

Registered Number 476749

Taylor, Maxwell & Co Limited
Directors' report and financial statements
for the year ended 31 March 2007

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Taylor, Maxwell & Co Limited

Directors' report and financial statements for the year ended 31 March 2007

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Taylor, Maxwell & Co Limited

Directors and advisers for the year ended 31 March 2007

Executive Directors

C E Mathews (Chairman)
M Rudge (Appointed 1 January 2007)
C McMillan (Appointed 1 January 2007)
P Batty (Resigned 3 July 2006)
C Beavis (Resigned 3 July 2006)
A D Downes
S H Garge (Resigned 3 July 2006)
J Meads
M J Sawyer
M A Phillips

Secretary

J Meads FCIS

Registered office

Taylor Maxwell House
The Promenade
Clifton
Bristol
BS8 3NW

Auditors

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

Bankers

Lloyds TSB Bank Plc
55 Corn Street
Bristol
BS99 7LE

Solicitors

Burges Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 5AH

Taylor, Maxwell & Co Limited

Directors' report for the year ended 31 March 2007

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

Principal activity

The principal activity of the Company is that of distribution of brick and cladding materials

Fair review of business and future developments

The core market remains static and we were affected by the decline in housing starts in the last quarter. Great emphasis was put on control of costs during the period and allowing for conversion of share options the Brick and Cladding Group recorded another satisfactory year

During the year we re-established a regional office in the North East and recorded an exciting level of order intake across our operating divisions

We are also delighted to be awarded Supplier of the Year with the McCarthy & Stone Group for the second consecutive year

Principal risks and uncertainties and financial risk management

The directors of Taylor Maxwell Group Limited manage the group's risks at a group level, rather than at an individual subsidiary company level. For this reason the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Taylor Maxwell and Co Limited's business. The principal risks and uncertainties of the Taylor Maxwell Group Limited, which include those of this Company, are discussed on page 2 of the Group's Annual Report which does not form part of this report

Results and dividends

The results of the Company for the year are set out on page 8. Interim dividends amounting to £400,000 (2006 £3,550,000) were paid during the year to a group company. The directors do not recommend the payment of a final dividend (2006 £nil). The retained profit for the financial year of £171,123 is transferred to reserves (2006 £1,221,332 loss)

Directors and their interests

The directors who served during the year were

C E Mathews	(Chairman)
M Rudge	(Appointed 1 January 2007)
C McMillan	(Appointed 1 January 2007)
P Batty	(Resigned 3 July 2006)
C Beavis	(Resigned 3 July 2006)
A D Downes	
S H Garge	(Resigned 3 July 2006)
J Meads	
M J Sawyer	
M A Phillips	

A D Downes and J Meads retire by rotation and, being eligible, offer themselves for re-election

Taylor, Maxwell & Co Limited

Directors' report for the year ended 31 March 2007

The directors have no beneficial interests in the shares of the Company. The interests of A D Downes, M A Phillips and M J Sawyer in the share capital of the ultimate parent company, Taylor Maxwell Group Limited, are shown in the Directors' Report of that company. Both C McMillan and M Rudge had 14,000 preference shares and 31,000 ordinary shares in Taylor Maxwell Group Limited at 13 July 2006 and 31 March 2007. The remaining directors in office at 31 March 2007 had no interest in the share capital of the ultimate parent company as at 31 March 2007 and 13 July 2006.

Statement of 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 for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2007 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'M A Phillips', is written over the text 'By order of the Board'.

Company Secretary

5 September 2007

Taylor, Maxwell & Co Limited

Independent auditors' report to the members of Taylor, Maxwell & Co Limited

We have audited the financial statements of Taylor, Maxwell & Co Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.


We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Taylor, Maxwell & Co Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol
5 September 2007

Taylor, Maxwell & Co Limited

Profit and loss account for the year ended 31 March 2007

	Note	2007 £	2006 £
Turnover – continuing activities		58,873,522	57,200,379
Operating profit – continuing activities	1	517,110	926,878
Income from shares in subsidiary undertakings		200,000	1,775,000
Interest receivable	4	275,412	5,507
Interest payable	5	(375,903)	(107,993)
Profit on ordinary activities before taxation		616,619	2,599,392
Tax on profit on ordinary activities	6	(45,496)	(270,724)
Profit on ordinary activities after taxation		571,123	2,328,668
Dividends to group companies	7	(400,000)	(3,550,000)
Retained profit/ (loss) for the financial year	15	171,123	(1,221,332)

All items dealt with in arriving at operating profit above relate to continuing operations

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

The notes on pages 8 to 19 form part of these accounts


Taylor, Maxwell & Co Limited

Balance sheet as at 31 March 2007

	Note	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	8		231,718		263,084
Investments	9		62,214		62,214
			293,932		325,298
Current assets					
Stock	10	124,918		120,260	
Debtors	11	22,846,462		10,849,317	
Cash at bank and in hand		2,550		4,367,453	
		22,973,930		15,337,030	
Creditors - amounts falling due within one year	12	(18,925,128)		(11,490,717)	
Net current assets			4,048,802		3,846,313
Total assets less current liabilities			4,342,734		4,171,611
Capital and reserves					
Called up share capital	14		1,126,620		1,126,620
Share premium account	15		11,350		11,350
Profit and loss account	15		3,204,764		3,033,641
Equity shareholders' funds	16		4,342,734		4,171,611

Approved by the Board on 5 September 2007 and signed on its behalf by

Director


MARK J SAWYER

The notes on pages 8 to 19 form part of these accounts

Taylor, Maxwell & Co Limited

Statement of accounting policies

Accounting policies

The financial statements are prepared under the historical cost convention. The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

The Company has taken advantage of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group accounts. Accordingly these financial statements present information about the Company as an individual undertaking and not about its group.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities after deduction of Value Added Tax. All turnover is generated from one class of business and from within the United Kingdom. Turnover is recognised when the risks and rewards of ownership of the product are substantially passed to the customer.

Deferred taxation

Deferred taxation is provided in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts. Deferred tax assets are only recognised to the extent that they are considered to be recoverable. Deferred taxation balances are not discounted.

Tangible fixed assets and depreciation

Depreciation on tangible fixed assets except motor vehicles is calculated to write down their cost to their estimated residual values by equal annual instalments over the period of their estimated useful economic lives, which are considered to be:

Leasehold property	-	the period of the lease
Fixtures and fittings	-	7 years
Computer equipment	-	4 years

Depreciation on motor vehicles is at the rate of 25% per annum on the reducing balance method.

Stock

Stocks are stated at the lower of cost and estimated net realisable value. Cost includes all direct expenditure incurred in bringing the product to its present location and condition. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Pension costs

The company participated in the group defined benefit pension plan but the actuary is unable to separately identify the company's share of the underlying assets and liabilities on a consistent and reasonable basis. Contributions to the scheme are accounted for as if the scheme were a defined contribution scheme. The full disclosures in relation to FRS17 are given in the financial statements of Taylor Maxwell Group Limited.

Pension costs for the Company's defined contribution scheme are charged against profits in the year in which they are incurred.

Taylor, Maxwell & Co Limited

Operating leases

Operating lease rentals are charged to the profit and loss account when incurred

Cash flow statement

The accounts of the ultimate parent company, Taylor Maxwell Group Limited, include a consolidated cash flow statement dealing with the cash flows of the group. The Company is therefore exempt from preparing a cash flow statement in accordance with FRS1 (revised) and, accordingly, no statement is included within these accounts.

Taylor, Maxwell & Co Limited

Notes to the financial statements for the year ended 31 March 2007

1 Operating profit

	2007 £	2006 £
a) Analysis:		
Turnover	58,873,522	57,200,379
Cost of sales	(51,369,971)	(49,484,310)
Gross profit	7,503,551	7,716,069
Administrative expenses	(6,986,441)	(6,789,191)
Operating profit	517,110	926,878
b) Operating profit is stated after charging:		
Depreciation (owned assets)	87,211	111,668
Auditors remuneration		
- audit services	13,900	11,750
Operating leases	380,905	450,629

2 Employees

The average number of employees during the year was 113 (2006 109)

The costs incurred in respect of these employees were

	2007 £	2006 £
Wages and salaries	3,840,828	3,789,561
Social security costs	430,691	423,631
Other pensions costs	362,494	284,286
	4,634,013	4,497,478

Taylor, Maxwell & Co Limited

3 Directors' emoluments

Directors' emoluments are paid by another group company and recharged to the company on the basis of time allocation

The emoluments of the directors recharged were

	2007 £	2006 £
Aggregate emoluments	579,480	699,243
Company pension contributions to money purchase scheme	3,000	12,000
	582,480	711,243

None of the directors are entitled to receive amounts under long term incentive schemes
Retirement benefits are accruing to five directors under a defined benefit scheme Two of the directors benefit from money purchase pension schemes

Highest paid director	2007 £	2006 £
Aggregate emoluments	152,323	160,498
Company pension contributions to money purchase scheme	-	6,000
	152,323	166,498

The highest paid director had the following accrued benefits in respect of his defined benefit pension scheme

	2007 £	2006 £
Accrued pension at end of year	14,695	46,370

Taylor, Maxwell & Co Limited

4 Interest receivable

	2007	2006
	£	£
Interest receivable	275,412	5,507

5 Interest payable

	2007	2006
	£	£
Bank interest payable	375,903	107,993

6 Tax on profit on ordinary activities

	2007	2006
	£	£
Current tax:		
UK corporation tax charge on profits of the period	6,333	304,844
Adjustment in respect of previous periods	3,485	(6,383)
Total current tax charge	9,818	298,461
Deferred tax:		
Origination and reversal of timing differences (ACA and other)	35,678	(27,737)
Adjustment in respect of previous periods	-	-
Total deferred tax charge/(credit)	35,678	(27,737)
Tax on profit on ordinary activities	45,496	270,724

Taylor, Maxwell & Co Limited

6 Tax on profit on ordinary activities

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	616,619	2,599,392
Profit on ordinary activities multiplied by standard rate in the UK 30% (2006 30%)	184,986	779,818
Effects of		
Group relief	(137,421)	-
Expenses not deductible for tax purposes	103,579	29,789
Income from subsidiaries	(105,466)	(532,500)
Accelerated capital allowances and other timing differences	(35,678)	27,737
Effects of other tax rates	(3,667)	-
Adjustments to tax charge in respect of previous period	3,485	(6,383)
Current tax charge for the period	9,818	298,461

7 Dividends

	2007 £	2006 £
Interim dividends paid to group companies in respect of equity shares	400,000	3,550,000

Taylor, Maxwell & Co Limited

8 Tangible assets

	Short leasehold property	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 31 March 2006	268,445	284,254	1,310,421	1,863,120
Additions	-	28,192	35,304	63,496
Disposals		(28,778)		(28,778)
At 31 March 2007	268,445	283,668	1,345,725	1,897,838
Depreciation				
At 31 March 2006	268,445	141,802	1,189,789	1,600,036
Charge for the year	-	39,002	48,209	87,211
Disposals	-	(21,127)	-	(21,127)
At 31 March 2007	268,445	159,677	1,237,998	1,666,120
Net book amount				
At 31 March 2007	-	123,991	107,727	231,718
At 31 March 2006	-	142,452	120,632	263,084

The company was committed to expenditure amounting to £nil at 31 March 2007 (2006 £nil)

Taylor, Maxwell & Co Limited

9 Fixed asset investments

	Subsidiary undertakings shares at cost £
Cost and net book amount	
At 31 March 2006 and 31 March 2007	62,214

The trading subsidiary undertakings are

Name of Company	Immediate Parent	Ownership	Nature of business
Taylor Maxwell Timber Limited	Taylor Maxwell & Co Limited	100%	British and imported timber merchants
Timber Marketing Corporation Limited	Taylor Maxwell Timber Limited	100%	British and imported timber merchants
Taymax Independent Plywood Limited	Taylor Maxwell Timber Limited	100%	Plywood merchants
Proctor & Lavender Brick Distributors Limited	Taylor Maxwell & Co Limited	100%	Dormant
Taylor Maxwell (International) Limited	Taylor Maxwell Timber Limited	100%	Dormant
Taymax Forest Products Limited	Taylor Maxwell Timber Limited	100%	Dormant
Added Value Timber Products Limited	Taylor Maxwell Timber Limited	100%	Specialist Timber Importers

All shareholdings are ordinary shares. All trading subsidiary undertakings operate in England. In the opinion of the directors, the realisable value of the investments is not less than the amount at which they are stated in the financial statements.

10 Stock

	2007 £	2006 £
Stock held for resale	124,918	120,260

Taylor, Maxwell & Co Limited

11 Debtors

	2007	2006
	£	£
Trade debtors	11,798,397	10,422,023
Amounts owed by group undertakings	10,698,533	101,485
Deferred tax (note 13)	31,447	67,125
Other debtors	74,420	69,969
Prepayments and accrued income	243,665	188,715
	22,846,462	10,849,317

12 Creditors – Amounts falling due within one year

	2007	2006
	£	£
Bank Loans and overdraft	6,506,550	-
Trade creditors	10,572,588	9,342,313
Amounts owed to group undertakings	185,024	358,148
Corporation tax	93,124	304,845
Other taxation and social security	358,818	609,677
Accruals and deferred income	1,209,024	875,734
	18,925,128	11,490,717

Taylor, Maxwell & Co Limited

13 Deferred taxation

	2007 £	2006 £
Deferred tax asset:		
Accelerated capital allowances	31,247	34,137
Other timing differences	200	32,988
Total provision for deferred tax	31,447	67,125
At 1 April	67,125	39,388
Deferred tax (charge)/ credit in profit and loss account	(35,678)	27,737
At 31 March	31,447	67,125

14 Called up share capital

	2007 £	2006 £
Authorised		
1,024,200 Deferred ordinary shares of £1 each	1,024,200	1,024,200
9,758,000 Ordinary shares of 10p each	975,800	975,800
	2,000,000	2,000,000
Allotted, issued and fully paid		
1,024,200 Deferred ordinary shares of £1 each	1,024,200	1,024,200
1,024,200 Ordinary shares of 10p each	102,420	102,420
	1,126,620	1,126,620

Taylor, Maxwell & Co Limited

15 Reserves

	Profit and loss account	Share premium account
	£	£
At 1 April 2006	3,033,641	11,350
Retained profit for the year	171,123	-
At 31 March 2007	3,204,764	11,350

16 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	571,123	2,328,668
Dividends	(400,000)	(3,550,000)
Net addition/(reduction) to shareholders' funds	171,123	(1,221,332)
Opening shareholders' funds	4,171,611	5,392,943
Closing shareholders' funds	4,342,734	4,171,611

17 Financial commitments

At 31 March 2007 the company had annual commitments under non-cancellable operating leases for land and buildings expiring as follows

	2007 £	2006 £
Contracts terminating in		
- one year	-	-
- two to five years	3,900	380,000
- more than five years	-	-
	3,900	380,000

Taylor, Maxwell & Co Limited

18 Contingent liabilities

The Company has guaranteed the bank loans and overdrafts of the following group companies

Taylor Maxwell Holdings Limited (parent company)
Taylor Maxwell Timber Limited (subsidiary undertaking)
Timber Marketing Corporation Limited (subsidiary undertaking)
Proctor & Lavender Brick Distributors Limited (subsidiary undertaking)
Taymax Independent Plywood Limited (subsidiary undertaking)

At the year end these borrowings amounted to £6,217,964 Under the terms of the guarantee in respect of the bank borrowings, the Company's assets are secured by a fixed and floating charge over them

19 Pensions

The company participates in the Taylor Maxwell Group pension schemes One scheme is of the defined benefit type, whilst the other is a money purchase scheme Their assets are held separately from the Group's assets

The Company participates in the Taylor, Maxwell & Company Limited Pension and Assurance Scheme, which is a group defined benefit pension scheme As it has not been possible to identify the underlying assets and liabilities attributable to each participating company, the multi employer treatment as allowed by FRS 17 has been adopted and therefore accounting on a defined contribution basis is applied The contribution rate is set on a scheme wide basis and is reviewed at each formal valuation An actuarial valuation of the scheme made at 31 March 2007 revealed a deficit

The full disclosures in relation to FRS17 are given as a whole in the financial statements of Taylor Maxwell Group Limited

20 Related parties

The company has taken advantage of the exemption provided by FRS 8 and therefore does not disclose details of transactions with entities that are part of the Taylor Maxwell group of companies, which qualify as related parties

21 Ultimate parent undertaking

The ultimate parent and controlling undertaking is Taylor Maxwell Group Limited The immediate parent undertaking is Taylor Maxwell Holdings Limited Taylor Maxwell Group Limited is the parent undertaking of the only group of companies of which the Company is a member and for which consolidated accounts are prepared Group accounts may be obtained from the Company's registered office