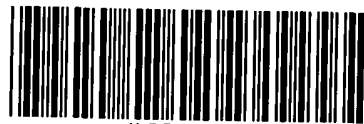


GALLAGHER BATHGATE LIMITED

Company Number 03850431

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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GALLAGHER BATHGATE LIMITED

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GALLAGHER BATHGATE LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2015 and have taken the small companies exemption not to prepare a strategic report.

Principal activities and future developments

Gallagher Bathgate Limited is a joint venture between Taylor Wimpey UK Limited and Ashflame Properties Limited. The Company operates a licence fee agreement over the residential development of a site situated in Bathgate and the entity continues to exist to manage the warranty obligations from sales that have been made.

There have been no significant changes in the Company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the foreseeable future.

Directors

The Directors who held office during the year and to date are given below. None of the Directors had a beneficial interest in the shares of the Company.

A C Gallagher

G H Gosling

W R Burns

G Smith

No Director was materially interested during the year in any contract which was significant in relation to the business of the company

Going concern

The Directors of the Company have made the necessary enquiries, including reviewing forecasts of the business and available resources for a period of at least 12 months from the date of signing these financial statements. Following their review the Directors are of the view that there is reasonable expectation the Company will be able to remain in existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Qualifying third party indemnities

Taylor Wimpey plc has executed a deed poll of indemnity in favour of, among others, the Directors and Officers appointed to act on its behalf pursuant to a contractual right of Taylor Wimpey plc or any of its Group undertakings to nominate or appoint one or more of the officers of an associated company or a company in which Taylor Wimpey plc holds, directly or indirectly, a minority shareholding. This indemnity covers the Taylor Wimpey nominated Directors and Officers of this company, and such beneficiaries are indemnified against certain financial exposure that they may incur during the discharge of their professional duties as Director or officer of the Company. The indemnity is granted in accordance with section 234 of the Companies Act 2006 and Taylor Wimpey plc's articles of association.

The qualifying third party indemnity was in force during the financial year and also at the date of the financial statements.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

GALLAGHER BATHGATE LIMITED

DIRECTORS' REPORT (continued)

Re-appointment of Auditor

Deloitte LLP has expressed its willingness to continue in office as auditor for another term. Appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an annual general meeting.

Small company provisions

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors and signed on its behalf by:



G Smith

Director

15 Hockley Court
Hockley Heath
Solihiull
West Midlands
B94 6NW
United Kingdom

Date: 20 SEPT 2016

GALLAGHER BATHGATE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 judgments and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland" has 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GALLAGHER BATHGATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALLAGHER BATHGATE LIMITED

We have audited the financial statements of Gallagher Bathgate Limited for the year ended 31 December 2015, which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Andrew Lowes (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Date: 20 September 2016

GALLAGHER BATHGATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Revenue	1	125,505	6,777,254
Cost of sales		(88,442)	(4,643,294)
Gross profit		37,063	2,133,960
Administrative expenses		(7,693)	(7,397)
Operating profit	4	29,370	2,126,563
Finance (costs)/income	5	(106)	361
Profit on ordinary activities before taxation		29,264	2,126,924
Taxation	6	(7,248)	(457,273)
Profit for the financial year		22,016	1,669,651
Other comprehensive income		-	-
Total comprehensive income for the year		22,016	1,669,651

All results are attributable to one continuing activity, being the development and sale of houses and all trading was in the United Kingdom.

GALLAGHER BATHGATE LIMITED


STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Current assets			
Inventories	7	15,950	104,392
Trade and other receivables	8	11,367,962	11,242,456
Cash at bank and in hand		73,634	73,344
		11,457,546	11,420,192
Current liabilities			
Trade and other payables	9	(1,909,669)	(1,894,331)
Net assets		9,547,877	9,525,861
Capital and Reserves			
Called-up share capital	10	2	2
Retained earnings		9,547,875	9,525,859
Shareholders' funds		9,547,877	9,525,861

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Gallagher Bathgate Limited, company number 03850431, were approved by the Board of Directors and authorised for issue on **20 SEPT** 2016.

They were signed on its behalf by:



G Smith
Director

GALLAGHER BATHGATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called-up share capital £	Retained earnings £	Total £
Balance as at 1 January 2014 (as previously stated)	2	7,856,208	7,856,210
Effect of changes in accounting policies	-	-	-
Balance as at 1 January 2014	2	7,856,208	7,856,210
Profit for the year	-	1,669,651	1,669,651
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,669,651	1,669,651
Dividends paid	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2014	2	9,525,859	9,525,861
Balance as at 1 January 2015 (as previously stated)	2	9,525,859	9,525,861
Effect of changes in accounting policies	-	-	-
Balance as at 1 January 2015	2	9,525,859	9,525,861
Profit for the year	-	22,016	22,016
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	22,016	22,016
Dividends paid	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2015	2	9,547,875	9,547,877

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2015

1. Accounting policies

The following accounting policies have been used consistently in the current and prior year unless otherwise stated in dealing with items which are considered material.

General information and basis of preparation

Gallagher Bathgate Limited is a private company incorporated and domiciled in the United Kingdom. The Company is limited by shares. The Company is registered in England and Wales and its registered office is noted on page 3.

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The financial statements are prepared in sterling, which is the functional currency of the Company and rounded to the nearest thousand pounds. This is the first year in which the financial statements have been prepared under FRS 102.

The Company has changed its accounting framework from pre-2015 UK GAAP to FRS 102 as issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. On transition there are no adjustments to equity or total comprehensive income.

The Company has taken advantage of the exemption not to disclose a cash flow statement under FRS 102 as it qualifies as a small company as defined by the Companies Act 2006.

The Company has adopted the requirements of The Companies, Partnerships, and Groups (Accounts and Reports) Regulations 2015.

Going Concern

The Directors of the Company have made the necessary enquiries, including reviewing forecasts of the business and available resources for a period of at least 12 months from the date of signing these financial statements. Following their review the Directors are of the view that there is reasonable expectation the Company will be able to remain in existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Revenue

Revenue arises principally from the sale of residential properties and land sales, recognised on legal completion, but excludes the subsequent sale of properties accepted in part exchange. In certain instances property may be accepted in part consideration for a sale of a residential property. The fair value is established by independent surveyors, reduced for cost to sell. Net proceeds generated from the subsequent sale of part exchange properties are recorded as a reduction to cost of sales.

Profit Recognition

Profit arising from the sale of residential properties and land sales is taken on legal completion. Residential development profit is calculated based on total expected revenue less total expected costs.

Financial instruments

Financial assets and liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables on normal terms do not carry interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts.

Trade receivables on extended terms are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Trade payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value.

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2015 (continued)

1. Accounting policies (continued)

Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit before taxation because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost represents direct costs plus site and selling overheads.

2. Key sources of estimation uncertainty and accounting judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purposes of disclosure.

3. Employees and Directors costs

The Company had no employees (2014: none).

The Directors are paid by related companies and received no remuneration in respect of their services to the Company (2014: £nil).

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2015 (continued)

4. Operating profit

	2015 £	2014 £
Profit on ordinary activities before taxation is after charging		
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	6,400	6,400

Fees paid to the Company's auditor for other non-audit services were £nil in both years.

The Company has had no operating leases in place for either of the 2 years and there is no plan to enter into any.

5. Finance (costs)/income

	2015 £	2014 £
Interest (paid)/received	(106)	361

6. Taxation

The tax charge comprises

	2015 £	2014 £
Current tax:		
UK corporation tax	(7,248)	(457,273)
Total tax charge on profit on ordinary activities	(7,248)	(457,273)

The standard rate of current tax for the year is 20.25% (2014: 21.5%)

The tax charge for the year can be reconciled to profit before tax as follows:

	2015 £	2014 £
Profit on ordinary activities before tax	29,264	2,126,924
Tax at the UK corporation tax rate of 20.25% (2014: 21.5%)	(5,926)	(457,289)
Prior year adjustment	(1,322)	16
Tax charge for the year	(7,248)	(457,273)

There is no unrecognised deferred tax asset or liability (2014: nil)

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2015 (continued)

7. Inventories

	2015 £	2014 £
Land	15,950	25,844
Development and construction costs	-	78,548
	15,950	104,392

8. Trade and other receivables

	2015 £	2014 £
Amounts falling due within one year:		
Trade Receivables	183	182
Amounts due from related parties (note 11)	11,367,779	11,242,274
	11,367,962	11,242,456

Amounts due from related parties are unsecured, repayable on demand and are non-interest bearing.

9. Trade and other payables: amounts falling due within one year

	2015 £	2014 £
Trade payables	15,190	14,422
Amounts due to related parties (note 11)	1,888,553	1,631,170
Corporation tax	5,926	248,739
	1,909,669	1,894,331

Amounts due from related parties are unsecured, repayable on demand and are non-interest bearing.

10. Share capital

	2015 £	2014 £
Authorised:		
5,000 'A' ordinary shares of £1 each	5,000	5,000
5,000 'B' ordinary shares of £1 each	5,000	5,000
	10,000	10,000
Issued and fully paid:		
1 'A' ordinary shares of £1 each	1	1
1 'B' ordinary shares of £1 each	1	1
	2	2

As at 31 December 2015, the ordinary 'A' shares of the Company are owned by Taylor Wimpey UK Limited and the ordinary 'B' shares of the Company are owned by Ashflame Properties Limited. Both of the above classes of share have equal voting rights.

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2015 (continued)

11. Related party transactions

Amounts due to related parties are repayable on demand and are non-interest bearing.

Included within trade receivables is a balance due from Taylor Wimpey UK Limited of £11,367,779 (2014: £11,242,274) in relation to licence income net of infrastructure costs.

Included within creditors is a balance due to Ashflame Properties Limited of £nil (2014: £nil).

Included within trade and other payables is a balance due to Taylor Wimpey UK Limited of £1,888,553 (2014: £1,631,170). The increase in this balance relates to payments made by Taylor Wimpey UK Limited on behalf of Gallagher Bathgate Limited.

Included within revenue are gross sales of £125,505 (2014: £6,777,254) to Taylor Wimpey UK Limited under the terms of the licence fee agreement.

12. Controlling parties

The Company is a joint venture between Taylor Wimpey UK Limited and Ashflame Properties Limited. Both companies are incorporated in England and Wales.

The ultimate controlling parties are Taylor Wimpey plc and Mr A C Gallagher by virtue of his ownership of the majority of the issued share capital of Ashflame Properties. A copy of the financial statements of Taylor Wimpey plc and Ashflame Properties Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The registered office of Taylor Wimpey UK Limited and Taylor Wimpey plc is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom.

The registered office of Mr A C Gallagher and Ashflame Properties Limited is 15 Hockley Court, Stratford Road, Hockley Heath, Solihull, West Midlands, B94 6NW, United Kingdom.