

Registered Number 476749

Taylor, Maxwell & Co Limited
Directors' report and financial statements
for the year ended 31 March 2009

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Taylor, Maxwell & Co Limited

Directors' report and financial statements for the year ended 31 March 2009

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Taylor, Maxwell & Co Limited

Directors and advisers for the year ended 31 March 2009

Executive Directors

M Rudge
C McMillan
A D Downes
M J Sawyer
M A Phillips
P Mears

Company secretary

M A Phillips

Registered office

Taylor Maxwell House
The Promenade
Clifton
Bristol
BS8 3NW

Independent 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 2009

The directors present their report and the audited financial statements of the company for the year ended 31 March 2009.

Principal activity

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

Business review and future developments

The Company's turnover decreased to £49,896,295 (2008 £63,739,042) and operating profit decreased to £156,202 (2008 £1,053,053).

The directors are acutely aware of the extremely difficult market conditions which have significantly impacted the company. They have reacted in a timely manner to reduce costs in order to offset the fall in demand and ensure the company achieved a profit before tax. The directors firmly believe better market conditions will ensue and that the company is well placed to take advantage of these.

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 6. Interim dividends amounting to £250,000 (2008: £1,200,000) were paid during the year to the company's parent. The directors do not recommend the payment of a final dividend (2008: £nil).

Directors

The directors who served during the year were:

M Rudge

C McMillan

A D Downes

M J Sawyer

M A Phillips (Company secretary)

P Mears (Appointed 1 April 2008)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Taylor, Maxwell & Co Limited

Directors' report for the year ended 31 March 2009 (continued)

Statement of directors' responsibilities (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK Accounting Standards have been followed;
- 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 they have complied with the above requirements in preparing the financial statements.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

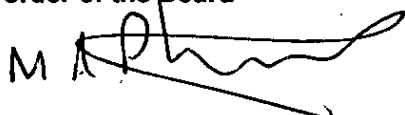
Auditors and disclosure of information to auditors

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.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and 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 be 'M Phillips', written over a horizontal line.

M Phillips
Company Secretary
16 July 2009

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 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies 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 Directors' report and 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 other information contained in the Directors' report and financial statements, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the list of directors and advisors. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

Taylor, Maxwell & Co Limited

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

Basis of audit opinion (continued)

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.

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 2009 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
16 July 2009

Taylor, Maxwell & Co Limited

Profit and loss account for the year ended 31 March 2009

	Note	2009 £	2008 £
Turnover		49,896,925	63,739,042
Cost of sales		(43,306,247)	(55,392,741)
Gross Profit		6,590,678	8,346,301
Administrative expenses before exceptional items		(6,195,763)	(7,043,248)
Exceptional Item- Loan write off	22	-	(250,000)
Exceptional Item- Pension deficit reduction	2	(125,000)	-
Exceptional Item- Redundancy costs	2	(113,713)	-
Administrative expenses		(6,434,476)	(7,293,248)
Operating profit	1	156,202	1,053,053
Income from shares in subsidiary undertakings		175,000	600,000
Interest receivable and similar income	4	273,749	412,144
Interest payable and similar charges	5	(268,537)	(446,821)
Profit on ordinary activities before taxation		336,414	1,618,376
Tax credit/ (charge) on profit on ordinary activities	6	17,254	(204,279)
Profit on ordinary activities after taxation		353,668	1,414,097

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

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

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.


The notes on pages 8 to 20 form part of these accounts.

Taylor, Maxwell & Co Limited

Balance sheet as at 31 March 2009

	Note	£	2009 £	£	2008 £
Fixed assets					
Tangible assets	8		186,691		262,895
Investments	9		62,214		62,214
			248,905		325,109
Current assets					
Stock	10	256,176		160,111	
Debtors	11	16,019,764		21,440,423	
Cash at bank and in hand		283,746		2,600	
		16,559,686		21,603,134	
Creditors - amounts falling due within one year	12	(8,195,292)		(13,424,512)	
Net current assets			8,364,394		8,178,622
Total assets less current liabilities			8,613,299		8,503,731
Creditors –amounts falling due after one year	13		(3,952,800)		(3,946,900)
Net assets			4,660,499		4,556,831
Capital and reserves					
Called up share capital	15		1,126,620		1,126,620
Share premium account	16		11,350		11,350
Profit and loss account	16		3,522,529		3,418,861
Equity shareholders' funds	17		4,660,499		4,556,831

Approved by the Board on 16 July 2009 and signed on its behalf by:


M Sawyer
Director

The notes on pages 8 to 20 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 and 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 year of their estimated useful economic lives, which are considered to be:

Leasehold property	-	the length of the lease (straight line)
Fixtures and fittings	-	7 years (straight line)
Computer equipment	-	4 years (straight line)
Motor vehicles	-	25% per annum (reducing balance)

Stocks

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 to reduce these to their estimated recoverable amounts.

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 2009

1 Operating profit

	2009	2008
	£	£
Operating profit is stated after charging:		
Depreciation (owned assets)	84,108	108,896
Services provided by the company's auditor		
Fees payable for the audit	18,342	20,014
Operating leases - Land and buildings	427,873	427,503
Operating leases – Plant and machinery	3,900	3,900

2 Employees

The average number of employees during the year was 105 (2008: 118). The costs incurred in respect of these employees were:

	2009	2008
	£	£
Wages and salaries	3,292,207	3,896,825
Social security costs	358,942	428,777
Other pensions costs	296,698	338,441
	3,947,847	4,664,043

Wages and salaries include exceptional redundancy costs of £113,713 (2008: £nil). Other pension costs include the exceptional pension deficit reduction payment of £125,000.

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:

	2009 £	2008 £
Aggregate emoluments	491,114	688,122
Company pension contributions to money purchase scheme	-	-
	491,114	688,122

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	2009 £	2008 £
Aggregate emoluments	139,731	217,027
Company pension contributions to money purchase scheme	-	-
	139,731	217,027

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

	2009 £	2008 £
Accrued pension at end of year	18,794	16,280

Taylor, Maxwell & Co Limited

4 Interest receivable

	2009	2008
	£	£
Interest receivable from group companies	273,749	412,144

5 Interest payable

	2009	2008
	£	£
On bank loan and overdrafts	268,537	446,821

6 Tax on profit on ordinary activities

	2009	2008
	£	£
Current tax:		
UK corporation tax charge on profits of the year	12,600	203,670
Adjustment in respect of previous years	(8,849)	-
Total current tax charge	3,751	203,670
Deferred tax:		
Origination and reversal of timing differences (ACA and other)	(19,958)	(1,487)
Adjustment in respect of previous years	(1,047)	
Effect of decrease in tax rate	-	2,096
Total deferred tax (credit)/ charge	(21,005)	609
Tax (credit)/ charge on profit on ordinary activities	(17,254)	204,279

Taylor, Maxwell & Co Limited

6 Tax on profit on ordinary activities (continued)

The tax assessed for the year is different to the standard rate of corporation tax in the UK for the year ended 31 March 2009 of 28% (2008 30%) The differences are explained below:

	2009	2008
	£	£
Profit on ordinary activities before tax	336,414	1,618,376
Profit on ordinary activities multiplied by standard rate in the UK 28% (2008:30%)	94,196	485,513
Effects of:		
Group relief	(94,675)	(211,425)
Expenses not deductible for tax purposes	25,461	107,987
Income from subsidiaries	(49,000)	(180,000)
Accelerated capital allowances and other timing differences	19,958	1,595
Transfer pricing adjustment	20,860	-
Effects of other tax rates	(4,200)	-
Adjustments to tax charge in respect of previous year	(8,849)	-
Current tax charge for the year	3,751	203,670

7 Dividends

	2009	2008
	£	£
Interim dividends paid to group companies in respect of equity shares of £0.22 per share (2008: £1.07 per share)	250,000	1,200,000

Taylor, Maxwell & Co Limited

8 Tangible assets

	Short leasehold property	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 April 2008	268,445	340,667	1,401,181	2,010,293
Additions	-	40,515	16,681	57,196
Transfers in	-	7,786	-	7,786
Transfers out	-	(49,645)	-	(49,645)
Disposals		(142,536)		(142,536)
At 31 March 2009	268,445	196,787	1,417,862	1,883,094
Depreciation				
At 1 April 2008	268,445	187,796	1,291,157	1,747,398
Charge for the year	-	43,597	40,511	84,108
Transfers in	-	3,046	-	3,046
Transfers out	-	(32,763)	-	(32,763)
Disposals	-	(105,386)	-	(105,386)
At 31 March 2009	268,445	96,290	1,331,668	1,696,403
Net book amount				
At 31 March 2009	-	100,497	86,194	186,691
At 31 March 2008	-	152,871	110,024	262,895

The company was committed to expenditure amounting to £nil at 31 March 2009 (2008: £nil).

Taylor, Maxwell & Co Limited

9 Fixed asset investments

	Subsidiary undertakings shares at cost	
	£	
Cost and net book amount		
At 31 March 2008 and 31 March 2009	62,214	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%	Dormant
Taymax Independent Plywood Limited	Taylor Maxwell Timber Limited	100%	Dormant
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%	Dormant

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

	2009	2008
	£	£
Stock held for resale	256,176	160,111

Taylor, Maxwell & Co Limited

11 Debtors

	2009	2008
	£	£
Trade debtors	7,505,373	11,958,668
Amounts owed by group undertakings	8,128,926	8,502,352
Corporation Tax	79,480	246,330
Deferred tax (note 14)	51,843	30,838
Other debtors	61,083	278,768
Prepayments and accrued income	193,059	423,467
	16,019,764	21,440,423

12 Creditors – Amounts falling due within one year

	2009	2008
	£	£
Bank Loans and overdraft	-	631,080
Trade creditors	6,811,072	10,567,899
Amounts owed to group undertakings	65,244	168,029
Other taxation and social security	244,264	305,226
Accruals and deferred income	1,074,712	1,752,278
	8,195,292	13,424,512

13 Creditors – Amounts falling due after one year

	2009	2008
	£	£
Term Loan	4,000,000	4,000,000
Capitalised finance costs	(47,200)	(53,100)
	3,952,800	3,946,900

Taylor, Maxwell & Co Limited

13 Creditors – Amounts falling due after one year (continued)

The term loan is repayable in June 2011. The loan carried interest at an average of 1.5% above the Bank of England base rate. The percentage paid above base rate is variable and is linked to the LIBOR rate. Variable interest rate bearing liabilities are hedged 3 months in advance against LIBOR. The loan is secured against the trade debtors of the company.

14 Deferred taxation

	2009 £	2008 £
Deferred tax asset:		
Accelerated capital allowances	27,166	30,755
Other timing differences	24,677	83
Total provision for deferred tax	51,843	30,838
At 1 April	30,838	31,447
Deferred tax credit/ (charge) in profit and loss account	21,005	(609)
At 31 March	51,843	30,838

15 Called up share capital

	2009 £	2008 £
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

16 Reserves

	Profit and loss account	Share premium account
	£	£
At 1 April 2008	3,418,861	11,350
Retained profit for the year	353,668	-
Dividends	(250,000)	
At 31 March 2009	3,522,529	11,350

17 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	353,668	1,414,097
Dividends	(250,000)	(1,200,000)
Net addition/(reduction) to shareholders' funds	103,668	214,097
Opening shareholders' funds	4,556,831	4,342,734
Closing shareholders' funds	4,660,499	4,556,831

18 Financial commitments

At 31 March 2009 the company had annual commitments under non-cancellable operating leases for plant and machinery expiring as follows:

	2009 £	2008 £
Contracts terminating in:		
- one year	3,900	-
- two to five years	-	3,900
- more than five years	-	-
	3,900	3,900

Taylor, Maxwell & Co Limited

19 Contingent liabilities

The Company has entered into forward foreign exchange contract. The total sterling equivalent outstanding at the year end was £6,790 (2008: Nil)

The Company has guaranteed the bank loans and overdrafts of the following group companies: Taylor Maxwell Holdings Limited (parent company) and Taylor Maxwell Timber Limited (subsidiary undertaking). At the year end these borrowings amounted to £6,144,881. 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.

20 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. A full actuarial valuation of the scheme made at 31 March 2006 revealed a deficit. The valuation showed that the market value of the scheme's assets at that date amounted to £7,567,000 and this represented a funding level of approximately 71%. The next actuarial valuation is due at 31 March 2009, the results of which will not be available until August 2009.

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

21 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.

22 Loan write off

During the year ended 31 March 2008 an intercompany loan receivable from Michael Douglas Limited for £250,000 was written off. Michael Douglas Limited ceased trading on 31 March 2008.

Taylor, Maxwell & Co Limited

23 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.