

Company Registration Number 5156789

TAYLOR WIMPEY EUROPE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2012

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TAYLOR WIMPEY EUROPE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2012

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TAYLOR WIMPEY EUROPE

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2012

Principal activities and review of business

The principal activity of the Company is to hold loans with other Taylor Wimpey plc group companies

Results and Dividends

The Company's profit for the period is set out in the profit and loss account on page 5. The Directors do not recommend the payment of a dividend for 2012 (2011: £24,682,174)

Going concern

The Company is directly dependent on Taylor Wimpey plc ("TW plc") to support the recoverability of its intercompany receivables.

The Directors of the Company have confirmed with TW plc that it will continue to provide the necessary financial support to the Company, for a period of at least 12 months from the date of approval of these financial statements.

TW plc is the ultimate parent of the Taylor Wimpey group ("the Group"). The Group has a strong balance sheet and adequate committed financing facilities based on the Group's forecasts through to 2014.

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a 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 granted indemnities in favour of the Directors and Officers of its Group subsidiary companies against financial exposure that they may incur during their professional duties (including the Directors and Officers of this company). These have been granted in accordance with Section 234 of the Companies Act 2006.

Directors

The following held office throughout the period under review and to date:

Mr S R Impey
Mr R D Mangold

No Director had interests in any contract or arrangement of a material nature with the Company, its fellow subsidiaries, or its ultimate parent company during the year under review.

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DIRECTORS' REPORT (continued)

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 he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

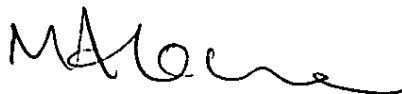
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed 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 behalf of the Board



M A Lonnon
Secretary
Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR

Date 9 July 2013

TAYLOR WIMPEY EUROPE

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). 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 applicable UK Accounting Standards have been followed, 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.

TAYLOR WIMPEY EUROPE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAYLOR WIMPEY EUROPE

We have audited the financial statements of Taylor Wimpey Europe for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 8. 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).

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

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

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

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
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report.



Colin Hudson (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
Date 9 July 2013

TAYLOR WIMPEY EUROPE**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 £000	2011 £000
CONTINUING OPERATIONS			
Interest receivable from Group undertaking		<u>1,795</u>	<u>2,150</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,795	2,150
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,795</u>	<u>2,150</u>

There are no recognised gains or losses for either period other than those shown above, consequently no statement of total recognised gains or losses is presented

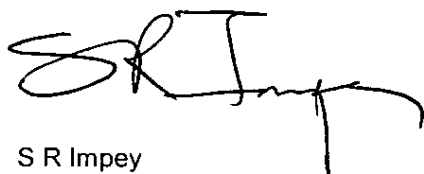
TAYLOR WIMPEY EUROPE

BALANCE SHEET AT 31 DECEMBER 2012

	Notes	2012 £000	2011 £000
CURRENT ASSETS			
Debtors	4	75,958	74,162
Cash at bank		-	1
		<u>75,958</u>	<u>74,163</u>
NET ASSETS		<u>75,958</u>	<u>74,163</u>
CAPITAL AND RESERVES			
Called up ordinary share capital	5	72,604	72,604
Profit and loss account	6	3,354	1,559
SHAREHOLDERS' FUNDS	7	<u>75,958</u>	<u>74,163</u>

The financial statements of Taylor Wimpey Europe (Reg No 5156789) were approved by the Board of Directors on 9 July 2013

Signed on behalf of the Board of Directors



S R Impey
Director

TAYLOR WIMPEY EUROPE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting definitions and policies

The following accounting definitions and policies have been used consistently unless otherwise stated in dealing with items which are considered material

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

Going concern

The Company is directly dependent on Taylor Wimpey plc ("TW plc) to support the recoverability of its intercompany receivables

The Directors of the Company have confirmed with Taylor Wimpey plc that it will continue to provide the necessary financial support to the Company, for a period of at least 12 months from the date of approval of these financial statements

TW plc is the ultimate parent of the Taylor Wimpey group ("the Group") The Group has a strong balance sheet and adequate committed financing facilities based on the Group's forecasts through to 2014

The Directors of the Company are of the view, at the time of approving the financial statements, that there is a 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

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 year Taxable profit differs from profit before tax 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 balance sheet date

Any liability or credit in respect of group relief in lieu of current tax is also calculated using corporation tax rates that have been enacted or substantively enacted by the balance sheet date unless a different rate (including a nil rate) has been agreed within the Group

Interest

Interest receivable is due on the debtor balances from other Group companies and is recognised on the accruals basis

TAYLOR WIMPEY EUROPE

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting definitions and policies (continued)

Deferred tax

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

The potential liability to taxation on surpluses on valuations of properties is not provided for in these financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement and related party transactions

The Company is part of the Taylor Wimpey plc Group and is included in the consolidated financial statements of Taylor Wimpey plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with wholly owned subsidiaries of the Taylor Wimpey plc Group or investees of the Taylor Wimpey plc Group.

2 Profit on ordinary activities before taxation

Fees payable to the Company's auditor for the audit of the Company's annual accounts of £1,080 (2011: £1,080) were borne by another Group company. The Company had no employees other than its Directors (2011: nil). The Directors received no remuneration in respect of their services to the Company (2011: £nil).

3. Tax on profit on ordinary activities

	2012 £000	2011 £000
United Kingdom corporation tax	-	-

The standard rate of current tax for the year, based on the weighted average of the UK standard rate of corporation tax is 24.5% (2011: 26.5%).

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

	2012 £000	2011 £000
Profit before tax	1,795	2,150
Tax charge at UK rate of 24.5% (2011: 26.5%)	440	570
Worldwide debt cap adjustment	(440)	-
Group relief received for no payment	-	(570)
Tax charge for the year	-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

4 Debtors – amounts falling due within one year

	2012 £000	2011 £000
Due from ultimate parent company	75,958	68,045
Amounts owed by fellow Group undertakings	-	6,117
	<u>75,958</u>	<u>74,162</u>

5 Called up ordinary share capital

	2012 £000	2011 £000
Authorised		
275,000,000 (2011 275,000,000) shares of £1 each	<u>275,000</u>	<u>275,000</u>
Called up, allotted and fully paid		
72,604,091 (2011 72,604,091) shares at £1 each	<u>72,604</u>	<u>72,604</u>

The Company cancelled 89,715,911 shares and the associated nominal value was returned to shareholders in 2011 on a pro rata basis with a consequent decrease in allotted and fully paid share capital

6 Profit and Loss Account

	2012 £000	2011 £000
1 January	1,559	24,091
Profit for the year	1,795	2,150
Dividend	-	(24,682)
31 December	<u>3,354</u>	<u>1,559</u>

7 Reconciliation of movements in shareholders' funds

	2012 £000	2011 £000
Profit for the year	1,795	2,150
Dividend	-	(24,682)
Reduction in share capital	-	(89,716)
Net increase/(decrease) in shareholders' funds	1,795	(112,248)
Opening shareholders' funds	<u>74,163</u>	<u>186,411</u>
Closing shareholders' funds	<u>75,958</u>	<u>74,163</u>

In the prior year a reduction in share capital of £89,715,911 was distributed to shareholders in cash

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

8 Parent company

The immediate parent undertaking is Taylor Wimpey IP (Holdings) 2005 Limited a company registered in England and Wales. Ownership of the company was transferred from joint control by Taylor Wimpey S a r l , Taylor Wimpey (Luxembourg) Investments No 1 S a r l and Taylor Wimpey (Luxembourg) Investments No 2 S a r l during 2012.

The largest and smallest group in which the results of the Company are consolidated is Taylor Wimpey plc, the Company's ultimate parent company and a company registered in England and Wales. A copy of Taylor Wimpey plc's financial statements may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.