REGISTERED NUMBER: 3213873

TAYLOR WOODROW CONSTRUCTION

ANNUAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2015

DIRECTORS	B Dupety J P Gatward A K Raikes
SECRETARY	J-P Bonnet
REGISTERED OFFICE	Astral House Imperial Way Watford Hertfordshire WD24 4WW
REGISTERED NUMBER	3213873
AUDITOR	KPMG LLP 15 Canada Square London E14 5GL
BANKERS	National Westminster Bank Plc P O Box 2DG 208 Piccadilly London W1A 2DG

Principal activity and business review

The principal activities of the Company during the year have been civil and structural engineering and facilities management operations in the United Kingdom (UK).

As a national civil engineering contractor, Taylor Woodrow has a clear focus on major projects rather than relying on short-term or regionally-based workflows.

In 2015, rail and light rail projects continued to be the mainstay of our business. The Company is undertaking major contracts to redevelop Tottenham Court Road and Victoria Stations. Turnover for the year includes a total of £21m (2014: £23m) on the Tottenham Court Road project and £30m (2014: £31m) for Victoria Station.

The Company also delivers facility management, mechanical, electrical and building maintenance solutions in both public and private sectors across the UK.

Business Risk

The continued success of the Company depends upon the Management's ability to identify and manage risks which are inherent in the type of activity we are engaged in. These risks fall into specific areas, all of which have the potential to impact on the success of the Company.

- Financial Risk

The principal financial risks that the Company faces are associated with our ability to properly estimate the costs of carrying out the contracts in which we engage, the risk of properly incurring and controlling those costs, the ability to recover costs under the payment terms of all contracts, and the financial standing of our clients, sub-contractors and suppliers in terms of their ability to discharge their obligations to us.

The Company controls these risks in a number of ways. The Company is highly selective in the type of work that it tenders for in terms of the project size, location, complexity and contract duration. These criteria are examined for each business unit and are specific to them to ensure that their capabilities are used to best effect. The Company specialises in certain types of building, civil engineering and facilities management projects in line with the areas where we have proven expertise. Tenders are controlled in accordance with a tender control policy and are authorised by directors according to their value and type. Over a certain level of value, tenders are approved by the Chief Operating Officer and the Chief Executive. In accordance with VINCI procedures, tenders over set amounts are submitted to the VINCI Risk Committee in Paris for approval.

- Performance Risk

Delivering the works we are committed to in our contracts in time, with the necessary level of quality, productivity and safety is the core of our general contractor activity. The Group performs and controls these tasks through a decentralised organisation that empowers key managers at different levels incentivised on projects and by implementing a number of key processes to support the construction site production; design, preparation, installation, programme, procurement, updated budget, monthly accounts, quality and financial control.

- Health and Safety

The Company recognises the importance of the health and safety of all those employed in its offices and sites and operates policies to ensure that the risks associated with accidents and health are properly managed and controlled.

Business Risk (continued)

- The Environment

The Company recognises the importance of minimising the impact on the environment and is pro-actively managing this.

- Human Resources

The Company's employees are its most important resource. It is essential to the future success of the business that a skilled and motivated workforce is retained. The Company's specific policies concerning its employees are disclosed in the Directors' Report.

By order of the Board

B Dupety
Director

The Directors submit their report to the members, together with the audited financial statements for the year ended 31st December 2015.

Results and dividends

The loss for the financial year amounted to £1,351,000 (2014: profit for the financial year £5,637,000). No dividends were paid during the year (2014: £nil). The Directors do not propose the payment of a final dividend.

Directors

The present Directors of the Company are set out on page 1. The directors who served during the year are as follows:

B Dupety
J P Gatward
A K Raikes

Indemnity provisions

No qualifying third party provision is in force for the benefit of any director of the Company.

Going Concern

The Company has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas and construction activities. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Political Donations

The Company made no political donations nor incurred any political expenditure in the current or previous years.

Employees

The Company has continued its policy regarding the employment of disabled persons. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Should an employee become disabled while in the Company's employment they are guaranteed consideration for alternative positions within the Company which are within their capabilities. It is the Company's policy to offer training and development opportunities to all employees on the basis of the assessment of training needs.

Communication and involvement

The Directors recognise the importance of good communications with the Company's employees and informing and consulting with them on a regular basis of the performance and objectives of the Company. This is mainly through regular meetings, personal appraisals and e-mail communications.

When practical, employees have the opportunity to participate in VINCI share savings schemes.

Employees (continued)

Health and safety

Health and safety issues figure prominently at Board level to ensure, as far as possible, the prevention of health risks or accidents to employees, contractors, sub-contractors, members of the public or any other persons who may come into contact with the Company's activities. Health and safety consultative committees operate at all levels and an annual report is produced highlighting trends and statistics in this vital area. The Company is proud of, but not complacent about, its safety record.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approval

The Report of the Directors was approved by the Board on 3rd March 2016 and signed on its behalf by:

B Dupety
Director
Company registered number: 3213873

Taylor Woodrow Construction
Astral House
Imperial Way
Watford
Herts
WD24 4WW

Statement of directors' responsibilities in respect of the Strategic Report and Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

We have audited the financial statements of Taylor Woodrow Construction for the year ended 31st December 2015 set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31st December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

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.

W. Meredith

William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
3rd March 2016

Income Statement
For the year ended 31st December 2015

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Revenue	2		79,328		79,097
Cost of sales			(77,083)		(71,583)
Gross profit			2,245		7,514
Administrative expenses			(3,482)		(1,909)
(Loss)/profit from operating activities	3		(1,237)		5,605
Amounts written off investments	7		(17)		-
Financial income	5	50		107	
Financial expenses	5	(114)		(86)	
Net financing (expense)/income			(64)		21
(Loss)/profit before tax			(1,318)		5,626
Taxation (charge)/credit	6		(33)		11
(Loss)/profit for the period	12,13		(1,351)		5,637

There have been no recognised gains or losses in the current or preceding financial year other than as stated above and consequently no statement of total recognised gains and losses has been presented.

The notes from page 10 to 26 form part of the financial statements.

Taylor Woodrow Construction

Statement of Financial Position
as at 31st December 2015

	Notes	2015 £000	2014 £000	2013 £000
Non-current assets				
Investments in Group undertakings	7	4,077	4,094	4,094
Deferred tax asset	10	335	359	401
		4,412	4,453	4,495
Current assets				
Trade and other receivables	8	57,244	60,216	45,277
Cash and cash equivalents		91,038	80,400	89,937
		148,282	140,616	135,214
Total assets		152,694	145,069	139,709
Current liabilities				
Trade and other payables	9	73,843	64,924	65,204
Total Liabilities		73,843	64,924	65,204
Net assets		78,851	80,145	74,505
Equity attributable to parent				
Called up share capital	11	25,028	25,028	25,028
Profit and loss account	12	53,823	55,117	49,477
Shareholders' funds		78,851	80,145	74,505

The financial statements were approved by the Board on 3rd March 2016 and signed on its behalf by:

B Dupety
Director
Company registered number: 3213873

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/2015 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") , but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

In the transition to FRS 101, the Company has applied IFRS1 whilst ensuring that its assets and liabilities are measured in compliance with FRS101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 19.

The Company's parent undertaking VINCI PLC includes the Company in its consolidated financial statements. The consolidated financial statements of VINCI PLC are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs") and are available to the public and may be obtained from the Company Secretary, VINCI PLC, Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

In these financial statements, the company has applied the exemptions available under FRS101 in respect of the following disclosures:

- a Cash Flow statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of VINCI PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS2 Share Based Payments in respect of group settled share based payments

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet as at 1st January 2014 for the purposes of the transition to FRS 101.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements are prepared on the historical cost basis.

Joint arrangements

The Company is a participant in several joint arrangement contracts. The company accounts for its own assets, liabilities and cashflows measured according to contractual terms.

Turnover

Turnover is the total amount receivable by the Company in the ordinary course of business with outside customers for goods supplied and services provided excluding VAT and trade discounts. On long term contracts the estimated sales value of work performed in the year is included.

Foreign currency translations

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction.

Long term contracts

Long term contracts are those extending in excess of 12 months and of any shorter duration which are material to the activity of the period.

Amounts recoverable on contracts are included in debtors and are valued, inclusive of profit, at work executed at contract prices plus variations less payments on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. The margin on each contract is the lower of the margin earned to date and forecast at completion. Full provision is made for anticipated future losses and such losses are included in creditors. Where contract payments received exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is a firm agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims is taken into account.

Pension contributions

Defined contribution plans:

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account in respect of the defined contribution pension plan is the cost relating to the accounting period.

Defined benefit plans:

The Company participates in the VINCI NHS pension scheme (VNHSPS) providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. Because the Company is unable to identify the share of the scheme assets and liabilities on a consistent and reasonable basis; as permitted by IAS19R, the scheme has been accounted for in these financial statements as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

Share-based payment transactions

The share option programme allows employees to acquire shares of the ultimate parent company; these awards are granted by the ultimate parent. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is due only to share prices not achieving the threshold for vesting.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the length of the lease.

Investments

Investments held as fixed assets are stated at cost less write downs to recoverable amounts where impairments are identified.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner or realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1. **Principal joint arrangements**

The Company is a 50% participant, unless otherwise stated, in the following joint arrangements which have been accounted for as joint arrangements, and not entities. All of these arrangements are managed by Supervisory Boards consisting of Directors from each of the participating companies:

a) The Kings Cross Joint Venture was established to undertake construction work at Kings Cross Station, London. Annual accounts are prepared to 31st December and the principal place of business is Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

b) The M6 DBFO Joint Venture (of which Taylor Woodrow Construction is a 33.33% participant) was established to undertake the design, build and operational maintenance of a section of the M6 motorway. Annual accounts are prepared to 31st December and the principal place of business is Astral House, Imperial Way, Watford, Hertfordshire,WD24 4WW.

c) The Taylor Woodrow Construction\BAM Nuttall Joint Venture was established to undertake station improvement projects. Annual accounts are prepared to 31st December and the principal place of business is Astral House, Imperial Way, Watford, Hertfordshire,WD24 4WW.

2. **Revenue**

The principal activities of the company during the year have been construction and facilities management operations in the United Kingdom (UK). In addition, facilities management operations continue in the Netherlands, Belgium, Luxembourg and Ireland.

The Directors regard the whole of the activities of the Company as a single class of business. Substantially all of the turnover arose in the United Kingdom.

3. **Operating (loss)/profit**

	2015 £000	2014 £000
Operating (loss)/profit is stated after charging:		
Plant hire	3,646	2,711
Rentals under operating leases:		
- Hire of plant and machinery	23	143
- Other operating leases	693	693

Auditor's remuneration for the audit of the financial statements has been borne by the immediate parent company, in both the current and preceding year.

4. Employees

(i) Staff costs during the year amounted to:

	2015 £000	2014 £000
Wages and salaries	7,957	6,904
Social security costs	717	636
Other pension costs (Note (ii))	1,036	1,103
Share based payments (Note (iv))	48	56
	9,758	8,699

The Company's staff are employed by its parent company, VINCI Construction UK Limited (VCUK). The employee costs reflected in these accounts have been recharged from VCUK.

The average number of employees during the year was as follows:

	2015 No.	2014 No.
Management	8	8
Administration	35	31
Operations	163	146
	206	185

(ii) Pensions

Employees participate in a defined contribution arrangement, the Taylor Woodrow Personal Choice Plan. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £429,000 (2014: £446,000).

Additionally, the Company participates in the VINCI NHS Pension Scheme (VNHSPS), previously called the Taylor Woodrow NHS Pension Scheme, which commenced in December 2003. The latest valuation has an effective date of 31st December 2012. This disclosed that the market value of the scheme's assets at that date was £4.5m and that the value of the assets was sufficient to cover 99% of the benefits that had accrued to members after allowing for expected future increases in earnings. The actuaries to the scheme calculated the long term funding rate to be 29% of pensionable earnings. In 2009 this scheme was transferred to VINCI Construction UK Limited, a fellow Group subsidiary. The contribution for the year was £607,000 (2014: £657,000).

4. **Employee Benefits (continued)**

(iii) Directors' remuneration

No director received remuneration in respect of their duties as directors of the company during the current or previous financial year.

(iv) Share based payments

Date of Grant and number of employees entitled	Number of Instruments	Vested Conditions	Contractual life of options
Equity settled award to 7 employees on September 15th 2009	15,505	Vested	expiry 15.09.16
Equity settled award to 18 employees on July 9th 2010	39,834	Vested	09.07.17

	Weighted average exercise price 2015 (euros)	Number of options 2015	Weighted average exercise price 2014 (euros)	Number of options 2014
Outstanding at the beginning of the period	36.86	23,133	37.17	42,051
Exercised during the period	(36.70)	(4,426)	(36.90)	(18,918)
Outstanding at the end of the period	36.90	18,707	36.86	23,133

The options outstanding at the year end have an exercise price in the range of 36.70 to 38.37 euros and a weighted average contractual life of 1.59 years.

4. **Employees (continued)**

The total expenses recognised for the period arising from share based payments are as follows:

	2015 £000	2014 £000
Equity settled share based payment expense	48	56

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Black –Scholes formula.

The main assumptions used to determine the fair values of the options in question were:-

Plan	July 2010	September 2009
Volatility (1)	34.22%	32.91%
Expected return on share	7.24%	8.01%
Risk – free interest rate (2)	1.59%	2.38%
Dividend growth rate hoped – for (3)	4.99%	4.21%
Fair value of the option (€)	4.43	5.65

(1) Volatility assumed using a multi-criteria approach based on the mean revision model applied to a five year series of daily implied volatilities of the VINCI share;

(2) Rate at five years of French government bonds;

(3) Average return expected by financial analysts over the three years following the grant date adjusted by a theoretical annual growth rate beyond that period.

4. **Employees (continued)**

Performance Shares

Employees have been granted a maximum number of performance shares as follows:

Date of Grant	Number of employees	Number of Shares
16th April 2013	5	4,495
12th April 2012	2	2,192
2nd May 2011	3	3,546
9th July 2010	18	15,930
15th September 2009	7	6,202

These shares are subject to the following vesting conditions.

- The shares are only definitively allocated at the end of a period of two years, which can be extended to three years by the VINCI board.

- The number of shares effectively allocated at the end of the vesting period is determined on the basis of changes in a performance indicator during the period.

- The vested shares must be held for a minimum of two years during which time they may not be disposed of.

Date of Grant	Fair value at grant date (€)	Fair value compared with share price at grant date %	Risk free interest rate %
16th April 2013	35.47	80.56	0.11
12th April 2012	36.37	77.00	0.36
2nd May 2011	44.87	82.25	1.81
9th July 2010	35.44	79.85	0.97
15th September 2009	37.40	83.29	1.75

5. **Financial income and expenses**

	2015 £000	2014 £000
Financial income		
Bank interest	50	107
	50	107
Financial expenses		
Payable to another group undertaking	(114)	(86)
	(64)	21

6. Taxation

	2015 £000	2014 £000
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year	-	-
Total current taxation	-	-
Deferred taxation		
Origination and reversal of timing differences	(10)	(11)
Changes in tax rates and laws	15	-
Adjustment in respect of prior years	28	-
Tax charge/(credit) on (loss)/profit on ordinary activities	33	(11)

Current tax reconciliation

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	(1,318)	5,626
Theoretical tax at UK corporation tax rate 20.25 % (2014: 21.49%)	(267)	1,209
Factors affecting charge for the year:		
Adjustment in respect of prior years	28	-
Permanent disallowables	(19)	2
Change in rates	15	-
Short term timing differences	-	(11)
Tax relief on share options	-	(57)
Group relief	276	(1,154)
Tax charge/(credit) on (loss)/profit	33	(11)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1st April 2014) and 20% (effective from 1st April 2015) were substantively enacted on 2nd July 2013. Further reductions to 19% (effective from 1st April 2017) and to 18% (effective 1st April 2020) were substantively enacted on 26th October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31st December 2015 has been calculated based on these rates.

7. Investments

Group undertakings

	£000
Cost:	
At 1st January 2015 and 31st December 2015	6,150
Amounts written off:	
At 1st January 2015	2,056
Provided in year	17
At 31st December 2015	2,073
Net book value:	
At 31st December 2015	4,077
At 31st December 2014	4,094

The parent company has investments in the following subsidiary undertakings:

Principal subsidiaries	**Country of incorporation and principal operations**	**Proportion of ordinary shares held** %
Taylor Woodrow Civil Engineering Limited	United Kingdom	100
Taylor Woodrow Construction Southern Limited	United Kingdom	100
Taywood Engineering Limited	United Kingdom	100
Taylor Woodrow International Limited	United Kingdom	100
Taylor Woodrow Management Limited	United Kingdom	100
Taylor Woodrow International Construction LLC	United Arab Emirates	49
Taylor Woodrow International Qatar LLC	State of Qatar	49
Taylor Woodrow Oman LLC	Sultanate of Oman	70
Taymin (Private) Limited	Zimbabwe	49

The principal activity of all subsidiaries is construction.

8. Trade and other receivables

	2015 £000	2014 £000
Trade receivables	17,767	18,888
Amounts recoverable on contracts	9,458	10,257
Due from group undertakings	19,507	20,156
Other receivables	10,149	10,306
Prepayments and accrued income	363	609
	57,244	60,216

At 31st December 2015, trade receivables include retentions of £12,339,000 (2014: £10,249,000) relating to construction contracts.
Included within trade and other receivables is £12,033,000 (2014: £9,464,000) expected to be recovered in more than 12 months.

9. Trade and other payables

	2015 £000	2014 £000
Payments on account	35,004	25,287
Trade payables	14,635	13,424
Due to group undertakings	4,588	4,347
Other taxation and social security	847	259
Other payables	731	726
Accruals	18,038	20,881
	73,843	64,924

Trade payables at 31st December 2015 include retentions on construction contracts of £3,384,000 (2014: £3,244,000).

Included within trade and other payables is £1,984,000 (2014: £1,502,000) expected to be payable in more than 12 months.

10. Deferred taxation

	Deferred tax asset £000
At 1st January 2015	359
Transfer to profit and loss account	(33)
Transfer to reserves	9
At 31st December 2015	335

The deferred tax asset comprises:	Amounts recognised 2015 £000	2014 £000
Depreciation in excess of capital allowances	282	297
Short term timing differences	-	28
Share options	53	34
	335	359

11. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid:		
25,028,000 ordinary shares of £1 each (2014: 25,028,000)	25,028	25,028

12. Reserves

	Profit and loss account £000
At 1st January 2015	55,117
Loss retained for the year	(1,351)
Equity settled transactions	48
Deferred tax recognised directly in equity	9
At 31st December 2015	53,823

13. Reconciliation of movement in shareholders' funds

	2015 £000	2014 £000
(Loss)/profit for the financial year	(1,351)	5,637
Share based payment credit	48	56
Deferred tax recognised directly in equity	9	(53)
Net (decrease)/increase in shareholders' funds	(1,294)	5,640
Opening shareholders' funds	80,145	74,505
Closing shareholders' funds	78,851	80,145

14. Operating leases

Non-cancellable operating lease rentals are payable over the duration of leases expiring in:

	Group 2015 £000	Group 2014 £000
Land and Buildings		
- within 1 year	693	693
- between 2 and 5 years	809	1,502
	1,502	2,195
Vehicles		
- within 1 year	125	124
- between 2 and 5 years	158	95
	283	219
Total		
- within 1 year	818	817
- between 2 and 5 years	967	1,597
	1,785	2,414

15. **Capital commitments**

There were no capital commitments during the current or prior years.

16. **Contingent liabilities**

The Company has entered into guarantees relating to bonds, in the normal course of business, from which no losses are expected to arise.

Joint banking facilities available to the Company, its parent undertaking and fellow subsidiary undertakings are secured by cross guarantee. At 31st December 2015, the net Group bank borrowings were £nil (2014: £nil).

17. **Related party transactions**

The company has applied the exemptions available under FRS101 in respect of transactions with wholly owned subsidiaries;

18. **Ultimate parent undertaking**

The Company is a subsidiary undertaking of VINCI Construction UK Limited, which is itself a subsidiary undertaking of VINCI PLC, incorporated in England.

The ultimate controlling party is VINCI, a company incorporated in France which also heads the largest group in which the results of the Company are consolidated. The consolidated accounts of this group can be obtained from the Company Secretary, VINCI, 1 Cours Ferdinand-de-Lesseps, 92851 Rueil-Malmaison, Cedex, France. The smallest group in which they are consolidated is that headed by VINCI Construction UK Limited. Copies of VINCI Construction UK Limited's accounts may be obtained from the Company Secretary, VINCI Construction UK Limited, Astral House, Imperial Way, Watford, Hertfordshire, WD24 4WW.

19. Explanation of transition to FRS101
Reconciliation of equity for 2014

As stated in the accounting policies these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies have been applied in preparing the financial statements for the year ended 31st December 2015, the comparative information presented in these financial statements for the year ended 31st December 2014 and in the preparation of an opening FRS 101 balance sheet at 1st January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

		1st January 2014			31st December 2014		
		UK GAAP	Effect of transition to FRS101	FRS101	UK GAAP	Effect of transition to FRS101	FRS101
	Note	£000	£000	£000	£000	£000	£000
Non-current assets							
Investments in Group undertakings		4,094	-	4,094	4,094	-	4,094
Deferred tax asset		401	-	401	359	-	359
Current assets							
Trade and other receivables		45,277	-	45,277	60,216	-	60,216
Cash and cash equivalents		89,937	-	89,937	80,400	-	80,400
Total assets		139,709	-	139,709	145,069	-	145,069
Current liabilities							
Trade and other payables		65,204	-	65,204	64,924	-	64,924
Total liabilities		65,204	-	65,204	64,924	-	64,924
Net assets		74,505	-	74,505	80,145	-	80,145
Equity attributable to equity holders of the parent							
Share capital		25,028	-	25,028	25,028	-	25,028
Retained earnings		49,477	-	49,477	55,117	-	55,117
Total equity		74,505	-	74,505	80,145	-	80,145

19. Explanation of transition to FRS101 (continued)

Reconciliation of profit for the year ended 31st December 2014

	Note	UK GAAP £000	Effect of transition to Adopted IFRSs £000	Adopted IFRSs £000
Revenue		79,097	-	79,097
Cost of sales		(71,583)	-	(71,583)
Gross profit		7,514	-	7,514
Administrative expenses		(1,909)	-	(1,909)
Result from operating activities		5,605	-	5,605
Financial income		107	-	107
Financial expenses		(86)	-	(86)
Net financing income		21	-	21
Profit before tax		5,626	-	5,626
Taxation		11	-	11
Profit for the period		5,637	-	5,637