

Registered number: 476749

Taylor, Maxwell & Co Limited  
Directors' report and financial statements  
for the year ended 31 March 2012

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# **Taylor, Maxwell & Co Limited**

## **Directors' report and financial statements for the year ended 31 March 2012**

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# **Taylor, Maxwell & Co Limited**

## **Directors and advisers for the year ended 31 March 2012**

### **Executive Directors**

M Rudge  
C McMillan  
A D Downes  
M J Sawyer  
M A Phillips  
A J Hammond

### **Company secretary**

M A Phillips

### **Registered office**

Taylor Maxwell House  
The Promenade  
Clifton  
Bristol  
BS8 3NW

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
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 2012**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2012

### **Principal activities**

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

### **Business review and future developments**

The Company's turnover increased to £51,835,939 (2011 £48,521,938) and operating profit increased to £780,261 (2011 £351,267 profit) This is an excellent result for the Company despite challenging economic conditions The Directors firmly believe better market conditions will ensue and that the Company is well placed to take advantage of these

The directors monitor the Company's sales levels and profitability both of which are shown on the face of the profit and loss account The directors are of the opinion that further analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

### **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 & 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 report and financial statements 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 of £0.37 per share (2011 £0.17 per share) amounting to £750,000 (2011 £350,000) were paid during the year to the company's parent The directors do not recommend the payment of a final dividend (2011 £nil)

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were

M Rudge	C McMillan	A D Downes	A J Hammond
M J Sawyer	M A Phillips		

P Mears resigned on 1 June 2012

### **Directors' responsibilities statement**

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

# Taylor, Maxwell & Co Limited

## Directors' report for the year ended 31 March 2012 (continued)

### Directors' responsibilities statement (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### 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.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'M A Phillips', with a long horizontal flourish extending to the right.

M A Phillips

Director

17 July 2012

# **Taylor, Maxwell & Co Limited**

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

We have audited the financial statements of Taylor, Maxwell and Co Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on pages 2 and 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Taylor, Maxwell & Co Limited**

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

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Colin Bates (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
17 July 2012

# Taylor, Maxwell & Co Limited

## Profit and loss account for the year ended 31 March 2012

	Note	2012 £	2011 £
<b>Turnover</b>		<b>51,835,939</b>	48,521,938
Cost of sales		(44,627,162)	(42,023,216)
Gross profit		<b>7,208,777</b>	6,498,722
Administrative expenses		(6,428,516)	(6,147,455)
<b>Operating profit</b>	1	<b>780,261</b>	351,267
Income from shares in group undertakings		<b>400,000</b>	500,000
Interest receivable and similar income	4	<b>95,884</b>	104,057
Interest payable and similar charges	5	(169,013)	(187,627)
<b>Profit on ordinary activities before taxation</b>		<b>1,107,132</b>	767,697
Tax on profit on ordinary activities	6	(210,125)	(161,891)
<b>Profit for the financial year</b>	16	<b>897,007</b>	605,806

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

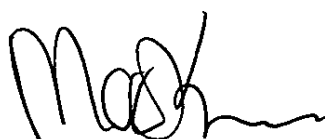
The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented



**Balance sheet as at 31 March 2012**

	Not	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	8	127,254	102,807
Investments	9	62,214	62,214
		<b>189,468</b>	<b>165,021</b>
<b>Current assets</b>			
Stock	10	369,265	266,822
Debtors	11	16,138,694	17,535,404
Cash at bank and in hand		-	952,172
		<b>16,507,959</b>	<b>18,754,398</b>
<b>Creditors – amounts falling due within one year</b>	12	<b>(9,817,420)</b>	<b>(10,186,419)</b>
<b>Net current assets</b>		<b>6,690,539</b>	<b>8,567,979</b>
<b>Total assets less current liabilities</b>		<b>6,880,007</b>	<b>8,733,000</b>
Creditors – amounts falling due after more than one year	13	(2,000,000)	(4,000,000)
<b>Net assets</b>		<b>4,880,007</b>	<b>4,733,000</b>
<b>Capital and reserves</b>			
Called up share capital	15	1,126,620	1,126,620
Share premium account	16	11,350	11,350
Profit and loss account	16	3,742,037	3,595,030
<b>Total shareholders' funds</b>	17	<b>4,880,007</b>	<b>4,733,000</b>

Approved by the Board on 17 July 2012 and signed on its behalf by



M J Sawyer  
Director

The notes on pages 10 to 19 form part of these financial statements

# **Taylor, Maxwell & Co Limited**

## **Statement of accounting policies**

### **Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The financial statements contain information about Taylor, Maxwell & Co Limited as an individual company and do not contain consolidated information as the parent of a group. The Company is not required to produce consolidated financial statements in accordance with section 400 of the Companies Act 2006 as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Taylor Maxwell Group Limited, a company incorporated in the United Kingdom.

### **Turnover**

Turnover is the amount derived from the provision of goods 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.

### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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	-	4 to 7 years (straight line)
Motor vehicles	-	25% per annum (reducing balance)

# **Taylor, Maxwell & Co Limited**

## **Statement of accounting policies (continued)**

### **Fixed asset investments**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### **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. Stocks are valued on a weighted average basis.

### **Pension costs**

The company participates 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.

### **Operating leases**

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

### **Foreign currency**

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the related forward contract rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates. All differences on exchange are taken to the profit and loss account.

### **Provisions and accruals**

Provisions are made for building dilapidation costs being the expected cost of returning the property to its original state at the end of the lease period. The total expected cost is accrued over the length of the lease agreement. The expected cost of onerous leases and repairs to properties at the expiry of the lease are included within accruals.

### **Dividends**

Final dividends are recognised as a liability in the period in which they are approved by the shareholder. Interim dividends are recognised in the period in which dividends are paid.

### **Cash flow statement**

The company is a wholly owned subsidiary of Taylor Maxwell Group Limited. The financial statements 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 1996) and, accordingly, no statement is included within these financial statements.

# Taylor, Maxwell & Co Limited

## Notes to the financial statements for the year ended 31 March 2012

### 1 Operating profit

	2012 £	2011 £
<b>Operating profit is stated after charging:</b>		
Depreciation (owned assets)	63,207	52,255
Services provided by the company's auditor		
Fees payable for the audit	14,000	13,750
Operating leases - Land and buildings	398,271	412,650
Operating leases – Plant and machinery	83,055	41,021

### 2 Employees

The average number of employees (including executive directors) during the year was

	2012 No.	2011 No
<b>By activity</b>		
Selling and distribution	41	41
Administration	42	43
	83	84

The costs incurred in respect of these employees were

	2012 £	2011 £
Wages and salaries	3,380,877	3,015,718
Social security costs	365,691	355,163
Other pensions costs	291,752	260,937
	4,038,320	3,631,818

# 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

	2012	2011
	£	£
Aggregate emoluments	739,101	658,247
Company pension contributions to money purchase scheme	117,169	54,228
	<b>856,270</b>	<b>712,475</b>

None of the directors are entitled to receive amounts under long term incentive schemes (2011 none) Retirement benefits had accrued to five directors under the closed defined benefit scheme (2011 five) Two of the directors benefit from money purchase pension schemes (2011 two)

<b>Highest paid director</b>	<b>2012</b>	<b>2011</b>
	£	£
Aggregate emoluments	199,114	185,274
Company pension contributions to money purchase scheme	50,408	20,352
	<b>249,522</b>	<b>205,626</b>

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

	2012	2011
	£	£
Accrued pension at end of year	19,897	19,057

# Taylor, Maxwell & Co Limited

## 4 Interest receivable and similar income

	2012 £	2011 £
Interest receivable from group companies	93,139	101,228
Other interest received	2,745	2,829
	<b>95,884</b>	<b>104,057</b>

## 5 Interest payable and similar charges

	2012 £	2011 £
On bank loan and overdrafts	169,013	187,627

## 6 Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
UK corporation tax charge on profits of the year	209,352	176,721
Total current tax charge	209,352	176,721
Deferred tax		
Origination and reversal of timing differences	(5,014)	(20,232)
Effect of change in tax rates	5,787	5,402
Total deferred tax charge/ (credit) (note 14)	773	(14,830)
Tax on profit on ordinary activities	<b>210,125</b>	<b>161,891</b>

# 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 2012 of 26% (2011 28%) The differences are explained below

	2012	2011
	£	£
<b>Profit on ordinary activities before tax</b>	<b>1,107,132</b>	<b>767,697</b>
Profit on ordinary activities multiplied by standard rate in the UK 26% (2011 28%)	<b>287,854</b>	214,955
Effects of		
Expenses not deductible for tax purposes	<b>20,484</b>	86,537
Dividends from subsidiaries not taxable	<b>(104,000)</b>	(144,750)
Accelerated capital allowances and other timing differences	<b>5,014</b>	20,232
Utilisation of losses	-	(253)
<b>Current tax charge/(credit) for the year</b>	<b>209,352</b>	<b>176,721</b>

### Factors affecting the current tax charges:

During the year, as a result of the changes in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 and that was effective from 1 April 2011, the relevant deferred tax balances have been re-measured

### Factors that may affect future tax charges:

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate to 22% from 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. In the opinion of the directors, the effect of the changes expected to be enacted in the Finance Act 2012 will not be material for the company. The proposed reduction of the main rate of corporation tax to 22% from 1 April 2014 is expected to be enacted separately.

## 7 Dividends

	2012	2011
	£	£
Interim dividends paid to group companies in respect of equity shares of £0.37 per share (2011 £0.17 per share)	<b>750,000</b>	350,000

# Taylor, Maxwell & Co Limited

## 8 Tangible fixed assets

	Short leasehold property	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2011	286,051	56,417	1,453,285	1,795,753
Additions	-	42,137	54,375	96,512
Disposals	-	(35,991)	(532)	(36,523)
<b>At 31 March 2012</b>	<b>286,051</b>	<b>62,563</b>	<b>1,507,128</b>	<b>1,855,742</b>
<b>Accumulated depreciation</b>				
At 1 April 2011	274,607	24,252	1,394,087	1,692,946
Charge for the year	3,531	27,172	32,504	63,207
Disposals	-	(27,576)	(89)	(27,665)
<b>At 31 March 2012</b>	<b>278,138</b>	<b>23,848</b>	<b>1,426,502</b>	<b>1,728,488</b>
<b>Net book amount</b>				
<b>At 31 March 2012</b>	<b>7,913</b>	<b>38,715</b>	<b>80,626</b>	<b>127,254</b>
At 31 March 2011	11,444	32,165	59,198	102,807

The company was committed to expenditure amounting to £nil at 31 March 2012 (2011 £nil)



# Taylor, Maxwell & Co Limited

## 9 Fixed asset investments

Subsidiary undertakings  
shares at cost  
£

<b>Cost and net book amount</b>	
<b>At 1 April 2011 and 31 March 2012</b>	<b>62,214</b>

The 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

	2012 £	2011 £
Stocks held for resale	<b>369,265</b>	266,822

# Taylor, Maxwell & Co Limited

## 11 Debtors

	2012	2011
	£	£
Trade debtors	9,336,833	10,511,029
Amounts owed by group undertakings	6,507,956	6,767,007
Deferred tax (note 14)	69,449	70,222
Other debtors	27,156	19,522
Prepayments and accrued income	197,300	167,624
	<b>16,138,694</b>	<b>17,535,404</b>

Interest is charged on amounts due from group companies at 2% over the Bank of England base rate. Amounts owed by group companies are unsecured and have no fixed repayment date.

## 12 Creditors – Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdraft	69,889	-
Trade creditors	7,603,740	8,047,047
Amounts owed to group undertakings	120,755	173,757
Corporation tax	209,352	-
Other taxation and social security	604,327	666,884
Accruals and deferred income	1,209,357	1,298,731
	<b>9,817,420</b>	<b>10,186,419</b>

The company's bank overdraft is guaranteed by various subsidiary undertakings and is secured by charges over the assets of the group. The overdraft carried interest at an average of 1.5% above the Bank of England base rate.

## Taylor, Maxwell & Co Limited

### 13 Creditors – Amounts falling due after more than one year

	2012	2011
	£	£
Term Loan	2,000,000	4,000,000

The term loan is repayable in June 2016. On 6 July 2011, the Company extended £2,000,000 of its term loan facility which is now not repayable until 2016. The loan carried interest at an average of 1.75% 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

	2012	2011
	£	£
Deferred tax asset		
Accelerated capital allowances	1,649	13,031
Other timing differences	67,800	57,191
<b>Total deferred tax asset</b>	<b>69,449</b>	<b>70,222</b>
At 1 April	70,222	55,392
Deferred tax (charge)/ credit in profit and loss account	(773)	14,830
<b>At 31 March</b>	<b>69,449</b>	<b>70,222</b>

### 15 Called up share capital

	2012	2011
	£	£
<b>Allotted and fully paid</b>		
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
	<b>1,126,620</b>	<b>1,126,620</b>

The shares of the company are held entirely within the group.

# Taylor, Maxwell & Co Limited

## 16 Reserves

	Profit and loss account	Share premium account
	£	£
At 1 April 2011	3,595,030	11,350
Retained profit for the financial year	897,007	-
Dividends	(750,000)	-
<b>At 31 March 2012</b>	<b>3,742,037</b>	<b>11,350</b>

## 17 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	897,007	605,806
Dividends	(750,000)	(350,000)
Net addition to shareholders' funds	147,007	255,806
Opening shareholders' funds	4,733,000	4,477,194
<b>Closing shareholders' funds</b>	<b>4,880,007</b>	<b>4,733,000</b>

## 18 Financial commitments

The Company is committed to make annual payments under operating leases as set out below

Leases expiring in	2012	2011	2012	2011
	Land and buildings		Motor vehicles	
	£	£	£	£
- 2 to 5 years	38,050	38,050	80,784	72,848
- More than 5 years	71,676	71,676	-	-
	<b>109,726</b>	<b>109,726</b>	<b>80,784</b>	<b>72,848</b>

# **Taylor, Maxwell & Co Limited**

## **19 Contingent liabilities**

The Company has entered into forward foreign exchange contracts. The total sterling equivalent outstanding at the year end was £149,000 (2011 £75,000). In the opinion of the directors the fair value of the contracts is not material.

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 £3,447,000 (2011 £5,009,000). 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. In the opinion of the directors, no significant liability is expected to arise as a result of the guarantees provided by the company.

## **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. In June 2009, the defined benefit scheme was closed to future accrual and members were transferred to an alternative defined contribution scheme.

The Taylor, Maxwell & Company Limited Pension and Assurance Scheme 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 2009 revealed a deficit. The valuation showed that the market value of the scheme's assets at that date amounted to £7,035,000 and this represented a funding level of approximately 61%. The next actuarial valuation is due at 31 March 2012.

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 is a wholly owned subsidiary and 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 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 financial statements are prepared. Group financial statements may be obtained from the Company's registered office: Taylor Maxwell House, The Promenade, Clifton, Bristol, BS8 3NW.