
Goods purchased for resale	90,452	81,624

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.

### 10 DEBTORS

	<u>1993</u> £'000	<u>1992</u> £'000
Amounts falling due within one year:		
Trade debtors	95,109	84,937
Amounts owed by group undertakings	5,992	11,546
Other debtors	52	360
Prepayments and accrued income	<u>3,562</u>	<u>3,077</u>
	104,715	99,920

In 1992 other debtors included real property awaiting disposal amounting to £1,328,000. The amount has been separately disclosed on the face of the balance sheet this year and the comparative amounts adjusted accordingly.

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 11 CREDITORS (amounts falling due within one year)

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Bank loan	-	84,585
Bank overdraft	28,718	5,533
Loan from Wolseley plc	60,241	50,545
Trade creditors	82,889	70,967
Amounts owed to group undertakings	295	3,505
Corporation tax	8,352	13,101
Other taxation and social security	2,658	4,081
Other creditors	1,273	5,742
Accruals and deferred income	<u>6,679</u>	<u>5,777</u>
	191,105	243,836

### Amounts falling due after more than one year

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Term loan	90,498	-
Other creditors	<u>1,587</u>	<u>1,457</u>
	92,085	1,457

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 were used to refinance existing borrowings. The loan is unsecured and bears interest at a commercial rate. The facility is committed until 1998.

### 12 DEFERRED TAXATION

In accordance with the accounting policy, no provision is required for deferred taxation (1992 £Nil). There is no potential liability for deferred taxation (1992 £Nil).

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 13 OTHER PROVISIONS

	<u>1992</u> <u>£'000</u>	<u>Provided</u> <u>in year</u> <u>£'000</u>	<u>Utilised</u> <u>£'000</u>	<u>Released</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
Acquisition provisions	5,319	1,701	(1,059)	-	5,961
Dilapidations provision	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>(560)</u>	<u>1,690</u>
	<u>7,569</u>	<u>1,701</u>	<u>(1,059)</u>	<u>(560)</u>	<u>7,651</u>

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 Brossette SA.

### 14 SHARE CAPITAL

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Authorised:		
Ordinary shares of £1 each	42	42
	<u>-</u>	<u>-</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	31	31
	<u>-</u>	<u>-</u>

### 15 RESERVES

	<u>Exchange</u> <u>reserve</u> <u>£'000</u>	<u>Revaluation</u> <u>reserve</u> <u>£'000</u>	<u>Other</u> <u>reserves</u> <u>£'000</u>	<u>Profit and</u> <u>loss</u> <u>account</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
At 31 July 1992	(63)	428	98	71,651	72,114
Profit for the year	-	-	-	8,784	8,784
Exchange translation	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>
At 31 July 1993	<u>(7)</u>	<u>428</u>	<u>98</u>	<u>80,435</u>	<u>80,954</u>

# WOLSELEY CENTERS LIMITED

## NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)

### 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1993</u> £'000	<u>1992</u> £'000
Profit for the financial year	20,953	18,195
Dividends	(12,169)	(10,676)
Exchange gains/(losses)	<u>56</u>	<u>(63)</u>
Net addition to shareholders funds	8,840	7,456
Opening shareholders funds	<u>72,145</u>	<u>64,689</u>
Closing shareholders funds	<u>80,985</u>	<u>72,145</u>

### 17 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.

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

### 18 OBLIGATIONS UNDER LEASES

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

	<u>1993</u> £'000	<u>1992</u> £'000
Land and buildings		
Expiring within one year	269	64
Expiring between 1 and 5 years	750	734
Expiring after 5 years	<u>7,673</u>	<u>9,046</u>
	8,692	9,844
Other		
Expiring within one year	-	3
Expiring between 1 and 5 years	<u>16</u>	<u>-</u>
	6	3

## **WOLSELEY CENTERS LIMITED**

### **NOTES TO THE ACCOUNTS - 31 JULY 1993 (CONTINUED)**

#### **19 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 £2,513,000 (1992 £2,715,000).

The latest actuarial valuation of the Wolseley Group Retirement Benefits Plan was carried out as at 1 May 1992. Details of the latest actuarial valuation of this pension scheme are contained in the financial statements of Wolseley plc.

#### **20 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.