

GALLAGHER BATHGATE LIMITED

Company Number 03850431

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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GALLAGHER BATHGATE LIMITED

CONTENTS

Directors' Report	2
Directors' responsibilities statement	4
Independent Auditor's Report	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

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 2016 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 has operated a licence fee agreement over the residential development of a site situated in Bathgate. The original housing site has now been legally completed. Current and future activities are in respect of meeting obligations arising from the project, although none are anticipated other than audit fees. The Directors are not aware, at the date of this report, of any likely development activities starting in the next 12 months. The Directors aim to promote the remaining land held from employment and to residential land but this is expected to be some years away.

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

On the basis of their assessment of the Company's financial position, and of responses to enquiries made, the Directors are of the view that the Company will be able to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on a going concern basis. As at 31 December 2016, the company is in a net asset position and net current asset position.

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)

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

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



G Smith
Director

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

Date: 21 SEPT 2017

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; 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 2016, which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice applicable to small entities, 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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:

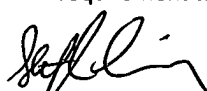
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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.


Stephen Craig (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 21 September 2017

GALLAGHER BATHGATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Revenue		-	125,505
Cost of sales		-	(88,442)
Gross profit		-	37,063
Administrative expenses		(8,494)	(7,693)
Operating (loss) / profit		(8,494)	29,370
Finance income / (costs)	5	291	(106)
(Loss) / profit before taxation	4	(8,203)	29,264
Taxation	6	1	(7,248)
(Loss) / profit for the financial year		(8,202)	22,016
Other comprehensive income		-	-
Total comprehensive (loss) / income for the year		(8,202)	22,016

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 2016

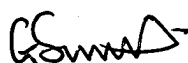
	Note	2016 £	2015 £
Current assets			
Inventories	7	15,950	15,950
Trade and other receivables	8	11,367,889	11,367,962
Cash at bank and in hand		73,931	73,634
		11,457,770	11,457,546
Current liabilities			
Trade and other payables	9	(1,918,095)	(1,909,669)
Net assets		9,539,675	9,547,877
Capital and Reserves			
Called-up share capital	10	2	2
Retained earnings		9,539,673	9,547,875
Shareholders' funds		9,539,675	9,547,877

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

The accounts have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements of Gallagher Bathgate Limited, company number 03850431, were approved by the Board of Directors and authorised for issue on 21/9/2017.

They were signed on its behalf by:



G Smith
Director

GALLAGHER BATHGATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called-up share capital £	Retained earnings £	Total £
Balance as at 1 January 2016	2	9,547,875	9,547,877
Loss for the year	-	(8,202)	(8,202)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(8,202)	(8,202)
Dividends paid	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2016	2	9,539,673	9,539,675
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 2016

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.

Going Concern

On the basis of their assessment of the Company's financial position, and of responses to enquiries made, the Directors are of the view that the Company will be able to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements. Accordingly the financial statements have been prepared on a going concern basis. As at 31 December 2016, the company is in a net asset position and net current asset position.

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.

Group payables

Amounts payable to Group undertakings on normal terms are not interest bearing and are stated at their nominal value.

Group receivables

Group receivables 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 2016 (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 stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Land is recognised in inventory when the significant risks and rewards of ownership have been transferred to the Company. An impairment review is completed annually and any impairment provisions are booked immediately through the income statement.

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 (2015: none).

The Directors are paid by related companies and received no remuneration in respect of their services to the Company (2015: £nil).

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2016 (continued)

4. (Loss) / profit before taxation

	2016 £	2015 £
(Loss) / profit 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.

5. Finance income / (costs)

	2016 £	2015 £
Interest received / (paid)	291	(106)

6. Taxation

The tax charge comprises

	2016 £	2015 £
Current tax:		
Prior year adjustment	1	-
UK corporation tax	-	(7,248)
Total tax credit / (charge) on profit	1	(7,248)

The standard rate of current tax for the year is 20% (2015: 20.25%)

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

	2016 £	2015 £
(Loss) / profit before tax	(8,203)	29,264
Tax at the UK corporation tax rate of 20% (2015: 20.25%)	1,640	(5,926)
Unrecognised losses c/fwd	(1,640)	-
Prior year adjustment	1	(1,322)
Tax credit / (charge) for the year	1	(7,248)

The Company has an unrecognised deferred tax asset of losses carried forward of £8,203 (2015: nil). No deferred tax asset has been recognised due to the lack of certainty about future taxable profit.

GALLAGHER BATHGATE LIMITED

Notes to the financial statements for the year ended 31 December 2016 (continued)

7. Inventories

	2016 £	2015 £
Land	15,950	15,950
	15,950	15,950

This land is currently allocated as Employment land. The Directors' are hoping to promote this to residential land but this is likely to take several years to achieve.

8. Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Other Receivables	110	183
Amounts due from related parties (note 11)	11,367,779	11,367,779
	11,367,889	11,367,962

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

	2016 £	2015 £
Trade payables	15,322	15,190
Amounts due to related parties (note 11)	1,902,773	1,888,553
Corporation tax	-	5,926
	1,918,095	1,909,669

Amounts payable to related parties are unsecured, repayable on demand and are non-interest bearing.

10. Share capital

	2016 £	2015 £
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	1	1
1 'B' ordinary shares of £1	1	1
	2	2

As at 31 December 2016, 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 2016 (continued)

11. Related party transactions

Amounts due to and due from 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 (2015: £11,367,779,) in relation to licence income net of infrastructure costs.

Included within trade and other payables is a balance due to Taylor Wimpey UK Limited of £1,902,773 (2015: £1,888,553,). 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 £nil (2015: £125,505) 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 Limited. Taylor Wimpey plc is the parent of the smallest and largest group for which consolidated financial statements are prepared. 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 Ashflame Properties Limited is 15 Hockley Court, Stratford Road, Hockley Heath, Solihull, West Midlands, B94 6NW, United Kingdom.