

Company Registration Number 5156789
Registered in England and Wales

TAYLOR WIMPEY EUROPE
DIRECTORS' REPORT AND ACCOUNTS
31 DECEMBER 2010

TUESDAY



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TAYLOR WIMPEY EUROPE
DIRECTORS' REPORT AND ACCOUNTS 2010

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TAYLOR WIMPEY EUROPE
REPORT OF THE DIRECTORS TO THE MEMBERS FOR THE YEAR
ENDED 31 DECEMBER 2010

The directors present their annual report and the audited accounts for the year ended 31 December 2010

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under the Companies Act 2006

Activities and review of business

The Company's income represents interest on loans to other group companies

Results and Dividends

The Company's profit for the period is set out in the profit and loss account on page 6. The Directors recommend that no dividend be paid in respect of the year ended 31 December 2010 (2009: £nil)

Going concern

The Company is indirectly dependent on Taylor Wimpey 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, as limited by the Group's financing arrangements, for a period of no less than 12 months from the date of approval of these financial statements

The Group completed its refinancing of its debt facilities on 15 December 2010, which provides the Group clear finance until at least November 2014, a longer maturity period than the pre-existing financing

As part of these new facilities the Group has signed up to new covenants. The Group was in full compliance with these covenants as at 31 December 2010 and based on the future forecasts the Group is expected to remain in compliance with the covenants and facility headroom for the foreseeable future

The Directors of the Company have made the necessary enquiries, including inquiries of the Directors of Taylor Wimpey plc, and 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

Directors

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

Mr S R Impey
Mr R Mangold

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

TAYLOR WIMPEY EUROPE
REPORT OF THE DIRECTORS TO THE MEMBERS FOR THE YEAR
ENDED 31 DECEMBER 2010
(CONTINUED)

Auditors

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 auditors are 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 auditors are 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 auditors in the absence of an AGM

Approved by the Board of Directors and signed on behalf of the Board on 24 June 2011



M A Lonnon
Secretary
Gate House
Turnpike Road
High Wycombe
Bucks HP12 3NR
24 June 2011

TAYLOR WIMPEY EUROPE

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

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.

INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF TAYLOR WIMPEY EUROPE

We have audited the financial statements of Taylor Wimpey Europe for the year ended 31 December 2010 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 auditors' 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 auditors

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.

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 2010 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.

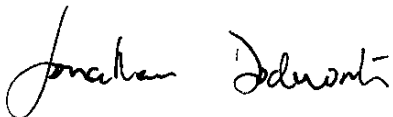
**INDEPENDENT REPORT OF THE AUDITORS TO THE MEMBERS OF
TAYLOR WIMPEY EUROPE**

(CONTINUED)

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 prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Birmingham, UK
24 June 2011

TAYLOR WIMPEY EUROPE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £000	2009 £000
CONTINUING OPERATIONS			
Interest receivable from Group undertaking		<u>4,531</u>	<u>5,486</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	4,531	5,486
Tax on profit on ordinary activities	3	<u>-</u>	<u>-</u>
RETAINED PROFIT	6	<u>4,531</u>	<u>5,486</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 2010

	Notes	2010 £000	2009 £000
CURRENT ASSETS			
Debtors	4	186,410	181,879
Cash at bank		1	1
		<u>186,411</u>	<u>181,880</u>
NET CURRENT ASSETS		<u>186,411</u>	<u>181,880</u>
CAPITAL AND RESERVES			
Called up ordinary share capital	5	162,320	162,320
Profit and loss account	6	24,091	19,560
SHAREHOLDERS' FUNDS	7	<u>186,411</u>	<u>181,880</u>

The financial statements of Taylor Wimpey Europe (Reg No 5156789) were approved by the Board of Directors on 24 June 2011

Signed on behalf of the Board of Directors


S R Impey
Director

TAYLOR WIMPEY EUROPE

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2010

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 indirectly dependent on Taylor Wimpey 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, as limited by the Group's financing arrangements, for a period of no less than 12 months from the date of approval of these financial statements

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The Directors of the Company have made the necessary enquiries, including inquiries of the Directors of Taylor Wimpey plc, and 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

TAYLOR WIMPEY EUROPE

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2010

(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

The company is exempt from the requirement of Financial Reporting Standard 1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary of Taylor Wimpey plc, which prepares consolidated financial statements that include a consolidated cash flow statement and are publicly available.

2 Profit on ordinary activities before taxation

Fees payable to the Company's auditors for the audit of the Company's annual accounts of £1,080 (2009: £1,080) were borne by another Group company. The company had no employees other than its directors (2009: none). The directors received no remuneration in respect of their services to the Company (2009: £nil).

3 Tax on profit on ordinary activities

	2010 £000	2009 £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 28% (2009: 28%).

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

	2010 £000	2009 £000
Profit before tax	4,531	5,486
Tax charge at UK rate of 28% (2009: 28%)	1,269	1,536
Group relief received for no payment	(1,269)	(1,536)
Tax charge for the year	-	-

TAYLOR WIMPEY EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

(CONTINUED)

4. Debtors

	2010 £000	2009 £000
Due from ultimate parent company	182,560	178,658
Amounts owed by fellow Group undertakings	3,850	3,221
	<u>186,410</u>	<u>181,879</u>

5. Called up ordinary share capital

	2010 £000	2009 £000
Authorised		
275,000,000 (2009 275,000,000) shares of £1 each	<u>275,000</u>	<u>275,000</u>
Called, up allotted and fully paid		
162,320,002 (2009 162,320,002) shares at £1 each	<u>162,320</u>	<u>162,320</u>

6 Profit and Loss Account

	£000
1 January 2010	19,560
Retained profit for the year	<u>4,531</u>
31 December 2010	<u>24,091</u>

TAYLOR WIMPEY EUROPE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

(CONTINUED)

7. Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Profit for the year	4,531	5,486
Net increase in shareholders' funds	4,531	5,486
Opening shareholders' funds	181,880	176,394
Closing shareholders' funds	186,411	181,880

8 Parent undertaking

The Company is controlled 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

The Company has taken advantage of the exemption contained in FRS 8 (Related Party Transactions) which allows it not to disclose transactions with Group entities or investments which are eliminated on consolidation

The Company's ultimate parent and controlling Company is Taylor Wimpey plc, which is registered in England and Wales. Taylor Wimpey plc Group financial statements are the smallest and largest group financial statements that Taylor Wimpey Europe is consolidated into. Copies of the Group financial statements of Taylor Wimpey plc can be obtained from The Registrar, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.