

155(6)a

Pursuant to section 155(6) of the Companies Act 1985

Company number

Name of company

* TAYLOR, MAXWELL & CO. LIMITED

XWe a PETER BATTY of 3 Curzon Close, Killamarsh, Sheffield, South Yorkshire, S31 8JJ
CHRISTOPHER BEAVIS of Hawthorn Cottage, Collins Lane, Hursley, Winchester, Hampshire, SO21 2JX
ANDREW DAVID DOWNES of Wesley Cottage, Moorwood, Oakhill, Bath, Avon, BA3 5BN
STEPHEN HARVEY GARGE of Maxgate, Theale, Wedmore, BS28 4SN
CLIVE EDWIN MATHEWS of Brookside Farm, New Road, Chapel Allerton, Axbridge, BS26 2PA
JULIAN MEADS of Applegarth, Church Lane, Henbury, Bristol BS10 7QG
MARK PHILLIPS of 7 Turner Walk, Bridgegate, Bristol BS30 5WH
MARK JOHN SAWYER of 14 Bluebell Meadows, Sherwood Grange, Winnersh, RG41 5UW

The business of the company is:

[illegible]

(c) something other than the above §

The company is proposing to give financial assistance in connection with the acquisition of shares in the

~~XXXXXX~~ company's holding company TAYLOR MAXWELL HOLDINGS

Limited† †

The assistance is for the purpose of [that acquisition] ~~XXXXXXXXXXXXXXXXXXXXXX required for the~~

~~XXXXXXXXXXXXXXXXXXXX~~ +

The number and class of the shares acquired or to be acquired is: 969,729 ordinary "A" shares of £1.00 each
and 65,000 ordinary "B" shares of £1.00 each.

Presentor's name address and reference (if any) :

Burges Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH
7829 Bristol

Ref: RT01/3965569v1

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General Section



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COMPANIES HOUSE

491
15/07/2006

The assistance is to be given to: (note 2) TAYLOR MAXWELL GROUP LIMITED (Company No. 05726000)
(the "Purchaser") whose registered address is at Taylor Maxwell House, The Promenade, Clifton, Bristol BS8 3NW.

Please do not
write in this
margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

The assistance will take the form of:

Please see Appendix 1.

The person who ~~XXXXXX~~ [will acquire] † the shares is:

† delete as
appropriate

the Purchaser

The principal terms on which the assistance will be given are:

Please see Appendix 2.

The amount of cash to be transferred to the person assisted is £ Please see Appendix 3.

The value of any asset to be transferred to the person assisted is £ Nil

The date on which the assistance is to be given is within 8 weeks of the date of this declaration

Appendix 1 – Form 155(6)(a)

TAYLOR, MAXWELL & CO. LIMITED

(Company Number 00476749)

(the "Company")

The background for financial assistance is as follows:

The Company is proposing to give financial assistance in connection with the proposed acquisition by the Purchaser of 969,729 ordinary "A" shares of £1.00 each and 65,000 ordinary "B" Shares of £1.00 each in Taylor Maxwell Holdings Limited ("TMHL") pursuant to an offer document (the "Acquisition").

In order to finance the Acquisition, TMHL, the Company, Michael Douglas & Co. Limited, Taylor Maxwell Timber Limited ("TMT"), Timber Marketing Corporation Ltd. ("TMC"), Taymax Independent Plywood Ltd. ("TIP") and Added Value Timber Products Limited ("AVTP") (together, with The Vobster Cast Stone Co. Limited, the "Target Group" and each a "Target Group Company") have reached agreement with Lloyds TSB Commercial Finance Limited ("LTCF") to provide invoice discounting and other facilities (the "LTSB Facilities") to certain members of the Target Group for the purpose of financing the Acquisition, refinancing part of the Target Group's indebtedness to Lloyds TSB Bank plc (the "Bank") and to provide working capital. The LTSB Facilities will comprise:

- (a) the provision by LTCF of asset-backed facilities of up to £22,000,000 comprising:
 - (i) up to £15,000,000 (aggregate) confidential invoice discounting facilities to the Company, TMT, TMC, TIP, and AVTP pursuant to various receivables finance agreements; and
 - (ii) up to £7,000,000 (aggregate) term loan facilities to the Company and TMT pursuant to loan agreements.
- (b) The provision by LTCF of a £750,000 guarantee in favour of the Bank (the "Bank Guarantee").

The Purchaser will enter into intra-group loan agreements to be made between:

- (c) the Purchaser (1) and the Company (2) pursuant to which the Company may make loans available to the Purchaser of up to £4,000,000; and
- (d) the Purchaser (1) and TMT (2) pursuant to which TMT may make loans available to the Purchaser of up to £3,000,000;

under which the Company and TMT will agree to lend monies to the Purchaser to enable the Purchaser to fund the Acquisition and to meet its working capital needs, including professional advisors fees and any other obligation incurred in connection with the Acquisition (the "Intra-Group Loan Arrangement").

Pursuant to the terms of the LTSB Facilities the Company is required to create security over its undertakings and assets in favour of LTCF and to enter into cross-guarantees with each of the Bank and LTCF.

The assistance will take the form of the Company entering into:

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- (a) a receivables finance agreement and related terms and conditions under which the Company will sell to LTCF certain of its book debts (the "**Receivables Finance Agreement**");
- (b) a term loan agreement in respect of the Term Loan Facility to be provided to the Company (the "**Term Loan Agreement**");
- (c) first ranking security over its undertaking and assets including its properties in favour of LTCF on the terms of an all assets debenture (the "**LTCF Debenture**");
- (d) a cross guarantee and indemnity to guarantee the obligations and liabilities of the Principals (as defined therein) in favour of LTCF from time to time (the "**LTCF Guarantee**");
- (e) a deed of priority between (1) LTCF (2) the Bank and (3) the Target Group Companies and the Purchaser to acknowledge the priorities recorded therein (the "**Deed of Priorities**");
- (f) an omnibus guarantee and set off agreement between (1) the Bank and (2) each of the Target Group Companies and the Purchaser, pursuant to which the Company will, among other things, guarantee the obligations of the other Target Group Companies and the Purchaser to the Bank (the "**OGSA**");
- (g) an intra-group loan agreement between the Purchaser and the Company in relation to the Intra-Group Loan Arrangements (the "**Intra-Group Loan Agreement**"); and
- (h) a counter-indemnity to LTCF in respect of the Bank Guarantee (the "**Counter-Indemnity**").

(each of those documents referred to in (a) and (h) above being referred to as a "**Financial Assistance Document**" and together the "**Financial Assistance Documents**").

It is a condition precedent to the availability of the LTSB Facilities that the Company enter into the Financial Assistance Documents.

Appendix 2 – Form 155(6)(a)

TAYLOR, MAXWELL & CO. LIMITED

(Company Number 00476749)

(the "Company")

The principal terms on which the assistance will be given are summarised and separately described below in relation to each individual Financial Assistance Document.

Expressions defined in each Financial Assistance Document shall have the same meanings in that part of this appendix which relates to that particular Financial Assistance Document unless otherwise defined in appendix 1 or this appendix 2. Clause and other document references used in each part of this appendix are to the clause and other references in the particular Financial Assistance Document to which that particular part of this appendix relates.

1 RECEIVABLES FINANCE AGREEMENT

- 1.1 Under the terms of the Receivables Finance Agreement, the Company will offer to sell all of its current and future book debts to LTCF.

2 TERM LOAN AGREEMENT

- 2.1 Under the terms of the Term Loan Agreement the Company as Borrower agrees to abide by its terms and conditions and to assume and be bound by all covenants, undertakings, liabilities, representations, rights, warranties and other obligations under the Term Loan Agreement which are imposed on the Borrower under the Term Loan Agreement.

3 LTCF DEBENTURE

- 3.1 Under the terms of the LTCF Debenture, the Company covenants to pay to LTCF all monies (in whatever currency), obligations and liabilities which are from time to time due, owing or incurred by the Company to LTCF, whether actually or contingently, solely or jointly and whether as principal or surety, including discount charges and interest (as well after as before judgment) commission and other fees and charges at the rates and on the terms agreed between the Company and LTCF from time to time, together with all Expenses and all amounts owing in respect of Indemnified Events plus, in each case, interest at the rate agreed with the Company, from the date the same are incurred to the date of payment in full compounded monthly or otherwise in accordance with LTCF's usual practice (the "Secured Liabilities").

- 3.2 As continuing security for the payment and/or discharge of the Secured Liabilities, the Company with full title guarantee charges to LTCF:

- (a) by way of legal mortgage, the property (if any) described in Schedule 2;
- (b) by way of fixed charge any freehold or leasehold property (excluding any property charged by clause 2.1.1) at the date of the LTCF Debenture and in the future owned by the Company or in which the Company may have an interest;

- (c) by way of fixed charge, all buildings, fixtures and fittings (including trade fixtures and fittings) from time to time in, on or attached to any of the Company's freehold or leasehold property;
- (d) by way of fixed charge all the Company's plant and machinery and other equipment listed in Schedule 3 and all spare parts, replacements, modifications and additions for or to such Equipment and the benefit of all manuals, instructions, warranties and maintenance agreements relating to such Equipment;
- (e) by way of fixed charge, any other plant, machinery, vehicles, computer equipment, furniture, tools and other equipment not disposed of in the ordinary course of the Company's business not listed in Schedule 3 and all spare parts, replacements, modifications and additions for or to such Equipment and the benefit of all manuals, instructions, warranties and maintenance agreements relating to such Equipment;
- (f) by way of fixed charge, all Non Vesting Invoices and all cash in respect thereof;
- (g) by way of fixed charge, all Other Invoices required by LTCF to be paid into a Nominated Account and all cash in respect thereof;
- (h) by way of fixed charge, any credit balance on any Nominated Account;
- (i) by way of fixed charge, all the Company's goodwill and uncalled capital present and future;
- (j) by way of fixed charge, all the Company's Intellectual Property from time to time not disposed of in the ordinary course of the Company's business;
- (k) by way of fixed charge, all Securities from time to time owned by the Company or in which it has an interest;
- (l) by way of fixed charge, all loan capital, indebtedness or liabilities on any account or in any manner owing to the Company from any Subsidiary of the Company or a member of the Company's Group;
- (m) by way of fixed charge, all the Company's rights and claims (including to the return of premiums) under all insurance policies in which the Company has an interest from time to time;
- (n) by way of floating charge, all the Company's property, assets and rights from time to time not subject to a fixed charge under the LTCF Debenture (including any property or assets situated in Scotland).

3.3 Under the terms of the LTCF Debenture, the Company will, upon LTCF's request, grant LTCF such further Security Interests in the Charged Assets in such form and on such terms as LTCF may require and do whatever other acts or things LTCF may require in relation to the Charged Assets in order to secure the Secured Liabilities, to perfect or protect the Security Interests created by the LTCF Debenture or to facilitate the realisation of the Charged Assets.

5114.73

4 LTCTF GUARANTEE

- 4.1 Under the terms of the LTCTF Guarantee the Company (amongst others) guarantees the due performance for the obligations of each of the companies listed in the schedule to the LTCTF Guarantee under the LTSTB Facilities and to indemnify LTCTF against all losses which LTCTF may suffer or incur by reason of any failure of any of the companies to comply with any terms of the LTSTB Facilities.
- 4.2 The liability of the Company under the LTCTF Guarantee is joint and several.

5 DEED OF PRIORITIES

- 5.1 Under the Deed of Priorities, the Company will agree to the priority arrangements agreed between the Bank and LTCTF.

6 OGSA

- 6.1 Under the terms of the OGSA the Company will guarantee to the Bank payment of all monies and liabilities, whether actual or contingent now, or at any time after the date the OGSA is entered into, due owing or incurred from or by one or more of the companies listed in Schedule 1 to the OGSA to the Bank without limitation.
- 6.2 The Company indemnifies the Bank in respect of any monies and liabilities which, but for the circumstances set out in sub-clause 4.1 of the OGSA would form all or part of the companies' liabilities and which cannot be received or cannot for the time being be recovered by the Bank from any of the companies for any reason whatsoever so that such monies shall nevertheless be recoverable from the Company and each of the companies as though each were a principal debtor in respect of an equivalent aggregate amount.
- 6.3 Under the terms of the OGSA the Company will charge to the Bank its Credit Balances as security for the Secured Obligations. In addition, under the terms of the OGSA the Bank may from time to time without notice combine or consolidate all or any of the Company's accounts with the Bank with all or any of the Principal Liabilities and the Bank may set off or transfer any sums standing to the credit of any of the Company's accounts in or towards satisfaction of any Principal Liabilities.
- 6.4 The Company's liabilities under the OGSA are joint and several.

7 INTRA-GROUP LOAN

- 7.1 Under the terms of the Intra-Group Loan Agreement, the Company will offer the Purchaser loan facilities of up to £4,000,000 with interest accruing and payable by the Purchaser at a rate of 2% per annum above the base rate of the Bank, such loan to be repayable in full 7 days before the fifth anniversary of the Term Loan Agreement.

8 COUNTER INDEMNITY

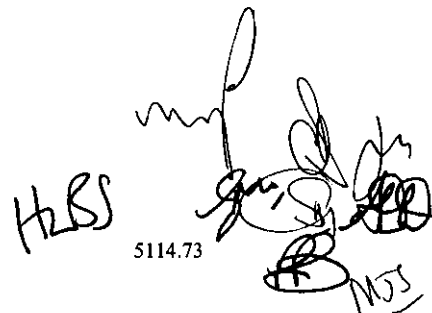
- 8.1 Under the terms of the Counter Indemnity the Company will indemnify the LTCTF from and against all actions, proceedings, damages, costs, claims, expenses or losses which are made against or sustained by LTCTF in respect of the Bank Guarantee.

Appendix 3 – Form 155(6)(a)
TAYLOR, MAXWELL & CO. LIMITED
(Company Number 00476749)
(the "Company")

The amount of cash to be transferred to the person assisted is:

Any amounts advanced to the Purchaser under the Intra-Group Loan Agreement up to the value of £4,000,000

H2BS
5114.73
MJS

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The Directors
Taylor Maxwell & Co Limited
The Promenade
Clifton
BRISTOL BS8 3NW

5 July 2006

Dear Sirs

Auditors' report to the directors of Taylor Maxwell & Co Limited pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors of Taylor Maxwell & Co Limited (the "Company") dated 5 July 2006 in connection with the proposal that the Company should give financial assistance for the purchase of the shares of the Company's holding company, Taylor Maxwell Holdings Limited. This report, including the opinion, has been prepared for and only for the Company and the Company's directors in accordance with Section 156 of the Companies Act 1985 and for no other purpose. We do not, in giving the opinion set out below, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

Opinion

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors