

CHANDLER FOREST PRODUCTS LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

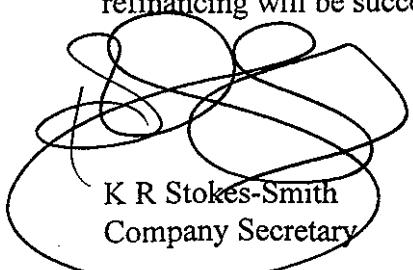
31 DECEMBER 1995

The Company's registration number is 1229946

CFP95

NOTE

The Directors of Wickes plc, the Company's ultimate parent Company, announced in October 1996 that, following the identification of accounting and other irregularities in the Wickes Group, the profitability of the Group had been considerably overstated in at least the last two financial years. As a result, the Directors of Wickes plc have stated their intention to refinance the Group in early 1997. The Accounts have been prepared on the basis that this refinancing will be successful.


K R Stokes-Smith
Company Secretary



31st October 1996

CHANDLER FOREST PRODUCTS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the accounts, for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The results for the year are set out in the attached accounts. The directors do not recommend payment of a dividend.

DIRECTORS

The directors who served during the year were as follows:

N P S Horne
K R Stokes-Smith
R N Tilney

The directors who held office at 31 December 1995 had no interests, including options, other than those shown below in the shares of group undertakings.

Wickes plc 25 pence Ordinary Shares

	Holdings			Options		
	1.1.95	31.12.95	1.1.95	Granted in the year	Exercised in the year	31.12.95
Directors						
N P S Horne	None	None	153,000	-	-	153,000
K R Stokes-Smith	None	None	25,000	-	-	25,000
R N Tilney	3,410	3,410	40,450	-	-	40,450

CHANDLER FOREST PRODUCTS LIMITED

DIRECTORS' REPORT (Continued)

At 31 December 1995 the following options granted to the directors were outstanding under option schemes:

Director	Date of grant	Ordinary shares	Exercise price(p)	Exercisable
N P S Horne	November '91	41,200	65.47	5.11.94-3.11.01
	April '92	61,800	85.36	15.4.95-15.4.02
	August '94	50,000	92.00	13.8.97-11.8.04
K R Stokes-Smith	August '94	25,000	92.00	13.8.97-11.8.04
R N Tilney	November '91	15,450	65.47	5.11.94-3.11.01
	February '94	10,000	117.50	1.3.97-27.2.04
	August '94	15,000	92.00	13.8.97-11.8.04

The market price of the Wickes plc shares during the year ranged from 85p to 136p and at 31 December 1995 was 126p

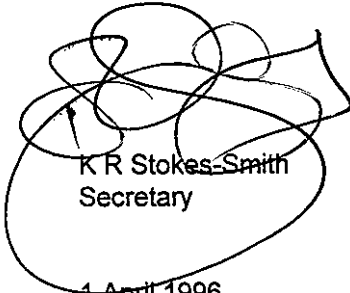
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains insurance in respect of Directors' and Officers' liability as permitted by Section 310(3) of the Companies Act 1985

AUDITORS

The Company was dormant within the meaning of Section 252 of the companies act 1985 throughout the period to 31 December 1995 and accordingly its accounts have not been audited.

By order of the Board
19/21, Mortimer Street,
London W1N 8JT



K R Stokes-Smith
Secretary

1 April 1996

CHANDLER FOREST PRODUCTS LIMITED

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

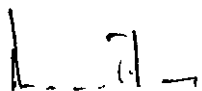
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CHANDLER FOREST PRODUCTS LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1995

	Note	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Amount due from other Group undertakings		<u>10,100</u>	<u>10,100</u>
NET ASSETS		<u>10,100</u>	<u>10,100</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		<u>10,000</u>	<u>10,000</u>
		<u>10,100</u>	<u>10,100</u>

Signed on behalf of the board on 1 April 1996

RN Tilney



Director

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

The notes on page 5 form an integral part of these financial statements.

CHANDLER FOREST PRODUCTS LIMITED

NOTES (FORMING PART OF THE FINANCIAL STATEMENT)

31 DECEMBER 1995

1. ACCOUNTING POLICY

Basis of Accounting

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

2. PROFIT & LOSS ACCOUNT

The company has not traded during the year ended 31 December 1995 and accordingly no Profit and Loss Account has been prepared.

3. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called up and fully paid			
	1995	1994	1995	1994	1995	1994
	£	£	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4. CONTINGENT LIABILITIES

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

5. ULTIMATE PARENT COMPANY

At 31st December 1995, the ultimate parent company was Wickes plc, which is incorporated in England.

The only Group into which the results of the company are consolidated is that headed by Wickes Plc. The consolidated financial statements may be obtained from 19/21 Mortimer Street, London, W1N 8JT.