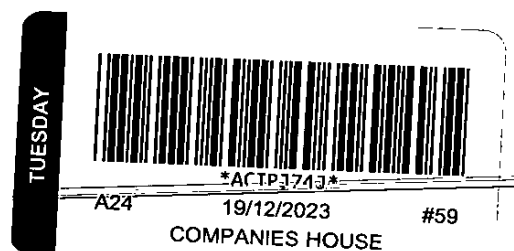


COMPANY REGISTRATION NUMBER: 00476749

TAYLOR, MAXWELL & CO. LIMITED
UNAUDITED FINANCIAL STATEMENTS

For the year ended
31 MARCH 2023



TAYLOR, MAXWELL & CO. LIMITED

FINANCIAL STATEMENTS

Year ended 31 March 2023

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TAYLOR, MAXWELL & CO. LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr R Guilfoyle
Mr A B Casey
Mr R Thompson
Mr K Hirst-Sewell
Mr T M Rosie
Mrs C A Scarlett
Mr M D Gant
Mr A Moffat
Mr A J Simpson

Company secretary

Addleshaw Goddard (Scotland) Secretarial Limited

Registered office

Taylor Maxwell House
The Promenade
Clifton
Bristol
BS8 3NW

Bankers

Barclays Bank Plc
Leicester
Leicestershire
United Kingdom
LE87 2BB

TAYLOR, MAXWELL & CO. LIMITED

STRATEGIC REPORT

Year ended 31 March 2023

The directors present their strategic report for the company for the year ended 31 March 2023.

Business review

Taylor, Maxwell and Co. Limited's principal activity is that of distributing brick and cladding materials. The company is part of the Brickability Group, whose objective is to be the United Kingdom's leading specialist supplier of products to house builders and contractors.

Results, performance and business environment

The company's performance improved compared to the previous year, with an increase in both turnover and gross profit. Trading levels began to fall during the second half of the year as a result of softening demand caused by uncertainty in the UK housing market. However, the company has continued to perform strongly and has added new national and regional house builders to its customer base, whilst managing supply issues from manufacturers during the year. The opening of a new showroom in Grassmarket, Edinburgh and the refurbishment of the showroom in Manchester has further established the company's presence in the specification sector. An increase in like for like turnover is attributable to price rises and fluctuations in product mix.

Turnover increased to £148,067,574 (2022: £133,323,510) and operating profit increased to £7,884,515 (2022: £6,173,545). As at 31 March 2023, the company had a strong balance sheet with net assets of £13,862,661 (2022: £14,224,001). Dividends of £10,300,000 (2022: £nil) were voted and paid up to the company's parent company during the year.

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.

In July 2021, the trustees of the defined benefit pension scheme agreed to enter into a buyout policy contract with Aviva. In October 2022, the trustees completed the project to adjust active and deferred defined benefit members pensions for Guarantee Minimum Pension equalisation. In July 2023, the buyout process was completed and the company's risk and liability fully transferred to Aviva. Full wind up of the defined benefit section of the pension scheme is expected to be completed by 31 March 2024.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are interest rate rises and general economic volatility that could affect demand and the company's ability to continue to trade profitably and manage working capital. In order to monitor, assess and mitigate these risks when required, the directors hold regular meetings to review trading results, working capital and the level of banking facilities available to the company. Further details of the financial risks of the company are set out in the Directors' Report.

Future developments

The company's results highlight its strategic strengths, especially when considering the backdrop of a period of macroeconomic uncertainty. Whilst the short-term outlook for the housing market sector remains uncertain, the company has continued to trade profitably since the year end. The impact of the current global and national economic conditions is monitored closely by the directors and expectations are that the challenging market conditions will continue into 2024. The company is able to utilise its long-standing relationships with its key trading partners to secure the delivery of products in demand at the best prices possible. The company is therefore well positioned to react quickly and appropriately to changes in the industry and still has a firm foundation on which to consolidate its position in the market and to grow in the future, as opportunities arise within the marketplace.

TAYLOR, MAXWELL & CO. LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2023

Section 172(1) Statement

The Board's approach to section 172(1) and decision-making

The primary purpose of the company is that of distributors of brick and cladding materials. The overall objective of the company is to maximise shareholder and stakeholder value whilst working to a sustainable long term business model.

Collectively, the Board is responsible for the effective oversight of the company and has implemented a governance structure to support the long-term success of the company. The day-to-day management of the company is the responsibility of the management team to ensure the business objectives are achieved. The Board works closely with the management team to determine the business strategy, objectives and organisational culture.

The company has policies in place to support its values and aims in achieving its business objectives. The Board acknowledges that the long-term success of the business is critically dependent on its key stakeholders and these are considered in their decision-making. These key stakeholders are set out below.

Employees

The company aims to recruit and retain highly skilled and motivated employees through its recruitment and training processes and Human Resource management is considered by the Board as being critical to the company's success in achieving its objectives. The Board receive regular reports from the Human Resources department on key performance measures.

Employee engagement is achieved through informal meetings, general updates and formal appraisals that consider performance, training and objectives alongside any potential issues that may impact the employee.

The company has employment policies in place designed to support our staff, including leave for parents, equality and flexible working, as well as an Employee Assistance Programme available to all staff.

Suppliers

The company relies upon its suppliers to provide the highest quality construction materials to meet the demands of our customers and values the long-standing professional and ethical relationships we have with our suppliers.

The company has policies in place to safeguard high standards of ethics and transparency in our supply chain. These policies include anti-bribery and modern slavery. The company understands the importance of prompt payment to its suppliers and reports bi-annually its payment practice report.

Customers

The company considers meeting the needs of its customers at the highest level of its strategic objectives. We strive to maintain a high level of communication with our customers to ensure that their ongoing needs are met. The Board ensure we also have structure in place to rectify any issues that are raised by its customers. The company holds a ISO9001 certificate to demonstrate it is working within the guidelines of the Quality Management System.

Community

The company has always had the objective of being a good neighbour within the communities it operates and the Board continue to consider ways in which community engagement can be increased in the future.

Environment

The company is committed to being a considerate and environmentally friendly operation. The Group holds an ISO14001 certificate for our Environmental Management System. Our aim is to promote good sustainability practice, to reduce the environmental impacts of all our activities and to help our stakeholders to do the same. The company is committed to reaching the Group's target of being carbon neutral by 2030.

TAYLOR, MAXWELL & CO. LIMITED

STRATEGIC REPORT *(continued)*

Year ended 31 March 2023

Government organisations and legislators

The company has regular interactions with government and legislative bodies including HMRC and maintaining an open and transparent relationship with all legislative bodies is critical to the ongoing success of the company. The group's tax strategy is established at board level and is published annually on the Brickability Group website. This policy is implemented by the company. The aim of the company is to maximise after tax returns for the group's shareholders whilst paying the correct amount of tax in line with all relevant tax laws and regulations.

Impact on decision making

While there has not been any significant change in the company's strategy during the year, the main events to have had an impact on the company's key stakeholders are as follows:

	Stakeholders primarily affected	Impact
Issue of Long-term Incentive Plan (LTIP) options	Shareholders, Employees	Key management staff were issued with options under Brickability Group PLC's LTIP scheme. This provides an incentive for the management team to align their activities with the PLC strategy to increase profitability and shareholder return.

This report was approved by the board of directors on 15 December 2023 and signed on behalf of the board by:



Mr R Guilfoyle
Director

TAYLOR, MAXWELL & CO. LIMITED

DIRECTORS' REPORT

Year ended 31 March 2023

The directors present their report and the unaudited financial statements of the company for the year ended 31 March 2023.

Directors

The directors who served the company during the year were as follows:

Mr R Guilfoyle	
Mr A B Casey	
Mr R Thompson	
Mr J M Rosie	
Mrs C A Scarlett	
Mr M D Gant	
Mr A Moffat	
Mr A J Simpson	
Mr K Hirst-Sewell	(Appointed 1 April 2022)
Mrs D M French	(Resigned 31 March 2023)

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Future developments

Expected future developments of the company and group are outlined within the Strategic Report on pages 2 to 4 of the Annual Report and Financial Statements.

Greenhouse gas emissions and energy consumption

Information not included

In accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, details of the company's carbon emissions are not disclosed as the appropriate disclosures are included within the consolidated financial statements of its ultimate parent, Brickability Group PLC.

TAYLOR, MAXWELL & CO. LIMITED

DIRECTORS' REPORT *(continued)*

Year ended 31 March 2023

Financial instruments

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of the changes in the construction industry driven by the economy. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company by monitoring the economy for indications of volatility. The company's principal financial instruments comprise trade debtors, trade creditors and group loans. The policies set by the board are implemented by the company's finance department.

Price risk management

Due to the nature of the financial instruments used by the company there is limited exposure to market price risk. However, the company does have exposure to commodity price risk as a result of its purchases. It seeks to mitigate this by constantly monitoring its margins and pricing within the industry. Where possible, it will also agree fixed prices over a longer period with key suppliers.

Credit risk management

The company has implemented policies that requires appropriate credit checks on potential customers before sales are made. Customers are assigned credit limits and overdue debts are chased on a regular basis.

Liquidity risk and cash flow management

The company actively monitors its liquidity and cash flow position to ensure the continuity of funding throughout the group. Certain banking arrangements are made through the company's ultimate parent and thus the company undertakes regular cash flow forecasting to ensure that bank and other borrowing facilities are sufficient to meet working capital requirements and ultimately ensure it has sufficient cash in order to fund its activities.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 30 to the financial statements.

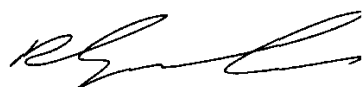
Qualifying indemnity provision

During the year, the company maintained liability insurance for its directors and officers, as permitted by the company's articles of association which allow the indemnification of directors or officers out of the assets of the company to the extent permitted by law. The qualifying third-party indemnity arrangements were in place throughout the current and prior year and remain in place as at the date of approving these financial statements.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

This report was approved by the board of directors on 15 December 2023 and signed on behalf of the board by:



Mr R Guilfoyle
Director

TAYLOR, MAXWELL & CO. LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2023

	Note	2023 £	2022 £
TURNOVER	5	148,067,574	133,323,510
Cost of sales		(126,269,445)	(112,123,382)
GROSS PROFIT		21,798,129	21,200,128
Administrative expenses		(13,913,614)	(15,026,583)
OPERATING PROFIT	6	7,884,515	6,173,545
Income from shares in group undertakings	10	3,800,000	—
Other interest receivable and similar income	11	13,588	63,677
Interest payable and similar expenses	12	(22,940)	(29,916)
PROFIT BEFORE TAXATION		11,675,163	6,207,306
Tax on profit	13	(1,949,563)	(698,924)
PROFIT FOR THE FINANCIAL YEAR		9,725,600	5,508,382
Actuarial gain/ (loss) on defined benefit pension scheme		30,530	(1,275,196)
Movement on deferred tax relating to pension scheme		(7,633)	241,999
OTHER COMPREHENSIVE INCOME FOR THE YEAR		22,897	(1,033,197)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,748,497	4,475,185

All the activities of the company are from continuing operations.

The notes on pages 10 to 27 form part of these financial statements.

TAYLOR, MAXWELL & CO. LIMITED

BALANCE SHEET

31 March 2023

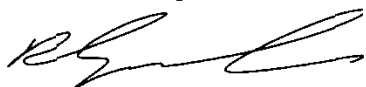
	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	15	284,442	232,741
Investments	16	3,084,136	2,984,136
		<u>3,368,578</u>	<u>3,216,877</u>
CURRENT ASSETS			
Stocks	17	445,867	442,006
Debtors	18	42,515,379	43,322,141
Cash at bank and in hand		4,372,649	4,826,833
		<u>47,333,895</u>	<u>48,590,980</u>
CREDITORS: amounts falling due within one year	19	(36,235,390)	(36,533,461)
NET CURRENT ASSETS		<u>11,098,505</u>	<u>12,057,519</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,467,083</u>	<u>15,274,396</u>
CREDITORS: amounts falling due after more than one year	20	(835,566)	(1,500,000)
PROVISIONS	21	(225,093)	(102,482)
NET ASSETS EXCLUDING DEFINED BENEFIT PENSION PLAN ASSET		<u>13,406,424</u>	<u>13,671,914</u>
Defined benefit pension plan asset	23	456,237	552,087
NET ASSETS INCLUDING DEFINED BENEFIT PENSION PLAN ASSET		<u>13,862,661</u>	<u>14,224,001</u>
CAPITAL AND RESERVES			
Called up share capital	26	1,126,620	1,126,620
Share premium account	27	11,350	11,350
Capital contribution	27	256,172	66,009
Profit and loss account	27	12,468,519	13,020,022
SHAREHOLDERS FUNDS		<u>13,862,661</u>	<u>14,224,001</u>

For the year ending 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 15 December 2023, and are signed on behalf of the board by:



Mr R Guilfoyle

Director

Company registration number: 00476749

The notes on pages 10 to 27 form part of these financial statements.

TAYLOR, MAXWELL & CO. LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2023

	Note	Called up share capital £	Share premium account £	Capital contribution £	Profit and loss account £	Total £
AT 1 APRIL 2021		1,126,620	11,350	–	8,544,837	9,682,807
Profit for the year					5,508,382	5,508,382
Other comprehensive income for the year:						
Actuarial gain/ (loss) on defined benefit pension scheme		–	–	–	(1,275,196)	(1,275,196)
Movement on deferred tax relating to pension scheme		–	–	–	241,999	241,999
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	–	4,475,185	4,475,185
Equity settled share-based payments		–	–	59,597	–	59,597
Deferred tax on share-based payment transactions		–	–	6,412	–	6,412
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	66,009	–	66,009
AT 31 MARCH 2022		1,126,620	11,350	66,009	13,020,022	14,224,001
Profit for the year					9,725,600	9,725,600
Other comprehensive income for the year:						
Actuarial gain/ (loss) on defined benefit pension scheme		–	–	–	30,530	30,530
Movement on deferred tax relating to pension scheme		–	–	–	(7,633)	(7,633)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		–	–	–	9,748,497	9,748,497
Dividends paid and payable	14	–	–	–	(10,300,000)	(10,300,000)
Equity settled share-based payments		–	–	196,575	–	196,575
Deferred tax on share-based payment transactions		–	–	(6,412)	–	(6,412)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS		–	–	190,163	(10,300,000)	(10,109,837)
AT 31 MARCH 2023		1,126,620	11,350	256,172	12,468,519	13,862,661

The notes on pages 10 to 27 form part of these financial statements.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

1. GENERAL INFORMATION

The company is a private company limited by shares, incorporated in England and Wales. The address of the registered office is Taylor Maxwell House, The Promenade, Clifton, Bristol, BS8 3NW.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company is in a strong net asset position and has traded profitably during the year and since the year end.

The key uncertainty facing the company is the demand for its products. It is exposed to general economic volatility that may slow the construction and housebuilding industries. In particular, it is impacted by interest rate rises, which could lower the demand for mortgages and new build housing.

The directors have assessed the potential impact on both the company and wider group. Budgets have been prepared, with estimated future revenues and profits, based on management's expectations under current and anticipated market conditions. Management has considered inflationary increases in pricing, which will likely impact overhead costs, as well as the potential impact of material price increases on margins and turnover. The budgets have also been stress tested to assess the potential impact of a significant and prolonged drop in demand in the industry.

Based on the forecast results and headroom during the stress tests, together with profitable post year end results, it is considered extremely unlikely that turnover would fall to such a level that would result in the company being unable to meet its obligations. Furthermore, the company holds sufficient cash and has access to a group level borrowing facility with significant headroom, through its ultimate parent Brickability Group PLC.

After making appropriate enquiries, including consideration of recent budgets, ongoing relationships with key trading partners and a review of the company's risk assessments, the directors have a reasonable expectation that the company has access to adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Brickability Group PLC which can be obtained from the company's registered office at C/O Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG and from its website. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) the requirement to present a cash flow statement under Section 7 Statement of Cash Flows;
- (b) the requirements of eligible paragraphs within Sections 11 and 12 concerning financial instrument disclosures;
- (c) the requirements of eligible paragraphs within Section 26 concerning share-based payment arrangements of the company's ultimate parent; and
- (d) the requirement to disclose the aggregate remuneration of key management personnel in accordance with paragraph 33.7.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of the UK.

Its financial statements are consolidated into the financial statements of Brickability Group PLC which can be obtained from the company's registered office at C/O Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG.

Turnover

The company generates all turnover, through the sale of superior quality building materials to all sectors of the construction industry, within the United Kingdom. Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied to customers during the period, net of volume rebates, discounts and Value Added Tax. Volume rebates are assessed based on anticipated annual purchases and accumulated experience is used to estimate and provide for the volume rebates.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on delivery of the goods. The following conditions must also be satisfied: the company retains neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the company will receive the consideration due under the transaction; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Short leasehold property	-	Length of lease
Fixtures and fittings	-	4 - 7 years
Motor vehicles	-	25% reducing balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. Bank overdrafts are shown within borrowings in creditors falling due within one year.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in interest payable and similar expenses or interest receivable and similar income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Defined benefit plans

The company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises: (a) the increase in pension benefit liability arising from employee service during the period; and (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest income/cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This income/cost is recognised in profit or loss as 'Interest receivable and similar income' or 'Interest payable and similar expenses'.

If a defined benefit plan is in surplus it will be recognised on the balance sheet only if the company is able to recover the surplus through reduced contributions in the future or through refunds from the plan and hence be able to realise the economic benefits of the surplus.

Defined contribution plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Dividends

Dividend income is recognised when the right to receive payment is established.

Dividends and other distributions to company's shareholders are recognised when they become legally payable. Final dividends are recognised as a liability in the period in which they are approved by the company's shareholders. Interim dividends are recognised in the period in which they are paid. The amounts are recognised in the statement of changes in equity.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

3. ACCOUNTING POLICIES *(continued)*

Share-based payments

The company's employees participate in a group share option scheme and long-term incentive plan. Equity instruments of the ultimate parent company are offered in exchange for services rendered to the company.

Equity-settled share-based payment transactions are measured at fair value at the date of the grant, as determined by a group valuation at that date. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the number of share options that will eventually vest. At each reporting date, the company revises its estimate of the number of share options expected to vest as a result of non-market-based vesting conditions. The probability of market conditions being met are not subsequently adjusted for. Any impact of a revision to the original estimates is recognised in the profit or loss account such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

The expense recognised by the company is on the basis of a reasonable allocation of the expense for the group, with this allocation based on the number of share options held by employees of the company as a proportion of the total share options granted and expected to vest. The expense includes provision for any employment taxes expected to be incurred, with a corresponding liability included within other creditors.

Employee benefits

The company provides a range of benefits to employees, including annual bonus and paid holiday arrangements.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received and in which the benefit is earned.

(ii) Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

4. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

4. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Defined benefit pension scheme

A defined benefit asset is recognised to the extent that the asset will result in a refund or reduction in future payments. Judgement is therefore required in determining whether the company has an unconditional right to a refund. Upon the winding up of the pension scheme, any residual value would be payable to the company. The right to obtain a refund is not affected by future costs that could change the amount of the surplus ultimately recovered. Therefore, while the trustees could, at their discretion, enhance members' benefits and reduce the surplus payable to the company, this event is not anticipated and would not remove the company's unconditional right to the surplus. The company therefore considers that it has an unconditional right to a refund or reduction in future payments and has recognised the defined benefit asset. Upon completion of the buy-out process that was in progress at the reporting date, the Company expects to receive any residual surplus and this will be payable to the sellers of Taylor Maxwell Group (2017) Limited as part of the consideration payable, following Brickability Group PLC's acquisition of Taylor Maxwell Group (2017) Limited and its subsidiaries. Details of the defined benefit pension scheme are disclosed in note 23.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provisions

Provisions are included for slow moving stock and volume rebates payable and receivable. These provisions require management's best estimate based on a review of stock movements following the period end and an assessment of expected trading volumes based on contractual rates.

Impairment of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the level of credit insurance taken out in respect of the debtor, the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 23 for the carrying amount of the net pension obligation on the balance sheet. It is noted that a change in the discount rate of +/-0.25% would change the value of the defined benefit obligation by +/- £119,280 (+/- 2.3%) and a change in the inflation rate of +/-0.25% would change the value of the defined benefit obligation by +/- £53,250 (+/- 1.0%).

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

5. TURNOVER

Turnover arises from:

	2023	2022
	£	£
Sale of goods	148,067,574	133,323,510

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2023	2022
	£	£
United Kingdom	148,057,281	133,146,701
Ireland	(7,776)	144,205
Other	18,069	32,604
	148,067,574	133,323,510

6. OPERATING PROFIT

Operating profit or loss is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible assets	104,882	97,522
Gains on disposal of tangible assets	(5,813)	–
Impairment of trade debtors	104,351	40,985
Equity-settled share-based payments expense	219,311	72,427
Operating lease rentals	775,329	740,034
Foreign exchange differences	(1,381)	7,162
Impairment of inventory	–	3,214

7. AUDITOR'S REMUNERATION

	2023	2022
	£	£
Fees payable for the audit of the financial statements	–	42,500

8. STAFF COSTS

The average number of persons employed by the company during the year, including the directors, amounted to:

	2023	2022
	No.	No.
Administrative staff	61	59
Sales and distribution staff	56	55
	117	114

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

8. STAFF COSTS *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2023	2022
	£	£
Wages and salaries	7,506,759	8,354,494
Social security costs	941,892	1,080,337
Other pension costs	291,118	299,321
	<u>8,739,769</u>	<u>9,734,152</u>

9. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was:

	2023	2022
	£	£
Remuneration	660,829	2,091,066
Company contributions to defined contribution pension plans	21,721	39,925
	<u>682,550</u>	<u>2,130,991</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2023	2022
	No.	No.
Defined contribution plans	<u>3</u>	<u>6</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Aggregate remuneration	162,732	428,866
Company contributions to defined contribution pension plans	7,642	—
	<u>170,374</u>	<u>428,866</u>

10. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2023	2022
	£	£
Dividends from group undertakings	<u>3,800,000</u>	<u>—</u>

11. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2023	2022
	£	£
Interest on cash and cash equivalents	808	1,637
Net finance income in respect of defined benefit pension plans	12,780	33,840
Gain on financial instruments	—	28,200
	<u>13,588</u>	<u>63,677</u>

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

12. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Interest on banks loans and overdrafts	22,837	26,665
Other interest payable and similar charges	103	3,251
	<u>22,940</u>	<u>29,916</u>

13. TAX ON PROFIT

Major components of tax expense

	2023	2022
	£	£
Current tax:		
UK current tax expense	1,574,491	749,731
Adjustments in respect of prior periods	446,616	(132,173)
Total current tax	<u>2,021,107</u>	<u>617,558</u>
Deferred tax:		
Origination and reversal of timing differences	(71,544)	81,366
Tax on profit	<u>1,949,563</u>	<u>698,924</u>

On 11 March 2021, the UK Government announced that the main rate of corporation tax in the United Kingdom would increase to 25%, with effect from April 2023. This change was substantively enacted during the prior year. Deferred tax assets and liabilities, previously recognised at 19%, were therefore re-measured at 25%.

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
	£	£
Profit on ordinary activities before taxation	11,675,163	6,207,306
Profit on ordinary activities by rate of tax	2,218,281	1,179,388
Adjustment to tax charge in respect of prior periods	435,686	(132,173)
Effect of expenses not deductible for tax purposes	36,274	66,064
Effect of capital allowances and depreciation	(9,010)	(6,191)
Effect of revenue exempt from tax	(722,000)	–
Effect of different UK tax rates on some earnings	(2,929)	29,710
Other tax adjustments	–	(437,874)
Effect of share options	(6,739)	–
Tax on profit	<u>1,949,563</u>	<u>698,924</u>

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

14. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2023	2022
	£	£
Dividends paid on equity shares	10,300,000	—

15. TANGIBLE ASSETS

	Short leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2022	286,052	2,292,355	55,315	2,633,722
Additions	—	161,121	—	161,121
Disposals	—	—	(18,800)	(18,800)
At 31 March 2023	286,052	2,453,476	36,515	2,776,043
Depreciation				
At 1 April 2022	286,052	2,081,685	33,244	2,400,981
Charge for the year	—	99,862	5,020	104,882
Disposals	—	—	(14,262)	(14,262)
At 31 March 2023	286,052	2,181,547	24,002	2,491,601
Carrying amount				
At 31 March 2023	—	271,929	12,513	284,442
At 31 March 2022	—	210,670	22,071	232,741

Tangible fixed assets with a carrying value of £284,442 (2022 - £232,741) are pledged as security for a bank loan held by a group company.

16. INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 April 2022	2,984,136
Additions	100,000
At 31 March 2023	3,084,136
Impairment	
At 1 April 2022 and 31 March 2023	—
Carrying amount	
At 31 March 2023	3,084,136
At 31 March 2022	2,984,136

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

16. INVESTMENTS *(continued)*

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Taylor Maxwell Timber Limited	Ordinary shares	100
Timber Marketing Corporation Limited*	Ordinary shares	100
Taymax Independent Plywood Limited*	Ordinary shares	100
Proctor & Lavender Brick Distributors Limited	Ordinary shares	100
Taylor Maxwell (International) Limited*	Ordinary shares	100
Taymax Forest Products Limited*	Ordinary shares	100
Added Value Timber Products Limited*	Ordinary shares	100
Pacific Lumber Services (UK) Limited*	Ordinary shares	100
SBS Cladding Limited	Ordinary shares	100

*Wholly owned by Taylor Maxwell Timber Limited.

Additions in the year relate to further contingent consideration that became payable in respect of SBS Cladding Limited, which was acquired in April 2021.

17. STOCKS

	2023 £	2022 £
Raw materials and consumables	445,867	442,006

In the opinion of the directors there is no material difference between the value of stocks as disclosed in the Balance Sheet and their replacement cost at the balance sheet date.

Stocks are stated after provisions for impairment of £3,500 (2022: £3,500).

18. DEBTORS

	2023 £	2022 £
Trade debtors	25,098,578	24,664,471
Amounts owed by group undertakings	16,423,006	16,763,144
Prepayments and accrued income	756,702	848,842
Corporation tax repayable	175,422	760,796
Other debtors	61,671	284,888
	<u>42,515,379</u>	<u>43,322,141</u>

Trade debtors are stated after provisions for impairment of £288,708 (2022: £222,422).

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

19. CREDITORS: amounts falling due within one year

	2023 £	2022 £
Trade creditors	23,663,116	24,163,765
Amounts owed to group undertakings	2,356,484	3,140,751
Accruals and deferred income	6,843,558	6,688,787
Social security and other taxes	1,992,990	1,913,971
Other creditors	1,379,242	626,187
	<u>36,235,390</u>	<u>36,533,461</u>

20. CREDITORS: amounts falling due after more than one year

	2023 £	2022 £
Accruals and deferred income	35,566	–
Other creditors	800,000	1,500,000
	<u>835,566</u>	<u>1,500,000</u>

21. PROVISIONS

	Deferred tax (note 22) £	Dilapidations £	Total £
At 1 April 2022	102,482	–	102,482
Additions	17,648	180,110	197,758
Charge against provision	(75,147)	–	(75,147)
At 31 March 2023	<u>44,983</u>	<u>180,110</u>	<u>225,093</u>

22. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2023 £	2022 £
Included in provisions (note 21)	<u>44,983</u>	<u>102,482</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023 £	2022 £
Accelerated capital allowances	56,509	30,012
Provisions	–	(148,132)
Pension plan obligations	–	214,190
Share-based payments	(63,307)	6,412
Other timing differences	51,781	–
	<u>44,983</u>	<u>102,482</u>

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

23. EMPLOYEE BENEFITS

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £291,118 (2022: £299,321).

Defined benefit plans

The company operates a pension scheme, the Taylor Maxwell Group Limited Pension and Assurance Scheme, which is funded by the payment of contributions to a separately administered trust fund and provides both defined benefit and defined contribution pension benefits to members. This note relates only to the defined benefit section of the scheme. The defined benefit section of the scheme is closed to future accrual. Pension benefits are related to the members' final salary at retirement (or earlier date of leaving or death) and their length of service.

The scheme is a registered scheme under UK legislation and is subject to scheme funding requirements. It was established under trust and is governed by the scheme's Third Definitive Trust Deed and Rules, dated 20 September 2016. The trustees are responsible for the operation and governance of the scheme, including making decisions regarding the scheme's funding and investment strategy.

During the year, the company made contributions to the scheme of £nil (2022 - £nil). Contributions in the next year are also expected to be £nil. The most recent actuarial valuation was conducted as at 31 March 2018. On 7 July 2021, an insurance policy was purchased via scheme assets intended to meet the future benefits payable and reducing the risk of additional funding from the company.

A full buy-out process commenced in order to completely transfer the risk associated with the scheme to an insurer. The process was ongoing throughout the year and had completed prior to the approval of these financial statements. The pension scheme is expected to be wound up within the financial year ending 31 March 2024, at which point the scheme liabilities and associated assets will be derecognised and the residual surplus repaid net of any final expenses, which are expected to be immaterial.

A full actuarial valuation has been carried out, as at 31 March 2023, based on scheme membership data as at 1 October 2022, by a qualified independent actuary. Scheme invested assets are stated at their current bid price at 31 March 2023.

The balance sheet net defined benefit asset is determined as follows:

	2023	2022
	£	£
Present value of defined benefit obligations	(5,104,947)	(6,590,977)
Fair value of plan assets	5,561,184	7,143,064
	<u>456,237</u>	<u>552,087</u>

Changes in the present value of the defined benefit obligations are as follows:

	2023
	£
At 1 April 2022	6,590,977
Interest expense	167,560
Benefits paid	(370,620)
Remeasurements:	
Actuarial gains and losses	(1,282,970)
At 31 March 2023	<u>5,104,947</u>

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

23. EMPLOYEE BENEFITS *(continued)*

Changes in the fair value of plan assets are as follows:

	2023
	£
At 1 April 2022	7,143,064
Interest income	180,340
Benefits paid	(370,620)
Scheme administrative costs	(139,160)
Remeasurements:	
Return on plan assets, excluding amount included in interest income	(1,252,440)
At 31 March 2023	5,561,184

The total costs for the year in relation to defined benefit plans are as follows:

	2023	2022
	£	£
Recognised in profit or loss:		
Net interest income	(12,780)	(33,840)
Service cost - administrative cost	139,160	134,640
	<u>126,380</u>	<u>100,800</u>
Recognised in other comprehensive income:		
Remeasurement of the liability:		
Actuarial gains and losses	1,282,970	385,944
Return on plan assets, excluding amounts included in net interest	(1,252,440)	(1,661,040)
	<u>30,530</u>	<u>(1,275,096)</u>

The fair value of the major categories of plan assets are as follows:

	2023	2022
	%	%
Cash and cash equivalents	10.79	9.68
Insured annuities	89.21	90.32

The return on plan assets are as follows:

	2023	2022
	£	£
Return on assets of benefit plan	<u>(1,072,100)</u>	<u>(1,498,320)</u>

The principal actuarial assumptions as at the balance sheet date were:

	2023	2022
	%	%
Discount rate	4.80	2.60
Expected rate of increase in pensions	2.60	2.80
Inflation assumption	3.00	3.60
Mortality rates (years):		
Current pensioners at 65 - male	22.10	22.00
Current pensioners at 65 - female	24.40	24.30
Future pensioners at 65 - male	23.40	23.40
Future pensioners at 65 - female	25.80	25.80
Pension increases in payment (Post 97 pension)	<u>3.00</u>	<u>3.60</u>

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

24. SHARE-BASED PAYMENTS

The company's ultimate parent operates a Long-term Incentive Plan (LTIP), whereby share options are granted to certain employees of the company. The share-based payments are equity-settled through the issue of shares in the company's ultimate parent.

Options granted under the LTIP scheme are exercisable at the nominal price of £0.01. They also have a vesting period of three years and a contractual life of ten years.

LTIP share options have performance based vesting conditions dependent on total shareholder return (TSR) and adjusted EBITDA, with each award split equally between the two performance conditions. Vesting occurs on a straight-line basis on achieving 18% (equivalent to 6% per annum) to 30% (equivalent to 10% annually) of the relevant performance condition over a three-year performance period. This is no vesting if the relevant target is not met but a 50% or 25% vesting if the initial 18% hurdle is met with a proportionate additional vesting of up to 100% at the 30% threshold being met.

All options are forfeited if the employee leaves employment before the options vest, unless considered a 'good leaver'.

25. FINANCIAL INSTRUMENTS

The company has entered into time option forward foreign exchange contracts. The company is committed to buy €74,260 (2022: €276,019) within a set period. The total sterling equivalent outstanding at the year-end was £66,600 (2022: £234,060). All contracts expire within 8 months (2022: 8 months) of the balance sheet date. In the opinion of the directors the fair value of the contracts is not material.

26. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.10 each	1,024,200	102,420	1,024,200	102,420
Deferred ordinary shares of £1 each	1,024,200	1,024,200	1,024,200	1,024,200
	<u>2,048,400</u>	<u>1,126,620</u>	<u>2,048,400</u>	<u>1,126,620</u>

The ordinary and deferred ordinary shares carry full voting rights. There are no restrictions on the distribution of dividends and the repayment of capital.

27. RESERVES

The called up share capital reserve represents the nominal value received for shares issued.

The share premium reserve represents the amount received, for shares issued, in excess of the nominal value, less transaction costs.

The capital contribution reserve records the cumulative value of equity settled share-based payments in respect of share options issued by the company's ultimate parent to employees of the company.

The profit and loss account represents the total of all current and prior period retained profits and losses.

TAYLOR, MAXWELL & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 March 2023

28. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Not later than 1 year	650,467	524,051
Later than 1 year and not later than 5 years	1,752,616	1,667,254
Later than 5 years	461,952	656,702
	<u>2,865,035</u>	<u>2,848,007</u>

29. CONTINGENCIES

The company has provided a guarantee in respect of a bank loan held by its ultimate parent company. The maximum potential liability, in respect of this debt, at 31 March 2023 was £17.0m. The bank loan is secured by a fixed and floating charge over all property and undertakings of the company.

30. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 2 June 2023, a subsidiary undertaking, SBS Cladding Ltd, completed the acquisition of the entire share capital and 100% of the voting rights in Precision Façade Systems Ltd for consideration of £600,000.

31. RELATED PARTY TRANSACTIONS

In accordance with FRS 102, transactions with wholly owned group companies that are included within the ultimate parent undertaking's financial statements are not disclosed.

During the year, the company was charged £nil (2022: £25,113) of expenses in relation to training provided by an entity controlled by a close family member of a director. No balance was outstanding within creditors at the year end, or at the end of the prior year, in relation to this entity.

32. CONTROLLING PARTY

The company's immediate parent undertaking is Taylor Maxwell Holdings Limited. Brickability Group PLC is the company's ultimate parent undertaking and the parent of the group for which consolidated financial statements are prepared. Copies of the group accounts can be obtained from Brickability Group PLC's registered office at C/O Brickability Limited, South Road, Bridgend Industrial Estate, Bridgend, United Kingdom, CF31 3XG and from its website. The directors consider that there is no ultimate controlling party. The majority shareholders of Brickability Group PLC are stated in the group's annual report.