Taylor Wimpey plc

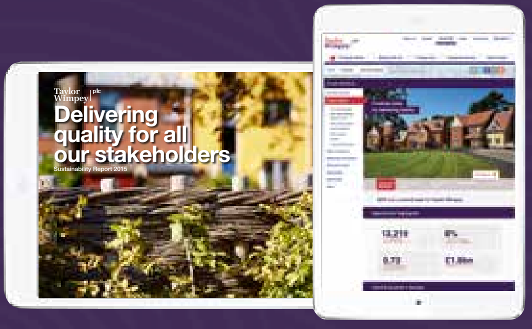
Creating value by delivering quality

Annual Report and Accounts 2015

Welcome

Our vision is to be the UK's leading residential developer for creating value and delivering quality

What's inside



Visit us online at www.taylorwimpey.co.uk

In This Report

Strategic Report

See our Chief Executive's Review on page 12

Directors' Report: Governance

See our Chairman's Statement on page 10

Financial Statements

See our Group Financial Review on page 38

Shareholder Information

Our integrated approach

As part of our continued commitment to good reporting, this year we have evolved the way we report by integrating aspects of our sustainability, operating review and Key Performance Indicators into our Business Model. Our aim is to balance the long term economic stability and growth of our Company with our responsibilities to the environment, society and the local economies in which we operate.

Where can I find key information?

2015 Overview

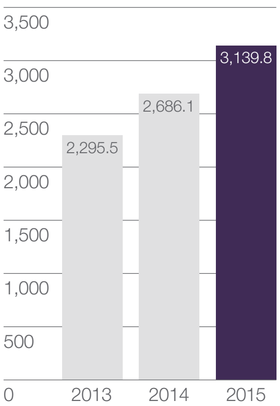
Operational highlights

- Completed a total of 13,219 homes, excluding joint ventures, across the UK, up 7.5% (2014: 12,294 homes)
- 8.0% increase in total average selling price to £230k (2014: £213k)
- Short term landbank of c.76k plots with 60% sourced from the strategic land pipeline
- Acquired 6,971 high-quality plots in the short term land market
- Worked with communities, planners and landowners to convert a further 8,660 plots from the strategic pipeline
- Record year end order book representing 7,484 homes (31 December 2014: 6,601) with a total value of £1,779 million (31 December 2014: £1,397 million), excluding joint ventures

Financial highlights

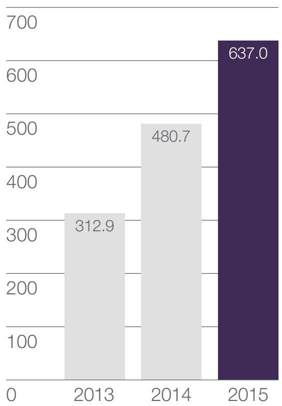
Revenue (£m)

3,139.8



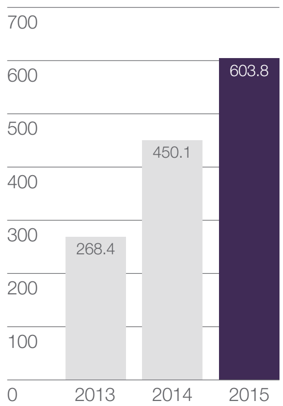
Operating profit* (£m)

637.0



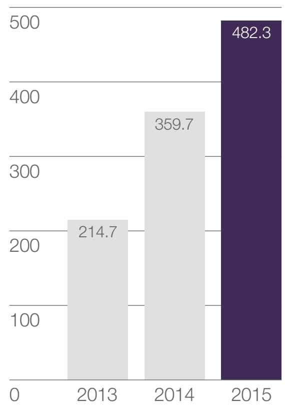
Profit before tax and exceptional items (£m)

603.8



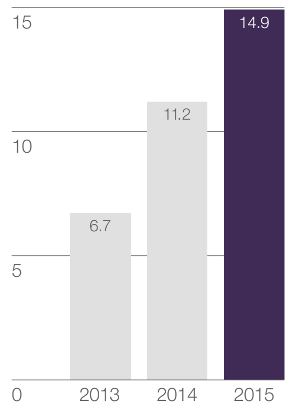
Profit for the year before exceptional items (£m)

482.3



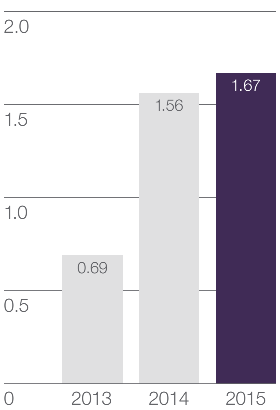
Adjusted basic earnings per share†† (p)

14.9



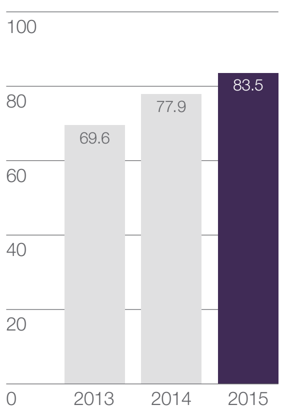
Total maintenance dividend per share (p) (subject to shareholder approval)

1.67



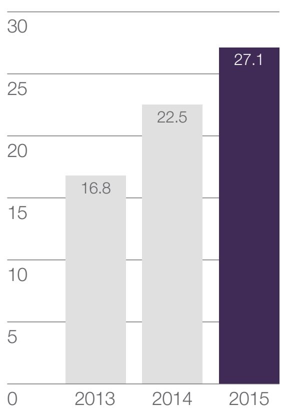
Tangible net asset value per share† (p)

83.5



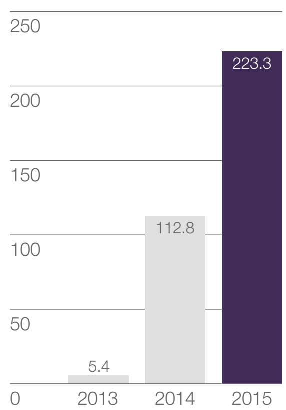
Return on net operating assets** (%)

27.1



Year end net cash (£m)

223.3



Note: Definitions can be found in the Group Financial Review on page 40.

Highlights for 2015

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Strategic Report

Where We Operate

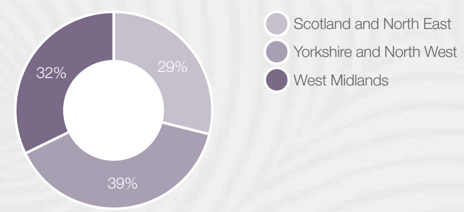
We are a national developer operating at a local level from 24 regional businesses across the UK, and we also have operations in Spain

North Division

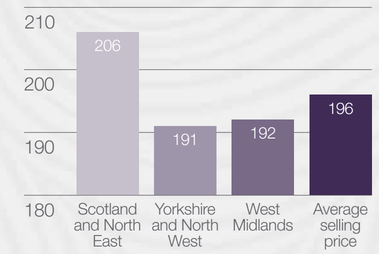
Our North Division covers our East and West Scotland, North East, North Yorkshire, Yorkshire, North West, Manchester, North Midlands, Midlands and West Midlands regional businesses.

- We have seen a steady market throughout the year in this division
- Average selling price on completions increased by 7.1% to £196k (2014: £183k)
- Private sales rate increased by 12.1% to 0.65 homes per outlet per week (2014: 0.58)

Completions excluding JVs



Average selling price (£k)

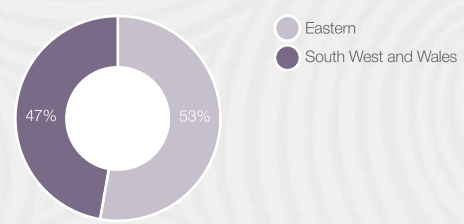


Central and South West Division

Our Central and South West Division covers our East Midlands, South Midlands, East Anglia, Oxfordshire, South Wales, Bristol, Southern Counties and Exeter regional businesses.

- We have seen a steady market throughout the year across most geographies in this division
- Average selling price on completions increased by 8.5% to £218k (2014: £201k)
- Private sales rate increased by 15.4% to 0.75 homes per outlet per week (2014: 0.65)

Completions excluding JVs



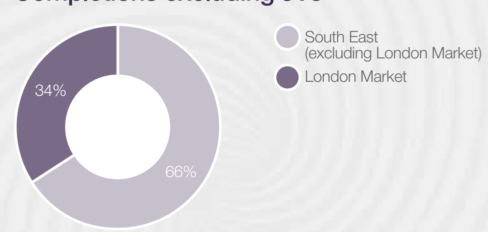
Average selling price (£k)

London and South East Division including Central London

Our London and South East Division includes Central London and covers our East London, North Thames, South East, South Thames and West London regional businesses.

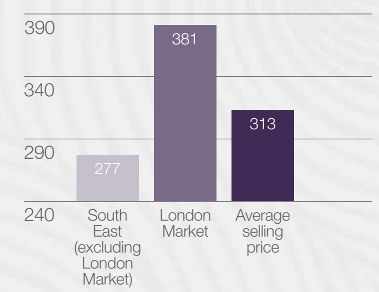
- We have seen the strongest market growth outside central London. In central London, the market was stable during the year
- Average selling price on completions increased by 11.0% to £313k (2014: £282k)
- Private sales rate increased by 14.1% to 0.89 homes per outlet per week (2014: 0.78)

Completions excluding JVs



Note: The London Market includes the area inside the M25

Average selling price (£k)

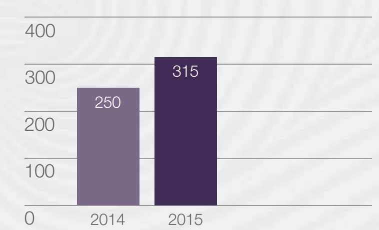


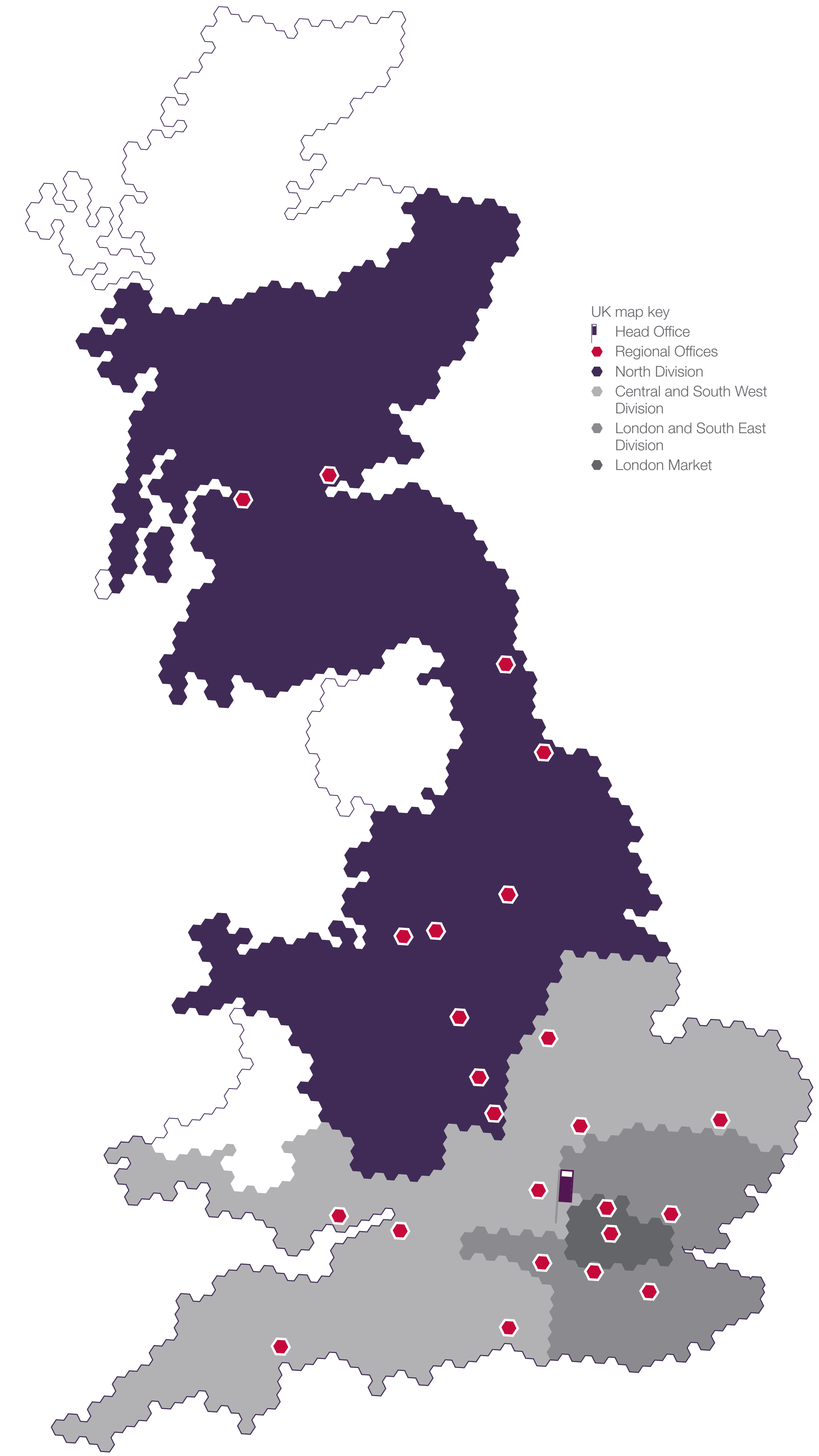
Spain

We build high-quality homes in the popular locations of Costa Blanca, Costa del Sol and the island of Mallorca.

- We have seen a meaningful improvement in the Spanish market in 2015
- We completed 251 homes in 2015 (2014: 164) at an average selling price of €315k (2014: €250k)
- The total order book as at 31 December 2015 stood at 270 homes (31 December 2014: 233 homes)
- The Spanish business delivered an improved operating profit* for 2015 of £10.0 million (2014: £4.2 million) and an operating profit* margin of 17.2% (2014: 12.5%)

Average selling price (€k)





Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Creating value by delivering quality through the housing cycle for all our stakeholders

The UK housing cycle

We operate in a cyclical market. This can be very easy to forget when the market is positive. We take a much more proactive approach to managing the cycle than has historically been done before. We also aim to be transparent about our position in the cycle, and the impact it has on our performance.

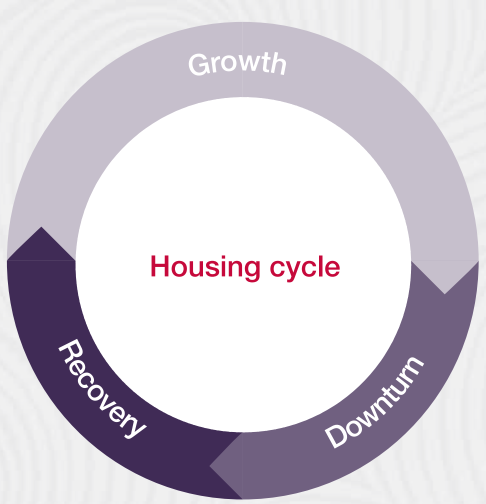
Our strategy does more than acknowledge that we operate in a cyclical market, it is a fundamental part of it. Our strategy is an agile framework, which is set for the long term and adapted through the cycle, with the consistent underpin of a strong set of strategic principles. These principles are set out on page 16 and remain as valid now as when we first set them out in 2011. Our strategic objectives for the long term and for the medium term are set out on pages 16 to 17.

A key part of our proactive management of the cycle is the ability to adapt our tactics dependent on market conditions and external factors. Whilst we do not expect to be able to forecast the timing of this entirely accurately, determining the stage of the cycle affects our decisions ranging from land investment through to returning cash to shareholders.

The positive market conditions have enabled us to make significant progress towards our medium term targets and deliver ahead of our own expectations. See pages 8 to 9 for further information on some of the key housing market indicators, along with a brief commentary on their relevance to the UK housing cycle.

Our view of the UK housing cycle

We believe that we are currently operating in the Growth stages of the housing market, with good accessibility to mortgages for customers and house price growth. The land market remains stable and positive.



Growth

- Growth is driven by unsatisfied demand and greater accessibility to and affordability of finance
- There is house price growth in this stage at varying levels
- As maturity is reached, there is good accessibility to mortgages, at affordable levels, and house price growth at sensible levels
- It is important to monitor the Growth stage closely for unsustainability which can lead to a peak in the market. The peak can be preceded by a period of 'heat' and unsustainable growth in house prices and transaction levels. This is typically accompanied by a very competitive land market

Downturn

- This is an extremely volatile stage of the housing cycle
- In this environment, house prices and housing transactions will fall to a 'trough'
- The speed and depth of the downturn will depend on the preceding peak of the market and the conditions leading to this

Recovery

- This stage begins when there is a relative period of stability after extreme volatility and a floor has been established in house prices
- Transactions will still be at low levels and we would expect house prices to remain stable at lower levels, or see small incremental increases

Why invest in Taylor Wimpey

With an experienced Management Team and in-depth local expertise, our strategy is differentiated by a long term focus on value and on achieving both our financial and quality objectives sustainably in a cyclical environment. This has enabled us to deliver a record operating profit* margin in 2015 and return over £308 million to shareholders. In 2015 total shareholder return increased by over 55%.

1 Opportunity led land investment

How we are different

The strength and quality of our landbank is a key differentiator for Taylor Wimpey. We have invested in new land at the right time and in the right locations, growing the scale, quality and future profitability. This has been supported by record conversions from our strategic pipeline. This approach has enabled us to consistently grow our margins and returns to shareholders, and set new records in both, whilst continuing to invest in the future of the business.

For more information see pages 22 to 23

2 Proactive management of the cycle

How we are different

We operate in the cyclical housing market and we take a much more proactive approach to managing the cycle, than has historically been done before. Our focus is on delivering sustainable growth and value generation in a balanced, consistent way through the housing cycle.

For more information see pages 6 and 8 to 9

3 Underlying quality business

How we are different

We believe that the underlying quality of the business is very important and is worth investing in. This includes our non-negotiable approach to health and safety and our focus on our people, product and customer service.

For more information see pages 18 to 33

4 Returns focused

How we are different

Our dividend policy is inherently linked to our strategy and reflects the cyclical environment in which we operate. Our policy consists of a regular maintenance dividend, which is currently set at 2% of net assets, the top end of our range of 1-2%, in addition to a return of surplus cash to shareholders at the appropriate times in the cycle. A key part of the rationale of our approach to running the business in a sustainable way is to give investors a significant, consistent and reliable dividend stream.

For more information see pages 13 and 88

5 Long term sustainable focus

How we are different

We are focused on the long term sustainability of the business, not just the short term performance. Sustainability is fundamental to each aspect of our Business Model and value cycle and, therefore, to the long term success of our business.

For more information see pages 18 to 33

Proactively managing the cycle

A key part of managing the cycle is the need to continually monitor market conditions using external indicators. These help assess where we are in the cycle and, whilst we will not always get this right, we can adapt our tactics accordingly.

Our place in the UK market

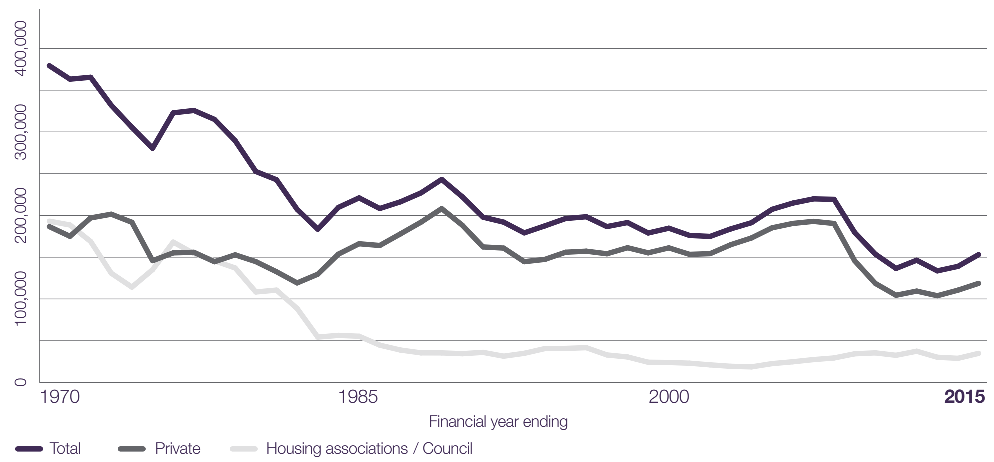
- We are one of the largest residential developers in the UK
- We operate across Scotland, England and Wales
- We completed 13,341 new homes in 2015, including joint ventures, of which 19% was affordable housing
- We built more homes in 2015 than at any other point in the previous six years
- We contributed over £335 million to our local communities via Section 106 and Section 75 planning obligations
- We build a wide range of homes to match the demographic profile of our customers
- In 2015, we continued to work with local authorities, communities and vendors to bring forward land for development, with 8,660 plots converted from the strategic pipeline
- We work with stakeholders to develop all sites with implementable planning as efficiently as possible

More information can be found on pages 4 to 5

New build completions

- There continues to be a fundamental demand and supply imbalance in the UK
- It is estimated that the current UK requirement is to build c.250,000 homes per annum
- The new build market accounts for 10-15% of the total housing market

UK housing completions by sector

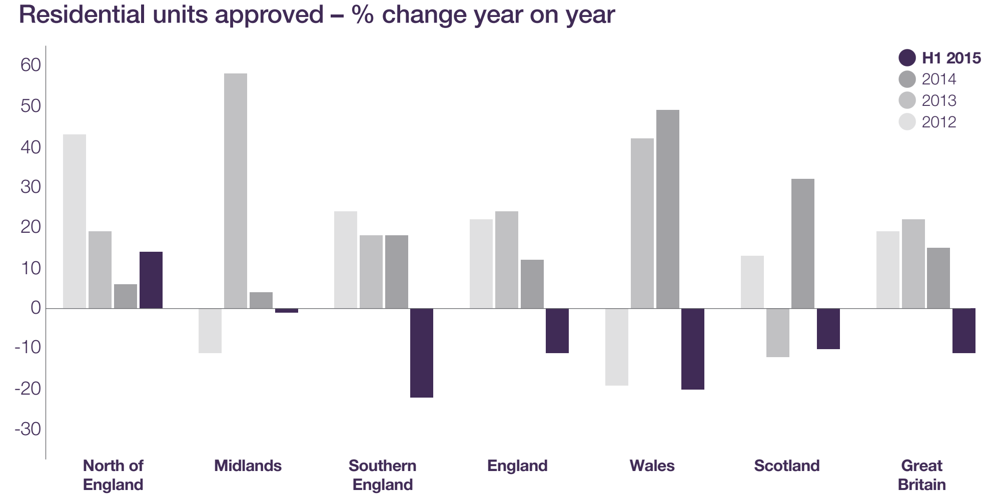


Source: DCLG

Planning

- Planning has historically been a constraint on the ability of the industry to build a sufficient number of new homes
- The changes to planning policy over the last five years (e.g. Localism Act, National Planning Policy Framework) have resulted in an improved environment, however we recognise that we have not seen the full benefits flow through into the planning system yet

Residential units approved – % change year on year

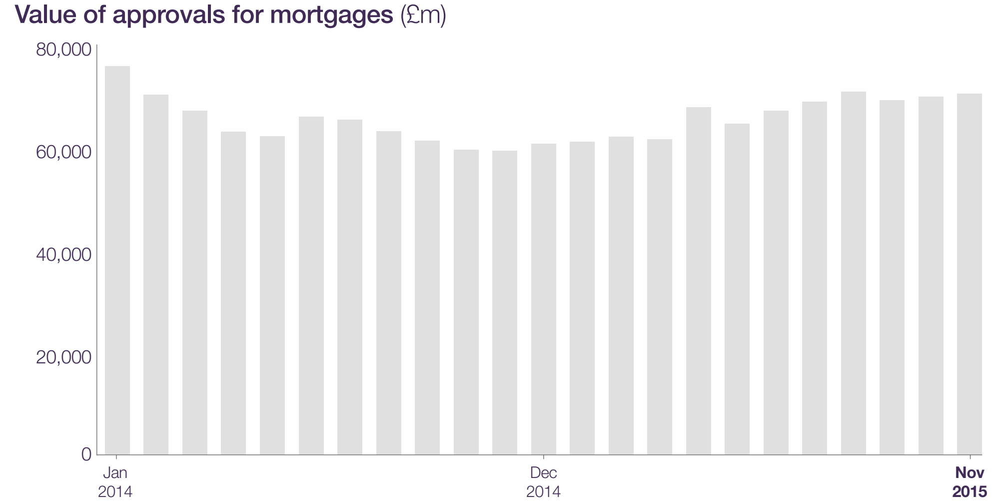


Source: HBF

Mortgage availability and affordability in 2015

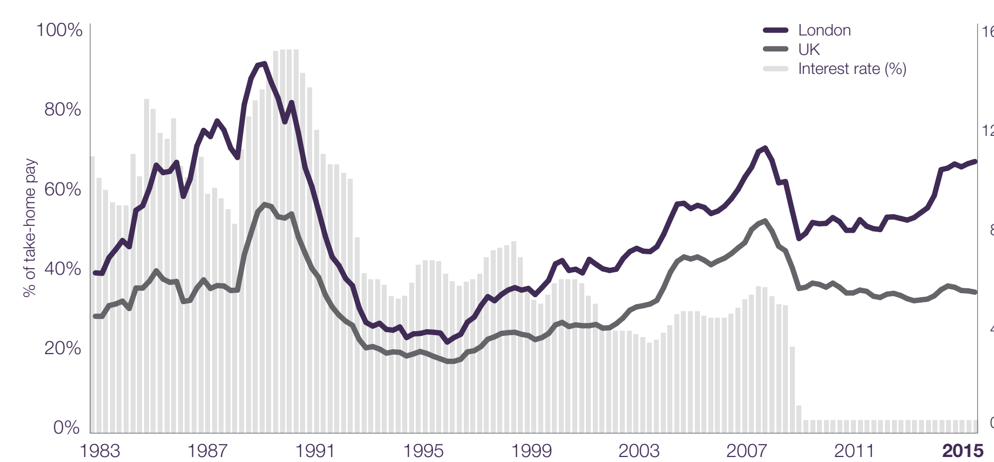
- The overall economic and financial environment in the UK is a key dynamic for the housebuilding sector
- There remained good accessibility to a wide choice of competitive mortgages
- Consumer confidence was strong
- Interest rates continued to remain historically low
- The tighter lending requirements, introduced in 2014 as part of the Mortgage Market Review, continued to help ensure that monthly payments remained affordable, aiding the stability of the market

Value of approvals for mortgages (£m)



Source: Bank of England

First time buyer mortgage payments as % of pay / interest rates



Source: Nationwide / Bank of England

UK market outlook

- The market continues to show price growth and very good sales rates across most geographies. In central London, the market is stable, with flat prices and sales rates returning to a more normal level
- Material pricing remains broadly flat and we have seen a reduced rate of inflation on labour pricing. We anticipate underlying build costs will increase by 3-4% in 2016
- The short term land market remains stable and positive, with attractive opportunities available to purchase land
- The strategic land environment remains good, with some new competition from listed players since 2013
- We continue to await the full details of the Starter Homes initiative, and we will continue to monitor this
- We will continue to monitor the debate around the upcoming European Union (EU) referendum. As a business whose customer base and supply chain is principally in the UK, we believe the only material risk is around economic confidence and transition in the event of an exit

More information can be found on page 17

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

2015 has been a record year for Taylor Wimpey

2015 performance

2015 has been a record year for Taylor Wimpey in a number of ways. In the first year of delivery of our three year medium term targets, which we set out in May 2014, I am very pleased to report to you that we achieved a record operating profit* margin of 20.3% (2014: 17.9%) and a return on net operating assets** of 27.1% (2014: 22.5%), outperforming our own expectations and against a backdrop of a more positive housing market.

More detailed information on our financial performance can be found on pages 38 to 41.

The way we do business

We continue to work hard to achieve all of our objectives and to create shareholder value, but we are very conscious that we need to do this in the right way. For Taylor Wimpey, health and safety remains the non-negotiable top priority. In addition, our objectives for providing high quality are just as important to us as our financial performance.

A key part of this means that we need to be honest with ourselves where we have not got everything right and take steps to improve in these areas. Customer service remains a key priority, and you may recall that I referred last year to the full review of our customer service processes and culture, which we were undertaking to ensure we delivered a high-quality homebuying experience for all of our customers. During 2015, we completed this review and are now focused on the process of implementing and embedding a number of changes throughout the business. Further detail is set out on pages 13, and 20 to 21. This is an area that will take time to embed but will remain firmly on our Board agenda.

We are proud to play an important role in the communities we operate in. In 2015, we invested over £335 million in communities via planning obligations in England, Scotland and Wales (2014: £300 million) providing infrastructure, affordable housing and community facilities including education facilities, public transport and play areas. We also sponsor community events, local sports teams, social clubs and many other initiatives. It gives our people a great sense of pride to be able to contribute in this way and also demonstrates our commitment to the local people we work with and communities of which we are part. I am pleased to note that based on our 2015 employee survey, 96% of Taylor Wimpey respondents believe that our developments benefit local communities.

Taylor Wimpey businesses across the country have long had a reputation for supporting charities, both locally and nationally. During 2015 we donated and fundraised over £746k for registered charities (2014: £539k), in addition to a further c.£112k for other organisations. More information on our efforts, including our charity partnerships, can be found on page 32 and within our Sustainability Report 2015 which will be available on our website in March 2016.

Returns to shareholders

We are delighted that, during 2015, our total shareholder return for the period from 1 January 2015 to 31 December 2015 has increased by 55.2%, and since January 2011 has increased by 605.3%, which demonstrates that the strategy which we have pursued relentlessly since the economic downturn is working effectively. Since we set out and implemented our strategy during 2011, our earnings per share have increased by 610%. Our dividend return is an inherent part of our strategy and the Board has set out a policy of making cash returns to shareholders through both regular maintenance dividend payments and additional surplus cash returns at the appropriate time in the market cycle.

"We are delighted that shareholders have continued to benefit from the success of our strategy with total shareholder return increasing by 55.2% in 2015."

Kevin Beeston
Chairman

The Board's confidence in the Company's performance and the resilient market enabled us to double our maintenance dividend pay-out to 2% of net assets, which was announced with our 2014 full year results in March 2015. Shareholders have also continued to share in our success with the second special dividend of £249.6 million paid to shareholders in July 2015, and a commitment to return a further c.£300 million to shareholders in July 2016, as detailed below.

Our 2015 final maintenance dividend of 1.18 pence per share is to be paid on 20 May 2016 to shareholders on the register at the close of business on 8 April 2016 (2014 final dividend: 1.32 pence per share), subject to shareholder approval at the 2016 Annual General Meeting (AGM). In combination with the interim dividend of 0.49 pence per share (2014 interim dividend: 0.24 pence per share), this gives a total maintenance dividend for the year of 1.67 pence per share (2014 total maintenance dividend: 1.56 pence per share). Shareholders are once again being offered the opportunity to reinvest all of their maintenance dividend under the Dividend Re-Investment Plan (DRIP).

As referred to above, and as previously announced on 29 July 2015, subject to shareholder approval at the AGM, we will return c.£300 million, equating to 9.20 pence per ordinary share. This is proposed to be paid on 15 July 2016 as a cash dividend to all shareholders on the register at close of business on 3 June 2016.

Shareholders will be offered the opportunity to reinvest all of their 2015 cash dividend under the DRIP, for which elections to join the Plan must reach the Registrar by 20 June 2016. Further details are set out in the Notice of Meeting on page 147. As previously confirmed, the Board intends to keep the mechanics of how the Company will pay its special dividends under regular review.

Corporate governance

Effective corporate governance provides an important foundation for our strong financial performance. Consequently, the Board seeks to ensure that not only does the Company comply with corporate governance requirements and best practice but that good governance is embedded throughout the organisation. This provides proper and appropriate oversight, risk analysis and a framework of accountability. This also serves to build trust and strengthens internal and external relationships and is in the best long term interests of shareholders.

We firmly believe that open and transparent disclosure is important and we take our responsibility to present fair, balanced and understandable information very seriously for the benefit of our shareholders and other stakeholders.

Your Board believes that the effective stewardship of the Group is enhanced by the experience, independence and range of expertise of its members, and we were delighted to welcome Humphrey Singer as a further Independent Non Executive Director (effective 9 December 2015), who brings with him not only a wealth of financial experience and acumen but also experience in the areas of both customer service and digital solutions, which will be very helpful to the Company.

More information can be found within our Directors' Report on pages 42 to 91.

Our people

Our local teams are experts in their local markets and, both collectively and individually, they bring great value to the Group. As a Board, we are delighted that 94% of employees, who took part in our 2015 survey, are proud to work for Taylor Wimpey. We believe in investing in our people to enable their future success, and in turn our Company's, and to develop our internal pipeline of talent. Further information can be found on pages 30 to 31.

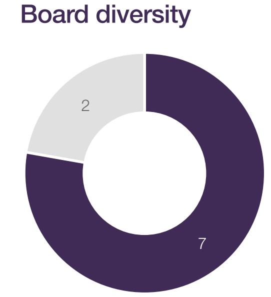
Our all-employee share plans have excellent take up and, as a Board, we are pleased that over half of all eligible employees participated in the Company's all-employee share scheme or held shares of the Company during 2015. These plans encourage a greater sense of alignment between our employees and our shareholders, together with a greater sense of pride and ownership of the strategy, by providing employees with an opportunity of owning their own personal stake in Taylor Wimpey and ultimately share in our success. The Board is therefore pleased to continue with its strategy of encouraging greater employee share ownership. More details of our share plans can be found on page 73.

We continue to make progress in the areas of diversity and inclusivity, although we acknowledge that we are still in the early part of a longer term journey. Our aim is to ensure we support a more diverse and inclusive culture and promote greater awareness throughout the business. During 2015 we established a working party to review our policies, culture and practices and appointed a consulting partner to help us conduct all-employee focus groups, unconscious bias testing and one-to-one interviews across the business. Overall we have a gender mix of 68% male and 32% female across the Company with these percentages being 22% female on the Board and 30% female in our Group Management Team. More detail on our gender and wider diversity initiatives are set out in the Nomination Committee Report on pages 60 to 61.

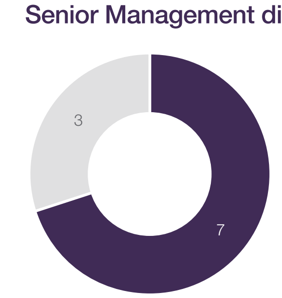
Finally, I would like to take this opportunity, on behalf of your Board, to thank each and every one of our employees, who work with great effort and pride to create value and deliver quality every day, for their unstinting commitment and enthusiasm during 2015.

Together, we are committed to developing a robust and ever stronger Group for the future and delivering long term sustainable value to our customers, employees and shareholders.

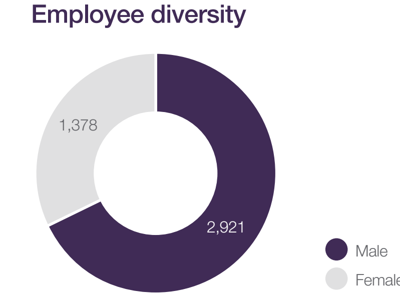
Board diversity



Senior Management diversity



Employee diversity



Corporate Governance pages 46 to 50
Board of Directors pages 44 to 45

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Chief Executive's Review

A value-driven business, with a long term, sustainable focus

2015 UK market and summary

During 2015, the UK housing market was positive, with high levels of customer confidence and demand converting into increased sales and healthy sales price growth. Despite the uncertainty in the lead up to the General Election, we saw a very stable and solid housing market in the first half of the year, with resilient sales rates and small incremental increases in house prices. Following the outcome of the General Election, there was a more significant improvement in consumer confidence, and mortgage availability and cost, which continued into the traditionally slower summer period. During the year, we were pleased to see that the tighter lending requirements, introduced in 2014, continued to help ensure that monthly payments remained affordable, aiding the stability of the market. Overall, we estimate that market led house price growth was c.6% during 2015.

Whilst there were some regional variations, we saw a generally positive and steady market across all geographies. Approximately 6% of our outlets are located inside the M25 which continues to have strong underlying fundamentals, particularly at the mid-range level.

We believe that we are currently operating in the Growth stages of the housing market, with good accessibility to mortgages for customers and house price growth at sensible levels. We are also operating in a short term land market which has remained benign and disciplined for a number of years. Looking forward, we will continue to develop the existing strategy further and ensure we have the right underlying business for the future, focusing on the basics of the business, and, in particular, investment in our people, product and systems, and customer service processes.

UK operational performance summary

Against this backdrop, home completions increased by 7.5% to 13,219 (2014: 12,294), excluding joint ventures. During 2015, we delivered 2,509 affordable homes (2014: 2,178), equating to 19% of total completions (2014: 18%). Our net private reservation rate for 2015 was 0.73 homes per outlet per week (2014: 0.64). Cancellation rates remained low at 12% (2014: 14%). Average selling prices on private completions increased by 8.5% to £254k (2014: £234k), benefiting from our focus on better quality locations. Our overall average selling price increased by 8.0% to £230k (2014: £213k).

The Government's Help to Buy equity loan scheme remains popular with our customers. During 2015, approximately 37% of total sales used the scheme, and we worked with c.5,200 households to take the first step to home ownership or to move up the housing ladder (2014: 35% and c.4,400). Approximately 77% of sales through Help to Buy in 2015 were to first time buyers (2014: 73%).

We ended the year with a record year end order book, which increased in value by 27% to £1,779 million as at 31 December 2015 (31 December 2014: £1,397 million), excluding joint ventures. The increase in the order book value also benefitted from a stronger presence in Central London which has now reached broadly optimal scale. This order book represents 7,484 homes (31 December 2014: 6,601 homes).

We ended 2015 with 297 outlets (31 December 2014: 305) located in high-quality locations which are supported by strong demographics. We continue to open all sites with implementable planning as efficiently as possible.

> Our strategy is differentiated by a long term focus on value and on achieving both our financial and quality objectives sustainably in a cyclical environment.

Pete Redfern
Chief Executive

We continue to monitor and await the full details of the new Starter Homes initiative, in order to assess the investment required in skills and resources to deliver this scheme. In addition, we will continue to monitor the debate around the upcoming EU referendum. As as a business whose customer base and supply chain is principally in the UK, we believe the only material risk is around economic confidence and transition in the event of an exit.

Group strategy and returns

Our strategy is differentiated by a long term focus on value and on achieving both our financial and quality objectives sustainably in a cyclical environment.

During the five years that we have been operating to our current strategy, we have invested heavily in new land at the right time and in the right locations. This, combined with our strategic focus to drive increased conversions from our strategic pipeline, has grown the scale, quality and future profitability of our landbank. This approach has enabled us to deliver record margins and returns to shareholders, whilst continuing to invest in the future of the business.

We operate in a cyclical market, and the positive market conditions have enabled us to make significant progress towards our medium term targets and deliver ahead of our own expectations. We are confident that our strategy will continue to deliver further strong progress and remains, more importantly, an agile framework which can be adapted to market conditions through the cycle, with the consistent underpin of a strong set of simple principles.

This disciplined approach to the implementation of our strategy has been a key factor in ensuring our strong progress against our financial objectives.

In the first year of the medium term targets, which we set out in May 2014, we are pleased to report that we have outperformed our expectations and, against a backdrop of a more positive housing market, we have met or exceeded each of these three year targets. These medium term targets recognise that we operate in a cyclical environment and offer visibility of financial performance. The targets, each of which is applicable for the period of 2015 to 2017, are to achieve on average the following over the three year period:

- An average operating profit* margin of 20%
- A return on net operating assets** of at least 20% per annum
- An average increase in net assets (including returns to shareholders)††† of 15% per annum
- An average conversion of at least 65% of operating profit* into operating cash flow***

We are confident that we will continue to make progress against these measures in 2016 and 2017.

Further information on our medium term and long term targets can be found on pages 16 to 17.

Dividend and cash return policy

Our dividend policy is inherently linked to our strategy and reflects the cyclical environment in which we operate. Our policy consists of a regular maintenance dividend, which is currently set at 2% of net assets, the top end of our range of 1-2%, in addition to a return of surplus cash to shareholders at the appropriate times in the cycle. A key part of the rationale of our approach to running the business in a sustainable way is to give investors a significant, consistent and reliable dividend stream.

Our 2015 final maintenance dividend of 1.18 pence per share is to be paid on 20 May 2016 to shareholders on the register at the close of business on 8 April 2016 (2014 final dividend: 1.32 pence per share), subject to shareholder approval at the 2016 AGM. In combination with the interim dividend of 0.49 pence per share (2014 interim dividend: 0.24 pence per share), this gives a total maintenance dividend for the year of 1.67 pence per share (2014 total maintenance dividend: 1.56 pence per share).

On 3 July 2015, we returned £249.6 million to shareholders, by way of a cash return, equating to 7.68 pence per ordinary share. As previously announced on 29 July 2015, we will return c.£300 million on 15 July 2016, equating to 9.20 pence per ordinary share, to shareholders on the register at the close of business on 3 June 2016, subject to shareholder approval at the 2016 AGM.

The Board expects surplus cash returns to continue to form a significant proportion of the annual total return to shareholders. These cash returns will be set on an annual basis, in line with the cash generation of the business.

Customer service

During 2015, we achieved a customer satisfaction score of 86% (2014: 87%). We are disappointed that this has slipped. Delivering a quality home and service has been more challenging since 2014 because of the industry growth and resource shortages. However, we recognise that we need to continue to do more in order to meet and exceed our customers' expectations. Whilst we operate in a cyclical market, we strongly believe that a customer centric approach is needed throughout the cycle. This is a key priority for our business alongside health and safety.

In 2015 we completed an in-depth review of every aspect and stage of our Taylor Wimpey customer experience and Customer Journey, to identify areas of improvement and to deliver a better homebuying experience for our customers. This review included comprehensive research and extensive engagement with our customers and employees. More information can be found on pages 20 to 21.

During 2015, we began the process of rolling out our new customer approach across the business with our focus on three main areas: our culture, structure and process. As part of this new approach, we have developed a customer mindset focused on delivering proactive, positive and professional service, which we want to ingrain in our behaviour with our customers. We have also developed and will be embedding four customer commitments in the business, focused on: getting it right first time, communicating well, keeping promises and finding solutions.

During the year we have also restructured our Customer Service teams, strengthening them with the introduction of a Head of Customer Service and new Customer Relations Managers in all of our regional businesses. The Head of Customer Service will be part of each regional business' Senior Management team to ensure that customer service remains a top priority. The Customer Relations Managers will join Customer Support Managers, coordinators and operatives in helping us to deliver a better service for our customers throughout the buying process and once they have moved into their homes. Where customer issues arise, we will have the structure and full capability to deal with them proactively, positively and professionally. This will also reduce the customer service requirements on our site Production teams, giving them more capacity and time to concentrate on ensuring that our homes are built to the highest quality standards.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Chief Executive's Review continued

The Group Management Team (GMT)

Pete Redfern
Chief Executive

Responsibilities
As head of the GMT, my responsibilities include key strategic and operational decisions, sustainability, customer service and health and safety.

Ryan Mangold
Group Finance Director

Responsibilities
Ryan's role covers all areas of finance, including tax, treasury and managing the Group's defined benefit pension scheme, as well as information technology. Ryan also plays an active part in our investor relations programme.

James Jordan
Group Legal Director and Company Secretary

Responsibilities
James is responsible for our Company Secretariat department, as well as overseeing all legal matters from plot conveyancing to landbuying.

Anne Billson-Ross
Group Human Resources Director

Responsibilities
Anne has responsibility for all areas of human resources, including recruitment, benefits, talent and performance management.

Jennie Daly
UK Land Director

Responsibilities
Jennie's role focuses on our land and planning strategy, with responsibility for and oversight on wider planning matters. Jennie is leading our response to the evolving UK planning system and oversees our Sustainability, Technical and Design, and Land and Planning teams.

Nigel Holland
Divisional Chairman, Central and South West

Responsibilities
Nigel oversees our Central and South West Division, covering our East Midlands, South Midlands, East Anglia, Oxfordshire, South Wales, Bristol, Southern Counties and Exeter regional businesses and our Spanish business.

Chris Carney
Divisional Chairman, London and South East

Responsibilities
Chris oversees our London and South East Division, which includes our East London, North Thames, South East, South Thames and West London regional businesses.

Fergus McConnell
Divisional Chairman, North

Responsibilities
Fergus oversees our North Division, which covers our East and West Scotland, North East, North Yorkshire, Yorkshire, North West, Manchester, North Midlands, Midlands and West Midlands regional businesses.

Ingrid Skinner
Managing Director, Central London

Responsibilities
Ingrid oversees the Central London regional business and also has responsibility for the integrated London strategy.

Lee Bishop
Major Developments Director

Responsibilities
Lee manages our new Major Developments business which has been specifically created to secure and project manage large scale land opportunities. More information on this part of our business can be found on pages 32 to 33.

View full biographies online at www.taylorwimpey.co.uk/about-us/who-we-are

Integrating sustainability

Being a sustainable business is fundamental to each aspect of our Business Model and the long term success of our Company.

To portray a more holistic picture of how we create value for our stakeholders and of the external drivers that could impact our Business Model now and in the medium to long term, in this year's report we are implementing a more integrated approach. As a sustainable business, we are interlinking reporting on our financial performance with our non-financial metrics both within this report, and within our Sustainability Report, which will be published on our website in March 2016.

Since we launched our sustainability strategy in 2013, we have made great progress towards becoming a more socially, environmentally and economically sustainable company.

Ultimate executive accountability for sustainability and climate issues continues to rest with me as Chief Executive. Our Sustainability Steering Group (SSG) coordinates our sustainability activities at the operational level.

Our Business Model

Since we set out our business strategy in 2011, Taylor Wimpey has been transformed into a value-driven, sustainable business, with a long term focus firmly on generating the best quality sustainable returns.

Our Business Model is how we deliver our objectives on a day to day basis. We strongly believe that having specific and identifiable objectives as well as a clear business model creates long term value.

Each component of our Business Model is important, and in order to achieve our strategic objectives we constantly work to optimise each stage, whilst never forgetting that we need to attract, develop and retain the right people to deliver this.

As described above, customer service is and will continue to be a key area of focus for us. We want to be similarly uncompromising about customer service as we are about health and safety. We have therefore moved customer service into the centre of our Business Model.

Further information on each stage of the Business Model can be found on pages 18 to 33.

Our people

I would like to take this opportunity to reiterate Kevin's words of thanks to the teams and the individuals across our business. I believe we have the best people in the industry, and we want to make Taylor Wimpey the employer of choice and establish a culture where individuals from all backgrounds can reach their full potential.

During 2015 we conducted a survey for all employees. A total of 55% of employees (on sites and in offices) took part in the survey and in a new initiative £5 was donated to their chosen charity for every survey completed. Throughout the report, you will see references to our survey highlights. There were also, more importantly, areas that the survey highlighted where we could improve and, as a Management Team, we will continue to work towards this in 2016.

In addition to the share scheme take up which Kevin highlighted, I am also pleased that since its implementation in 2014, 73 employees have taken advantage of our enhanced employee discount scheme of up to 20% subject to certain criteria when buying a Taylor Wimpey home. The scheme aims to reward and encourage long term loyalty of our employees.

During 2015, reflecting the quality of talent and development within the business, and following a review of how we structure the future operational reporting lines of the business, we were pleased to be able to enhance our Management Team capability with internal appointments, ensuring that we are set up to operate efficiently and effectively for the future.

Following this detailed review, and largely because of the size and scale of the business in the South, we divided the South into two divisions (the Central and South West Division, and the London and South East Division), and introduced a third Divisional Chairman role into the Senior Management structure. We are now operating within this structure.

The two divisions are led by Nigel Holland and Chris Carney respectively. Nigel joined Taylor Wimpey in 1994 and has held various roles within the Group, most recently as South West Divisional Managing Director. Chris joined the business in 2006 as Group Financial Controller and, following the merger, was promoted to UK Finance Director. Chris has been Managing Director of our South Thames regional business for the last four years. The North Division remains unchanged under Fergus McConnell's leadership as Divisional Chairman, and Central London remains under Ingrid Skinner's leadership as Managing Director. Jennie Daly, UK Director of Planning, was promoted to UK Land Director and joined the GMT during 2015 with significant industry experience.

More information on each of the members of the GMT can be found on page 14.

Diversity

We remain committed to the belief that embracing diversity and inclusion will enable Taylor Wimpey to succeed through a workforce that is creative and innovative.

Employee survey highlights

Taylor Wimpey takes health and safety in the workplace seriously
98%

I believe Taylor Wimpey is committed to being an ethical and responsible company
97%

I would recommend Taylor Wimpey as a good place to work to my friends and family
93%

My line manager is respectful and always treats me fairly
93%

I am proud to work for Taylor Wimpey
94%

Taylor Wimpey takes action to reduce its impact on the environment
94%

I am willing to go the extra mile for my team and Taylor Wimpey
96%

Taylor Wimpey developments benefit local communities
96%

Note: The percentages are the total of 'agree' and 'strongly agree' responses. 55% of employees on site and in our regional offices took part in the survey.

We are pleased that 92% of employees who took part in the 2015 employee survey believe that Taylor Wimpey is committed to becoming a more inclusive organisation with a diverse workforce.

We have a Senior Management Diversity and Inclusion Group, which includes members of the GMT together with other employees from within the business. During 2015 this working group has explored current practices in Taylor Wimpey with a view to enhance them to continue to meet our commitment in this area. This has involved a full review of policies and procedures as well as significant engagement with a cross section of approximately 250 employees.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Our Strategy

Our strategy is divided into three components – our vision, our strategic objectives and our strategic principles. This is underpinned by our cultural principles and our approach to sustainability. Our strategy has not changed since we articulated it in 2011 and neither have our long term strategic financial objectives which were purposefully set as through the cycle measures.

In May 2014 we announced a set of stretching financial targets for the period from 2015 to 2017, to challenge the business to deliver more over the medium term and in positive market conditions. We also added a fourth measure of cash conversion.

We remain disciplined and focused on the long term, continuing to target improvement across all measures to deliver the best quality and sustainable returns for our shareholders. Since we set out this strategy, we have transformed Taylor Wimpey into a value-driven business.

As we reported last year, following a period of strong investment, we are now at our optimum range of landbank at c.76k plots, equating to c.5.7 years of supply at current completion levels. We therefore continue to be in a land replacement position in the short term land market and, together with the increasing profitability of the business, are becoming increasingly cash generative. This has enabled us to move to a phase focused on delivery, maximising the returns from our investments, and continuing to ensure that the business is optimally positioned to deliver those returns on a sustainable basis.

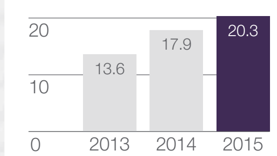
Our vision

Our vision is to be the UK's leading residential developer for creating value and delivering quality.

Strategic objectives	Long term target	Medium term target 2015-2017	Progress in 2015
Operating profit* margin	Earn top quartile operating profit* margin	20% average	We delivered a record 20.3% operating profit* margin. During the second half of 2015 we delivered 21.1% operating profit* margin in the UK.
Return on net operating assets**	Deliver at least a 15% return on net operating assets** through the housing cycle	20% return per annum	We achieved a record 27.1% return on net operating assets** in 2015, through increased profitability and asset efficiency.
Net asset growth % (including returns to shareholders)†††	Grow net assets by 10% per annum on average through the housing cycle (including returns to shareholders)†††	15% average increase per annum	During 2015, we increased net assets by 19.6%, before cash distributions to shareholders, increasing the value of our asset base and investing in high-quality new land.
Cash conversion		Average conversion of at least 65% of operating profit* into operating cash flow***	We converted 67% of operating profit* into operating cash flow*** in 2015. We returned over £308 million to shareholders in 2015.

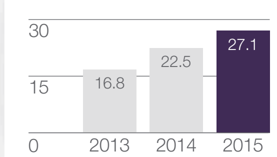
Our performance against strategy

Operating profit* margin (%)



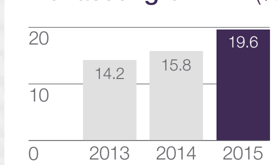
20.3%

Return on net operating assets (%)**



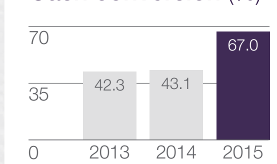
27.1%

Net asset growth††† (%)



19.6%

Cash conversion (%)



67.0%

Note: Definitions can be found in the Group Financial Review on page 40.

See page 77 for how our strategic objectives link to Directors' remuneration

Our strategic principles

- Absolute commitment that a strong margin performance is the way to drive the best sustainable returns
- Margin underpinned by timing and quality of short term acquisitions and enhanced by extensive strategic land pipeline
- Continual improvement philosophy with a relentless focus on adding value to every existing and new site
- Significant ongoing investment in great quality people and processes
- Increasing focus on asset efficiency and maximising the returns on our land investments
- Active management of investments and structure over the housing cycle, to reduce risk and maximise returns over the long term

Current trading and outlook

The UK housing market remained robust during late 2015 and has strengthened into the beginning of 2016. The market continues to show price growth and very good sales rates across most geographies. In central London, the market is stable, with flat prices and sales rates returning to a more normal level.

The net private sales rate for the year to date (w/e 21 February 2016) is 0.77 (2015 equivalent period: 0.68). As at 21 February 2016, we are c.50% forward sold for private completions for 2016 with an excellent total order book of £2,030 million (2015 equivalent period: £1,630 million), excluding joint ventures.

We have been successfully operating to our strategy for five years now, running the business according to our underlying principles. During that time we have invested heavily in land and people development.

In 2015, we delivered record operating results and returned over £308 million to shareholders by way of total dividend. Today, Taylor Wimpey has one of the largest strategic land pipelines in the sector with c.107k potential plots, together with a high-quality short term landbank of c.76k plots.

The success of our strategy over the last five years, partially helped by a stable and positive market, has given us the opportunity to focus on continuously improving our business processes and systems, including our customer service, ensuring consistency across our 24 business units.

Our Business Model is based on our value cycle, each component of which is important to us to achieve our strategic objectives.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

We create value and deliver quality across the housing cycle

Our Business Model is based on a value cycle and each component of the value cycle is important in order to achieve our strategic objectives. This is presented at UK level only as most of the metrics do not apply to our Spanish business.

Focus on customer service
Customer service is and will continue to be a key area of focus for us. We want to be similarly uncompromising about customer service as we are about health and safety. We have therefore moved customer service into the centre of our Business Model. Our aim is to keep the customer at the centre of our decisions and coordinate our input to deliver a quality home first time, together with great customer service throughout our Customer Journey.

Integration of sustainability
Our commitment to sustainability supports our integrated approach in reporting key sustainability information through each part of our Business Model. This also evidences how we apply our sustainability strategy across the business. Our sustainability strategy sets out a range of strategic commitments that relate to key social, environmental and economic issues. The strategy works alongside our energy and carbon strategy. Our six sustainability principles apply to all of our business activities, from identifying land through to completing and handing over our developments. These can be found within our Sustainability Report 2015.

Delivering customer service
Buying a home is a significant financial and emotional investment. We aim to make buying, moving into and living in a Taylor Wimpey home as easy and enjoyable as possible for our customers.

For more information see pages 20 to 21

Selecting land
Land is the critical 'raw material' for our business and the ability to purchase the right sites in the right locations at the right price and at the right point in the cycle is a key driver of shareholder value.

For more information see pages 22 to 23

Managing the planning and community engagement process
Designing a sustainable community that meets the needs of local residents, is attractive to potential customers, and provides attractive returns for shareholders, requires a consultative and iterative process of community engagement.

For more information see pages 24 to 25

Getting the homebuilding basics right
We work with selected subcontractors and build using carefully sourced materials to ensure that the homes that we sell are of a high quality and are built safely, efficiently, cost-effectively and with minimal impact on the environment.

For more information see pages 26 to 29

Our people
Our employees are our greatest asset. Having great teams improves our business success and the retention of high-quality trained employees is key to achieving our strategic goals.

For more information see pages 30 to 31

Optimising value
Developing sustainable homes and communities is a time-consuming process, but this provides us with the opportunity to undertake regular reviews over the life of each development to identify potential improvements.

For more information see pages 32 to 33

Our sustainability strategy

- Our aim is to build homes and communities that our customers will aspire to and that enhance the local area
- We are working towards being a more socially, environmentally and economically sustainable company
- We aim to balance the long term economic stability and growth of our Company with our responsibilities to the environment, society and the economies in which we operate
- We believe that sustainability is fundamental to each aspect of our value cycle and, therefore, to the long term success of our Company
- Operating sustainably is both the right thing to do and brings significant business benefits

Our Business Model

Our cultural principles

- If something is worth doing, it's worth doing properly
- If we make a mistake, we put it right
- We are competitive and don't accept second best
- We will not compromise in ensuring that everyone leaves our sites safe and well
- We behave with integrity, are honest and forthright and support each other
- We strive to enhance the environment and local community and to run our business in a way that is sustainable
- Knowledge and information are key, we take our decisions on fact not emotion
- We value individuals from diverse backgrounds and aim to develop potential to the mutual benefit of the individual and the business

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Delivering customer service

We remain focused on customer service and are committed to delivering an excellent customer service to all of our customers at every stage of their journey

What does this mean?

We want to ensure that we always deliver our homes to the quality standard to which we aspire and that our service is always proactive, positive and professional. Our customer vision is to help our customers make our houses their homes.

Why is it important?

Whilst we operate in a cyclical market, we strongly believe that a customer centric approach is needed throughout the cycle. We recognise that buying a home is a major financial and emotional investment and it is critical that we give our customers the right experience.

How are we different?

We are now in the process of rolling out our new customer approach across the business with our focus on three main areas: our culture, structure and process.

Our approach

During 2015, we achieved a customer satisfaction score of 86% (2014: 87%). We are disappointed that this has slipped. Although delivering a quality home and service has been more challenging since 2014 because of the industry growth and resource shortages, we recognise that we need to do more in order to continue to meet and exceed our customers' expectations. We continue to consider customer service a key priority for our business alongside health and safety.

During 2015 we completed an in-depth review of every aspect and stage of our Customer Journey, to identify areas of improvement and to deliver a better homebuying experience for our customers. Throughout the review, our focus has been on understanding our customers' priorities to enable us to deliver at and ahead of expectations. This is to ensure that going forward we deliver the right product, supported by excellent customer service to all our customers at every stage of their journey.

What makes us different

Our strong and sustainable customer base

We have a strong and sustainable customer base, with over 90% owner-occupiers. First time buyers accounted for 36% of our completions (2014: 36%). We continue to offer a wide range of products to assist first time buyers. Our prices are set locally and we use targeted customer incentives, on a site by site basis, knowing that our customers' circumstances vary. Investors accounted for 7% of total completions (2014: 8%).

Sales and marketing

Over the years our customers' communication preferences have changed, with visits to our website from mobile devices increasing by over 100% in 2015. As well as increased visits, during 2015 our website has proven very successful in generating c.30% more telephone calls than in 2014.

During 2015, we reviewed and updated the 40 existing modules of our award-winning Sales Academy and introduced community engagement and sustainability modules. We also continued to develop our Marketing Academy.

We continue to make improvements to our online capabilities, including our website and use of social media such as Facebook, Twitter and Instagram.

The Government's Help to Buy equity loan scheme remains very popular with our customers. During 2015 approximately 37% of total sales used the scheme and we worked with c.5,200 households to take the first step to home ownership or to move up the housing ladder (2014: 35% and c.4,400). Approximately 77% of sales through Help to Buy in 2015 were to first time buyers (2014: 73%).

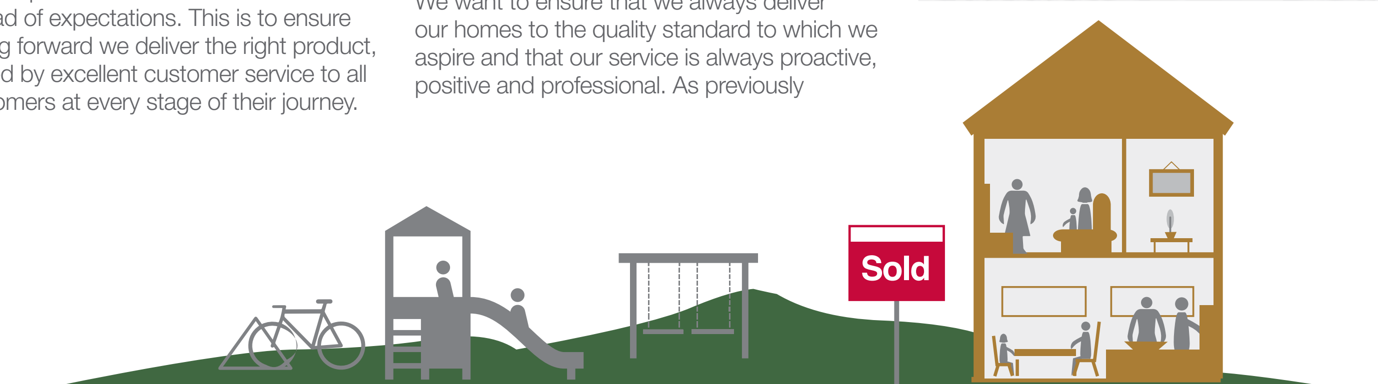
Customer service review

We want to ensure that we always deliver our homes to the quality standard to which we aspire and that our service is always proactive, positive and professional. As previously mentioned, we have now completed an in-depth review of every aspect and stage of our Taylor Wimpey customer experience and Customer Journey, to identify areas of improvement and to deliver a better homebuying experience for our customers. This review included comprehensive research and extensive engagement with our customers and employees. Approximately 600 of our customers from across the UK took part in the research.

Following the review, we are now in the process of rolling out our new customer approach across the business with our focus on three main areas: our culture, structure and process, which are explained in more detail on page 21. As part of this new approach, we have developed four customer commitments (as set out below) and a customer mindset – focused on delivering proactive, positive and professional service – which we want to ingrain in our behaviour with our customers.

Four Taylor Wimpey customer commitments

1. Right first time
2. Communicate well
3. Keep promises
4. Find solutions



Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Award winning show homes

Our Lyde Green 'Glass House' show home in Bristol won Best Marketing Initiative in the Housebuilder Awards 2015. The four bedroom show home features a fully glassed front so visitors can take a look inside without even stepping through the door. We believe that this is the only show home of its kind in the country.

We also won a Silver Award in the Best Use of Digital in the Property Sector category at the 2015 Digital Impact Awards for the pioneering technology used in the show home at our Chobham Manor development in Stratford, London.

Best Marketing Initiative

Our culture

Regardless of the role that any Taylor Wimpey employee fulfils in the business, we all contribute to the final result for our customers. Across our business operations, we want our employees to adopt our customer centric culture and to understand the important role they play with our customers. Our aim is to keep our customer at the centre of our decisions and coordinate our input to deliver a quality home first time, with great service throughout our Customer Journey. This will help our customers to settle in quickly and make our houses their homes.

During 2015 we developed and started to implement a training programme to equip those employees interacting with our customers with the right skills to deliver a consistently great service.

Our structure and process

During 2015 we restructured our Customer Service teams, strengthening them with the introduction of a Head of Customer Service and new Customer Relations Managers roles in all of our regional businesses. The Head of Customer Service will be part of each regional business' Senior Management team to ensure that customer service remains a top priority. Customer Relations Managers will be based at site locations and will deliver key functional aspects of our new and improved Customer Journey; most notably our relaunched quality assurance process, which will scrutinise and ensure the high standard of quality we expect in our product delivery. This will also reduce the customer service requirements on our site Production teams, giving them more capacity and time to concentrate on ensuring that our homes are built to the highest quality standards.

More information on all these areas can be found in our Sustainability Report 2015.

Our progress in 2015

- Completed an in-depth review of every aspect and stage of our Customer Journey
- Restructured our Customer Service teams
- Introduced a new mindset and four customer commitments
- Developed and started to implement new training for our Customer Service teams
- Reviewed and updated the 40 existing modules of our Sales Academy and introduced community engagement and sustainability modules

Our priorities for 2016

- Continue to roll out our new customer approach across the business
- We will strive to improve our customer satisfaction scores
- Continue to implement training for all our customer facing employees
- Launch our new Marketing Academy

Our KPIs

Customer satisfaction

KPI

Objective

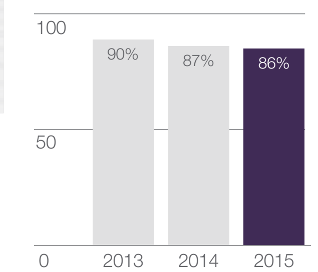
We strive to maintain and improve our customer satisfaction scores at 90% or above.

Definition

Percentage of customers satisfied or very satisfied with the quality of their new home as measured by the National New Homes survey undertaken by the NHBC on behalf of the HBF eight weeks after legal completion.

Why is it key to our strategy?

Delivering high levels of customer satisfaction enhances the reputation of our business and reduces the costs associated with rectifying poor-quality work.



Selecting land

We believe that the strength and quality of our landbank is one of the key differentiators for Taylor Wimpey

What does this mean?

Good quality land with planning is the critical 'raw material' for our business. Strategic pipeline is any land without residential planning consent.

Why is it important?

The value we create for our shareholders, communities and customers all starts with land and it is the area we add most value, through planning, allowing us to generate the best quality returns. Land is a scarce resource and we want to make the best use of what is available, select the right sites and transform them into vibrant and thriving communities.

How are we different?

Our investment and scale is based on our view of land quality and capital risk in a cyclical market. We are focused on selecting the right land and developing it in a sustainable manner. We have one of the largest strategic land pipelines in the sector with c.107k potential plots. With the benefit of this, and having reached our optimum range of short term landbank, we have an extremely selective and targeted approach to land investment. This allows us to focus on where we can add value and maximise our returns.

Our approach

We are highly selective with regard to the types of sites that we buy, focusing on the quality of the land rather than the number of plots acquired. We employ dedicated Land teams in each of our 24 regional businesses, who use their expertise and local knowledge to identify potential high-quality, sustainable sites. Our landbank is broadly spread across the country in targeted quality locations, supported by strong demographics and economics, in the villages, towns and cities where people want to live.

Good quality land with planning is the critical 'raw material' for our business – investing at the right time in the right location and enhancing and realising the value of our investments through effective planning is key, in all market environments. We believe that the strength and quality of our landbank is one of the key differentiators for Taylor Wimpey.

The changes to planning policy over the last five years have resulted in an improved environment, however we recognise that we have not seen the full benefits flow through into the planning system yet.

What makes us different

Short term land market opportunities

We are within the optimum range of our short term landbank at c.76k plots. This equates to c.5.7 years of supply at current completion levels and is broadly spread across the country in targeted high-quality locations, supported by strong demographics and economics. We therefore have an extremely selective and targeted approach to further land investment, which is broadly at replacement level in the short term land market. This is focused on where we can add value and seek to maximise the returns from our investments, while continuing to ensure that the business is optimally positioned to deliver those returns on a sustainable basis. The average selling price in the UK short term owned landbank in 2015 increased by 10.4% to £245k (2014: £222k), driven by the quality of additions and the improvement in the housing market.

The average life cycle of a site is approximately five years, which makes it critically important that we continue to assess the capital lock-up on a regional and Group basis. The short term land market remained disciplined throughout 2015, enabling us to continue to source and invest in short term value-creating land opportunities at investment operating profit* margins of around 20% and a return on capital employed in excess of 27%. In 2015 we acquired 6,971 plots in the short term land market (2014: 8,315 plots).

Strategic pipeline in place for long term success

The quality of our short term landbank is supported by the strategic pipeline and is realised as we convert potential plots with no residential planning into the short term landbank with planning. The strategic pipeline enables us to optimise our cash flows and underpins our profitability, providing a source of land supply at enhanced margins. In order to enhance the value of our strategic land pipeline, our regional businesses and Strategic Land teams work together to achieve planning consents on our strategic land sites that align with the detailed design and delivery requirements of the local area and business.

We have one of the largest strategic pipelines in the sector which stands at c.107k potential plots (31 December 2014: c.110k potential plots), enhanced by our strong reputation and long history of working with land vendors and local communities to progress land through the planning system. During 2015, we converted a further 8,660 plots from the strategic pipeline to the short term landbank (2014: 10,779 plots), significantly in excess of our medium term conversion target of c.6,000 plots per annum. This provides us with increased choices and opportunities. We continue to invest in new opportunities, and in 2015 we added a net 5.8k new potential plots to the strategic pipeline (2014: 10.4k). In 2015, a record 47% of our completions were sourced from the strategic pipeline (2014: 39%). Our aim is to sustain completions from the strategic pipeline of over 40% per annum in the medium term.

Sustainability

We have guidance for employees on our approach to sustainable development to ensure consistency across our 24 regional businesses.

A major urban extension

Great Western Park is a new community which is supporting the sustainable growth of Didcot. Our Strategic Land and Planning team carried out the initial land assembly (bringing together different pieces of land) and bought the site. They then worked to secure outline planning consent, including the negotiation of a complicated Section 106 planning agreement.

The masterplan for this 3,000-home development is divided into three character areas and includes 62 hectares of both 'natural' and formally landscaped open space.

3,000 homes

Our progress in 2015

- We are within the optimum range of our short term landbank at c.76k plots
- Converted 8,660 plots from the strategic pipeline to the short term landbank
- Added net c.5.8k new potential plots to the strategic pipeline, which stood at c.107k potential plots as at 31 December 2015
- 47% of 2015 completions were sourced from the strategic land pipeline (2014: 39%)

Our priorities for 2016

- Continue to work with land vendors, communities and local authorities to convert land from the strategic pipeline into the short term landbank
- Continue to focus on selecting the right land and developing it in a sustainable manner

Our KPIs

Strategically sourced completions

KPI

Objective

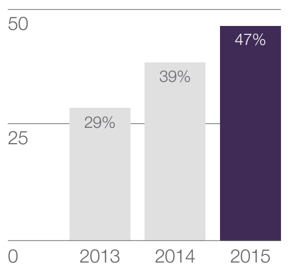
We aim to source more than 40% of our completions from the strategic pipeline per annum in the medium term.

Definition

Number of completions which originally did not have planning permission when we acquired a commercial interest in them, expressed as a percentage of total completions.

Why is it key to our strategy?

The strategic pipeline enhances our ability to increase the contribution per legal completion because of the inherent margin uplift from strategic plots. It also allows us to take a long term view of sites.



Owned and controlled plots with planning

KPI

Objective

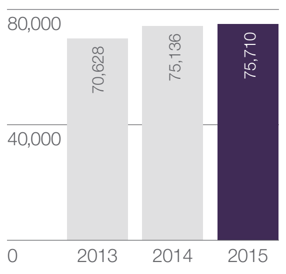
We aim to maintain sufficient land in our portfolio to enable us to remain selective in future purchases.

Definition

The total number of plots that we either own or control, with some form of planning consent.

Why is it key to our strategy?

We operate in a planning constrained environment. Having a portfolio of land in place is key to planning the required scale of our building operations for future home completions. It enables us to be selective in land purchases.



Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Managing the planning and community engagement process

We aim to be the industry leader in managing the planning and community engagement process

What does this mean?

We aim to be the industry leader in all aspects of planning and to obtain the right planning consents that enable us to respond to a changing market, reflect the desires of our customer base and deliver the quality homes we want to build, whilst meeting our financial objectives.

Why is it important?

We believe that local communities should have a say in development. This enables us to achieve the right planning permission and ensure our developments are valued by their local communities.

How are we different?

We actively seek the views of local communities and other stakeholders. We develop a tailored planning and community engagement strategy for each site and work closely with communities and other local stakeholders throughout all aspects of the planning process. We believe that we have a responsibility to contribute to our local communities and that this responsibility grows with our success. In 2015 we contributed over £335 million via planning obligations.

Our approach

Whilst we have a national presence, we operate as a very local homebuilder with 24 regional businesses across the country. We are committed to working with local people and stakeholders throughout the planning process and seek to engage, consult and work in partnership with communities and all interested stakeholders both before we submit a planning application and during the life cycle of the site. In this way we can listen to their concerns and, where possible, incorporate these within our plans.

We believe that a positive and structured approach to working with others is at the heart of a successful scheme. We work in partnership with the communities in which we build to deliver homes that meet their requirements and aspirations.

During 2015 we worked with communities, planners and landowners to convert a further 8,660 plots from the strategic pipeline.

What makes us different

Serving our communities

We work with communities and our partners to create well designed, sustainable neighbourhoods where our customers want to live, grow and thrive and which are valued by our local communities.

We are pleased that 96% of employees who responded to the 2015 employee survey agree that Taylor Wimpey benefits local communities. In 2015, we contributed over £335 million to local communities in which we build across the UK via planning obligations, providing local infrastructure, affordable homes, public transport and education facilities (2014: £300 million).

Stakeholder engagement

We undertake tailored, development specific engagement with local communities on each and every one of our UK sites. We introduced a comprehensive community engagement framework in 2011 and have been regularly improving and updating it since. We are proud of our approach to community engagement and the way that our employees deliver it. The framework applies to every stage of the development timeline, from pre-planning consultation to ongoing communication with existing and new residents during and after construction.

During 2015 we developed guidance on Building Our Reputation, which advises employees on communicating with local communities and customers throughout the lifetime of our developments. Transparency is an essential part of community engagement, and we want local communities to know what we are doing and why we are doing it, as well as how they can express an opinion or get involved.

Meeting the neighbours

We design and build our developments so that they can become thriving and vibrant communities where people enjoy living. Our engagement with customers continues when they have moved in and we regularly host events to help build community spirit. For example, we held a 'Meet Your Neighbour' event at our Forge Wood development in Crawley in 2015. We provided a barbecue and children's entertainment so our new residents could get to know each other and start to turn our development into a true community.

Engagement with schools

We regularly engage with schools located close to our developments, raising awareness of the dangers of live construction sites and giving schoolchildren an opportunity to learn about the housebuilding process.

We have developed curriculum packs to provide our regional businesses with a range of interesting and interactive projects they can use with schools throughout the different stages of our engagement process.

These educational resource packs have been distributed to over 130 schools throughout the UK and are available to any school.

130 schools

Planning is fundamental to the success of our business and we aim to progress sites through the planning process to enable us to develop our sites as efficiently as possible. We support the Government's Localism Act and work closely with local authorities and communities throughout the planning process and beyond. We aim to create development proposals that are financially viable, benefit the local community and provide the housing that is needed. As outlined on page 22, we believe that changes to planning policy over the last five years have resulted in an improved environment, however we recognise that we have not seen the full benefits flow through into the planning system yet.

Online engagement

Our Taylor Wimpey website includes pages for all of our proposed developments throughout the UK. We have continued to develop and improve the functionality and content of these pages in 2015.

We are committed to publishing information on proposed developments online so that members of local communities and other interested parties can easily find out what we are planning and where. We would like people to register their interest so we can update them on progress. Above all, we want wider and more diverse groups and individuals to get involved and tell us their views, whether positive or negative. Moving forward, we will continue to investigate digital aspects of community engagement.

During 2015, we continued to undertake social media trials in community engagement to understand how social media could contribute to our community engagement process.

Our progress in 2015

- Continued to embed our comprehensive community engagement framework
- Launched an economic benefits toolkit for use during consultation
- Continued to undertake social media engagement trials
- Distributed curriculum packs to 130 schools across the UK to help our regional businesses to engage with local pupils and their parents
- Our 'Taylor Wimpey Schools Initiative' was Highly Commended in the Best Community Initiative category at the Housebuilder Awards 2015

Our priorities for 2016

- Continue to maintain best practice community engagement
- Embed our Building Our Reputation employee guidance
- Continue to investigate ways to engage with a wider and more diverse range of people within local communities

Our KPIs

Conversion of strategic pipeline

KPI

Objective

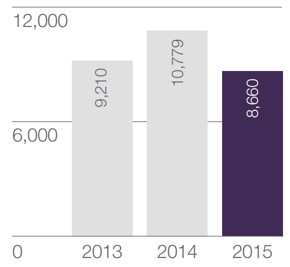
We aim to convert on average c.6k plots per annum in the medium term.

Definition

Number of plots, which originally did not have planning permission when we took a commercial interest in the land, which we have promoted through the planning process and achieved some form of planning on. In this way we convert potential plots from the strategic pipeline to plots in the short term landbank.

Why is it key to our strategy?

The strength of our strategic pipeline (plots without residential planning consent) is a key differentiator and enables us to be extremely selective in the short term land market and also reduces the pressure on the teams. We work with landowners, local authorities and communities to promote the strategic pipeline through the planning process and achieve planning permission.



Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Getting the homebuilding basics right

Getting the basics right means effective processes are consistently applied across all our regional businesses

What does this mean?

We work with selected subcontractors and build using carefully sourced materials to ensure that the homes that we sell are of a high quality and are built safely, efficiently, cost-effectively and with minimal impact on the environment.

Why is it important?

There is nothing more important to us than providing a safe place in which our employees and subcontractors can work. We are also committed to high standards of environmental management. The building process is carefully managed by our site-based and regional Production teams to ensure quality, minimise disruption to residents in the surrounding areas, and to protect and enhance the value of each site.

How are we different?

We believe that quality objectives matter as much as financial objectives. Operating sustainably is both the right thing to do and makes good business sense.

Our approach

The health and safety of individuals on our sites is, and will remain, our non-negotiable top priority. We are committed to providing a safe place in which our employees and subcontractors can work and our customers can live. We will not compromise in ensuring that everyone leaves our sites safe and well.

We have a comprehensive Health, Safety and Environmental (HSE) Strategy and a fully integrated HSE management system in place which is regularly reviewed at all levels. Our commitment to health and safety was reflected in our 2015 employee survey which found that 98% of our staff who took part believe that Taylor Wimpey takes health and safety seriously.

We believe that sustainability is fundamental to each aspect of our Business Model and value cycle and, therefore, to the long term success of our business. Operating sustainably is both the right thing to do and makes good business sense. We aim to balance the long term economic stability and growth of the Company with our responsibilities to the environment, society and the local economies in which we operate.

We strive to be an open, transparent and responsive company for all our stakeholders and to work with them to understand and address the wider social, economic and environmental impacts resulting from our operations. We are particularly pleased that, based on our employee survey, 97% of respondents believe that Taylor Wimpey is committed to being an ethical and responsible company.

We are committed to high standards of environmental management. The building process is carefully managed by our site based and regional Production teams to ensure quality, minimise disruption to residents in the surrounding areas, and to protect and enhance the value of each site.

What makes us different

We do not compromise on health and safety

We have continued to keep our Annual Injury Incidence Rate (AIIR) for reportable injuries low at 175 per 100,000 employees and contractors in 2015, a 16.3% reduction on our 2014 AIIR (2014: 209). Our AIIR compares favourably with the Home Builders Federation's Home Builder Average AIIR of 361 for 2014/15 and the Health and Safety Executive's Construction Industry Average AIIR of 421 for 2014/15. We reduced our AIIR for major injuries per 100,000 employees and contractors from 26 in 2014 to 18 in 2015.

We continue to engage extensively with contractors and operatives on health and safety, working in partnership with them to find safer ways of carrying out their tasks on site. During 2015 we introduced stages two and three of The Operative's Journey, a major new HSE Theme Initiative that we launched in 2014. The overall initiative is aimed at improving how we communicate the health and safety message to our supply chain and those that work on our sites and how we can gain the help of our partnering contractors to share ownership for maintaining a safe site.

Quality product range

We build homes that people want to live in. We are proud of the homes we build and the communities we create. Our focus is on providing high-quality, well-designed, sustainable homes and communities that meet the needs and aspirations of local residents. Our mix of homes is informed by the local area.

We continue to offer a wide range of homes from apartments to five bedroom houses, with prices ranging from under £100k to over £3m. In 2015, the proportion of apartments in our private completions was 13% (2014: 18%). The average square footage of our private completions also increased slightly to 1,072 square feet (2014: 1,042 square feet).

During 2015, Taylor Wimpey once again delivered an excellent performance in the National House-Building Council's (NHBC) Pride in the Job Awards 2015, with 63 of our Site Managers awarded Quality Awards (2014: 70), 20 Seals of Excellence (2014: 23) and three being named Regional Winners (2014: five). More information can be found in our case study on page 31.

Our standard house plan range, which is used on over 70% of our sites, offers many advantages, including efficient procurement opportunities, quality of design, and build and cost control within the regulatory framework.

We continually review our product offering to ensure we are able to reflect our customers' lifestyles and expectations. During 2015, we launched a detailed review of our standard specification across the full range.

Looking longer term, we have commissioned a major long term initiative, working with a range of stakeholders including customers and suppliers, to explore and evaluate trends, changes and new innovations in design, architecture, technology, materials and methodology with the aim of shaping, designing and future-proofing our product range. More information can be found in our case study on page 29.

Build costs and efficiency

Our scale affords us the benefit of strong purchasing power and we achieve significant cost savings across our regional businesses with national agreements with a number of suppliers.

During 2015, the improved market resulted in underlying build cost increases (excluding house type mix impact) of c.5% (2014: c.5%). This was weighted towards labour, with materials largely keeping pace with the growth of the industry. Looking forward, material pricing remains broadly flat and we have seen a reduced rate of inflation on labour pricing. We anticipate underlying build costs will increase by 3-4% in 2016.

Taylor Wimpey Logistics plays an important part in our supply chain management, particularly in the current environment, providing us with an alternative route to delivery and aiding efficiency with the preparation of 'just in time' build packs for each stage of the building process. More information on this part of our business can be found on our website.

We have improved our UK net operating asset turn[†*] to 1.34 times (2014: 1.29 times) and routinely consider opportunities on sites which we already own to assess possible ways of bringing forward the delivery of much needed new homes. More information on this can be found on pages 32 to 33.

We build much more than homes

Our operations add significant additional value to the communities in which we build. For example, through job creation, improvements to local environments and infrastructure, as well as contributions to education and community facilities, creating sustainable and vibrant communities. More information can be found on pages 24 to 25.

Our contributions to the environment

We strive to keep any adverse effects that our activities may have on local environments and communities, such as pollution and ecological damage, to a minimum and to make a positive contribution to the environment of the areas we build in.

We acknowledge the global threat of climate change and are committed to reducing our emissions, energy use and waste and reviewing water use. In 2015 we reduced scope 1 and 2 carbon emissions intensity by 7.8%, supported by our energy reduction programmes in place in our offices, on our sites and within our show homes and sales areas. Further information can be found on pages 28 to 29, together with our Global Greenhouse Gas emissions data.

We implemented a new specification for site compounds in 2014 which means that all of our new site compounds are now highly energy-efficient. We also launched a programme of retrofitting appropriate existing compounds and retrofitted 169 compounds in 2015.

We have a comprehensive Waste and Resource Strategy and Action Plan for our housing operations and our supply chain. We focus on seeing materials as resources, using them more efficiently through design and on site recovery, and keeping generated waste to a minimum.

Award winning development

Our Cranbrook development in East Devon was named Best Overall Development as well as winner of the Affordable Housing category at the Inside Housing Magazine's Top 60 Awards.

The awards celebrate success and innovation in delivering new homes and looks at achievement in 10 key areas, from design to sustainability.

Best Overall Development

Our Business Model continued
Getting the homebuilding basics right continued

During 2015 our construction waste increased to 4.78 tonnes per 100 square metres of completed build (2014: 4.58 tonnes). Our previous research indicated that nationally there has been upward pressure on waste generation figures, however we have continued our internal investigation on what is happening across our industry and within Taylor Wimpey.

Environmentally sustainable homes
New homes are considerably more energy-efficient than older housing stock and we are committed to building increasingly energy-efficient homes in line with Government policy and Building Regulations. Our 'fabric first' approach to energy efficiency, which concentrates on highly insulated walls and windows, helps owners to save energy and money.

Global Greenhouse Gas emissions (GHG)
We continue to take steps to improve our approach to climate change mitigation, adaptation and transparency. Data is provided as tonnes of carbon dioxide equivalent (CO_2e) and covers all of our operations including our sites, offices, business travel, as a result of waste disposal and throughout our supply chains. Our 2015 scope 1 and 2 data has been externally verified by the Carbon Trust.

Further information can be found within our Sustainability Report 2015

Our progress in 2015

- We have continued to keep our AIIR for reportable injuries low
- Made progress on our energy reduction programme on sites, offices and in sales areas
- Our scope 1 and 2 carbon emissions intensity reduced by 7.8% in 2015
- Reviewed internal processes with regard to flood risk and undertook a water audit and biodiversity review
- Continued to review biodiversity practices and started to develop a tool to measure biodiversity performance on sites
- Launched a detailed review of our standard specification across the full range

Our priorities for 2016

- Improve or, as a minimum, maintain the same AIIR as achieved in 2015
- Continue to embed The Operative's Journey, our HSE Theme Initiative
- Continue with our detailed review of our standard specification
- Reduce our mains water consumption from our metered UK offices by 6% per full time employee
- Continue to progress towards our carbon intensity reduction target of 25% by 2018
- Develop and implement action plans for reducing construction waste

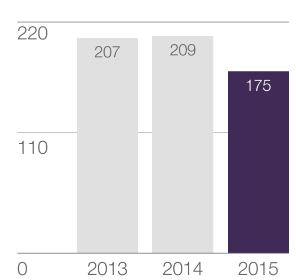
Our KPIs
Health and safety

KPI

Objective
We are committed to providing a safe place in which our employees and subcontractors can work and our customers can live.

Definition
Reportable (all reportable) injury frequency rate per 100,000 employees and contractors (Annual Injury Incidence Rate).

Why is it key to our strategy?
Health and safety is our non-negotiable top priority. As well as having a moral duty to maintain safety on site, accidents and injuries can have a detrimental impact on the business through additional costs, delays and / or reputational damage.



Research and development

We have commissioned a long term initiative – Project 2020 – to explore and evaluate trends, changes and new innovations in design, architecture, technology, materials and methodology in the housebuilding industry with the aim of shaping, designing and future-proofing our product range for 2020 and beyond – fully reflecting our customers' lifestyles and expectations. As part of this project, we are engaging with a well-known organisations such as BRE, RIBA and the Zero Carbon Hub as well as our customers, academics, suppliers, industry and research bodies to look at workstreams such as product design, customer demographics, alternative build methodologies, new technologies and build materials, supply chain and more.

Future-proofing our product

Sustainability reporting recognition
Taylor Wimpey continues to be a constituent of the Dow Jones Sustainability Europe Index and the FTSE4Good Index Series. We participate annually in CDP (the Carbon Disclosure Project) and received a score of 97% / D in 2015 (2014: 88% / C).

Greenhouse Gas (GHG) emissions for period 1 January to 31 December

Category total emissions (tonnes CO_2e)	2015	2014	2013
Emissions from combustion of fuel (scope 1)	**17,769**	16,436	16,177
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (location-based method)[a]	**11,159**	11,885	10,526
Total scope 1 and 2 emissions	**28,928**	28,322	26,703
Emissions Intensity: Emissions per 100 sqm of completed homes	**2.26**	2.45	2.48
Percentage reduction in direct carbon emissions intensity (scope 1 and 2)	**7.8%**	1.2%	#[b]

(a) 2015 scope 2 emissions (market-based method): 12,947 tonnes CO_2e: see our Carbon Reporting Methodology Statement at www.taylorwimpey.com/corporate/sustainability for calculations for market-based methodology.
(b) Not available due to using a new emissions measurement methodology in 2013 due to the introduction of Mandatory Carbon Reporting. This means that 2013 data is not entirely comparable to previous years.

Methodology
We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered to fulfil our requirements under the Mandatory Carbon Reporting (MCR) requirements, and emission factors from the Government's GHG Conversion Factors for our corporate reporting.

We have reported on the emissions sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 apart from the exclusions noted. The reported sources fall within our Consolidated Financial Statements and are for emissions over which we have financial control. We do not have responsibility for any emissions sources that are not included in our consolidated statement.

The following sources of emissions were excluded or part-excluded from this report:
- Fugitive emissions (refrigerant gases): excluded on the basis of expected immateriality and difficulty in acquiring data
- Gas and electricity of part-exchange properties: excluded on the basis of immateriality due to very few completions of this type
- Certain joint venture properties: where Taylor Wimpey was not part of the handover process. In these cases other housebuilders have captured MCR-related data
- CHP / District Heating Systems: In most cases Taylor Wimpey pays for the output fuels supplied to plots and therefore we have reported these. In most cases Taylor Wimpey does not pay for the input fuel and as a result we have not reported on these supplies

Our people

We aim to be the employer of choice in the housebuilding industry

What does this mean?

We want to attract and retain the best people and treat them fairly and with respect.

Why is it important?

Our people are our greatest asset and are a competitive advantage that cannot be easily or quickly replicated. We believe that having the right people with the right skills at all levels in our organisation is critical to building a quality, sustainable business and delivering our strategy.

How are we different?

We have consistently invested in our people through traineeships, apprenticeships and our graduate programme. During 2015, we developed a new strategic approach to our human resources and have further improved our approach to talent, succession, resourcing and reward, as well as learning and development.

Our approach

We aim to be the employer of choice in the housebuilding industry, attracting and retaining the best people to establish a culture that gives individuals the opportunity and support to develop to their full potential, regardless of market conditions.

We will continue to seek a balance of internal and external appointments, in order to combine career development with the introduction of new perspectives and innovative approaches.

As previously set out on page 15, in 2015 we reviewed the operational structure of the business and future operational reporting lines, which resulted in some changes and enhancements in the GMT.

Following this, and reflecting the size and scale of the business in the South, we separated the South into two divisions (the Central and South West Division, and the London and South East Division) and we are now operating within this management structure.

During 2015, we continued our review of all aspects of our human resources strategy and engaged extensively with different areas of the business, to ensure our employee proposition is attractive and, therefore, helps to retain our employees whilst at the same time encouraging them to go the extra mile for our customers, now and into the future. This is also particularly important in a competitive climate.

What makes us different

Our people matter

Our people are one of our greatest competitive advantages. We fundamentally believe that having the right people with the right skills at all levels in our organisation is critical to building a quality, sustainable business and delivering our strategy.

During 2015 we directly employed, on average, 4,299 people across the UK. In an increasingly competitive market, we are pleased that our voluntary employee turnover rate remained low, relative to history, at 13.3% during 2015 (2014: 13.6%).

Investing in our people

We believe that building a pipeline of talent is key. Through our learning and development initiatives, aimed at growing talent from within, we give our employees the opportunities and skills to become our future business leaders and develop their careers with Taylor Wimpey. During 2015, we recruited 98 apprentices (including 29 site management apprentices), 22 management trainees and 19 graduates, whilst improving our apprenticeship and trainee schemes across a number of areas (2014 total: 168).

Following the continuing success of our Sales Academy model, we have designed a Production Academy for launch in 2016 to give our employees a clear career path to site management through a structured programme that will develop their technical expertise. We plan to expand this academy model to commercial and land and planning disciplines in the future.

At Taylor Wimpey, we strive to treat our employees fairly and with respect. During 2015 we continued to focus on diversity and inclusion through our Senior Management working party and, according to our employee survey, 92% of respondents believe that Taylor Wimpey is committed to becoming a more inclusive organisation with a diverse workforce.

We believe that employee share ownership is important. We are pleased that over 50% of all eligible employees participated in the Company's all-employee share schemes or held shares of the Company during 2015 and we plan to extend this eligibility further.

Supporting disability in the workplace

During 2015 we worked with the Leonard Cheshire Disability Change100 programme, a work placement and mentoring initiative to kickstart the careers of talented university students and recent graduates. Three university students undertook 100-day paid work placements with us. Feedback from the graduates has been extremely positive with all of them confirming they would recommend us to future students for a placement. We learned a great deal from these very successful placements and look forward to continuing our participation in the programme in 2016.

Change 100

Leonard Cheshire Disability

Pride in the Job Awards

In 2015 63 of our Site Managers received Quality Awards in the NHBC's annual Pride in the Job Awards 2015.

A further 20 also achieved a Seal of Excellence Award and three of them were named Regional Winners. These were Steve Cole from our East Anglia regional business, Andy Shaw from our Midlands regional business and Rob Mitchell from our North East regional business.

63 Quality Awards

Since its implementation in 2014, 73 employees have taken advantage of our enhanced employee discount scheme of up to 20% subject to certain criteria when buying a Taylor Wimpey home. The scheme aims to reward and encourage long term loyalty of our employees.

Employee engagement

We are committed to really understanding what our employees think we do well, what we could improve upon and how likely they are to stay with the business. We undertook an employee survey called Talkback in 2015. This survey enabled us to measure how engaged our employees are and take action where necessary to ensure our employee proposition really reflects our company culture. We will continue to conduct annual employee surveys for the foreseeable future. More information on this, including key highlights can be found on page 15.

Human rights

We support the United Nations' Universal Declaration of Human Rights and have policies and processes in place to ensure that we act in accordance with our cultural values which encompass areas such as business conduct, equal opportunities, anti-corruption and whistleblowing. We do not consider this a material issue in our business.

Our progress in 2015

- Continued our review of all aspects of human resources and the employee proposition
- Continued to focus on diversity and inclusion
- Further improved our approach to talent, succession, resourcing and reward, as well as learning and development
- Continued to develop our approach to learning and development for our production and technical employees

Our priorities for 2016

- Produce a diversity and inclusion strategy and action plans
- Continue to develop our new talent and succession process and competency framework
- Review our apprentice and management trainee programmes
- Continue to improve employee benefits

Our KPIs

Employee turnover

KPI

Objective

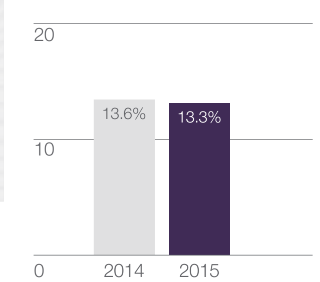
We aim to attract and retain the best people in the industry and give them opportunities to develop to their full potential.

Definition

Voluntary resignations divided by number of total employees.

Why is it key to our strategy?

Our employees are one of our greatest competitive advantages and they are crucial to executing the strategy. We aim to keep this within a range of 5-15%.



Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Our Business Model continued

Optimising value

We look to optimise the value of each site not only during the initial acquisition process, but throughout the planning and development stages so that the original value is not only protected but enhanced

What does this mean?

This approach covers everything we do from enhancing value on our sites through cost savings or better planning through to ensuring we are adding value to the charities we support and our wider partnerships.

Why is it important?

The discipline of continually reviewing and challenging ourselves to do more, ensures we do more than simply protect the business, we enhance the value.

How are we different?

We have a relentless focus on value at every stage of our Business Model and this is ingrained into the Taylor Wimpey mindset. We also balance our desire to improve quality with a focus on making our assets work harder for us and our stakeholders.

Our approach

We achieve this optimisation of value by undertaking a series of thorough reviews of each site at all stages of its life cycle, using our value improvement and tracking processes to ensure that we are continually optimising and delivering the value within our land portfolio.

What makes us different

Capturing value

Our ability to constantly increase efficiency and tightly control costs is part of the Taylor Wimpey culture and remains central to delivering enhanced returns. This extends to and encompasses all aspects of our business as we strive to optimise and capture value at every level from procurement through to delivery.

We actively review every site, both new and old, through our value improvement meetings which are held quarterly and are tracked centrally. This allows us to benchmark our success and identify opportunities for further improvement, ranging from replanning of sites to redesign and selective enhancements to our specification. We are committed to not only delivering what we set out to do but by delivering more, instilling a discipline of capturing inflation. We also delivered an additional 2.8% of contribution margin on 2015 completions on land acquired post-2009.

We have improved our UK net operating asset turn†* to 1.34 times (2014: 1.29 times) and routinely consider opportunities on sites which we already own to assess possible ways of bringing forward the delivery of much needed new homes.

Higher return potential

We have established a dedicated team, Major Developments, to evaluate the increasing number of land opportunities, which have a high return potential and a lower land and capital risk funding structure. The Major Developments team also enables us to control and enhance large scale land opportunities. The team seeks acquisition structures that require low upfront capital investment, offering reduced land risk and, therefore, reduced exposure to longer term market changes. We currently have c.20 sites within our land portfolio which also broadly have these characteristics and continue to see these structures as an attractive route to creating additional value through enhanced returns on capital employed and, importantly, as a means to further reduce future cyclical risk. More information can be found in the case study on page 33.

Partnerships

We strive to be an open, transparent and responsive company for all our stakeholders and to work with them to understand and address the wider social, economic and environmental impacts resulting from our operations. Based on our employee survey, 97% of our employees who took part believe that Taylor Wimpey is committed to being an ethical and responsible company.

During 2015, we continued our partnership with Centrepoint and our network of six regional homelessness charities across the UK, and remained a patron of CRASH, the construction and property industry's charity for homeless people. Our Chief Executive, Pete Redfern, also continued his work as a Trustee at Crisis, the national charity for single homeless people.

In addition to helping to tackle homelessness and housing issues, in 2015 we supported a range of other charitable causes at a national as well as regional level. In total, during 2015 we donated and fundraised over £746k for registered charities (2014: £539k), in addition to c.£112k for other organisations, such as Scout groups and other local community causes. More information about our charity partnerships can be found within our Sustainability Report 2015.

During 2015 we reviewed our Charity Policy to ensure that it is fully aligned to our values as a business and that we continue to make a difference to the charities that we work with by actively contributing financially, with our time, energy or through leadership. Going forward we will support selected charities at both a national and regional level with a focus on projects which promote aspiration and education in disadvantaged areas and intervening to help tackle homelessness for seriously economically disadvantaged groups in the UK. More information can be found within our new Charity and Community Support Policy on our website.

Creating additional value

We have a dedicated team – Major Developments – to evaluate the increasing number of land opportunities available, focusing on high return potential with a lower land and capital risk funding structure. As a result of this team's work, we have been selected by the Ministry of Defence (MoD) as partners for developing Prince Phillip Barracks in Hampshire together with Dorchester Regeneration. This joint venture draws on our land development and planning expertise, and the Development Agreement with the MoD allows us to use a funding structure that requires low upfront capital investment, offering reduced land risk and, therefore, reduced exposure to longer term market changes. We view this approach as an attractive route to creating additional value and, importantly, as a means to further reduce future cyclical risk.

High return potential

Our progress in 2015

- Continued to review every site through our value improvement meetings
- We were involved in a wide range of charitable and community activities throughout the UK
- Reviewed our Charity Policy
- We have been selected by the Ministry of Defence (MoD) as partners for developing Prince Phillip Barracks in Hampshire together with Dorchester Regeneration (see case study above)
- Average selling prices on completions increased in 2015 to £230k (2014: £213k) benefiting from our focus on better quality locations and market sales price increases, which contributed to the rise in contribution per legal completion to £59.4k from £49.6k in 2014

Our priorities for 2016

- We will continue to actively review every site and optimise new sales outlets prior to opening
- Explore further ways to have a major impact on charities through partnership as well as donations

Our KPIs

Contribution per legal completion

KPI

Objective

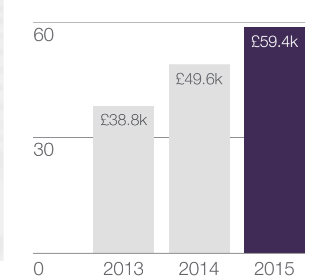
We strive to maximise the level of contribution per home sold.

Definition

Revenue, net of incentives, less build costs, land costs and direct selling costs, divided by the number of homes completed (excluding joint ventures).

Why is it key to our strategy?

Our strategy is focused on value and we continue to prioritise both short and long term margin performance. Increasing the contribution per plot is a key driver to achieving this.



Forward order book as a percentage of completions

KPI

Objective

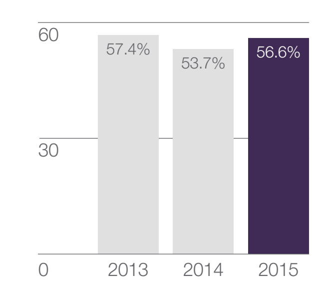
We look to maximise and maintain a strong order book.

Definition

The number of homes in our year end order book, expressed as a percentage of the number of homes completed during the year (excluding joint ventures).

Why is it key to our strategy?

A strong order book provides our customers with good visibility and provides greater stability for business planning and enhances our ability to deliver the best experience for customers whilst driving the most value for shareholders.



Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Our Approach to Risk Management

Actively managing risks

Our risk assessment and management process

As with any business, Taylor Wimpey faces a number of risks and uncertainties in the course of the day to day operations. It is only by effectively identifying and managing these risks that we are able to deliver on our strategic objectives of improving operating profit* margin, return on net operating assets**, cash conversion and net asset value across the cycle.

The successful management of risk is essential to enable the Group to deliver its strategic objectives. Our risk management and internal control framework defines the procedures that manage and mitigate risks facing the business, rather than eliminate risk altogether and can only provide reasonable and not absolute assurance against material misstatement or loss.

Our risk management framework consists of risk registers that are maintained at all organisational levels, which detail the risks faced by the Group, its operating companies and the central teams that support the business and a wider stakeholder group.

The registers identify key operational, financial and strategic risks to the business, with strategic risks being identified as part of the business planning process. Our risk registers take into account the significance of health, safety and environmental issues, together with social and governance matters of the Group and use a standardised methodology for the assessment of risk.

The standard methodology used in risk management requires each identified risk to be assessed and measured according to a risk matrix. This matrix accounts for the likelihood and impact of each risk, mitigating actions and hence the remaining or residual risk.

The risks identified are assessed for the potential effect on the Group's short and long term value. Our risk registers are refreshed on an ongoing basis as part of our financial planning cycle. The registers feed into a formal half yearly risk assessment that identifies the Principal Risks and Uncertainties (see pages 36 to 37) and other key risks which are monitored closely, and allows the Board to re-evaluate the identified strategic risks facing the Group.

Group Material Risk Register
The Material Risk Register is maintained by the GMT and reviewed by the Audit Committee with the promotion, removal or change of risks being made as part of their assessment of the Risk Summaries and their views of the changes in the strategic risks facing the Group. Each Material Risk on the register will be assessed as to its likely impact based on the Group's standard methodology.

BU & Central Risk Register
From individual risk registers, all risks are grouped to produce a Business Unit and Central Risk Summary. These Risk Summaries are discussed and assessed by the GMT and Audit Committee. The assessment includes a comparison of the Risk Summaries over time, taking into account any changes in the risk impact assessment and their views on the strategic risks facing the Group.

Principal Risks & Uncertainties
The Board, supported by the GMT and the Audit Committee, will identify the Principal Risks based on the assessment of the Material Risk Register. The Principal Risks will be disclosed with the half and full year results. Feedback regarding changes to Principal Risks is given to the risk owners who have been identified to manage the specific risk on behalf of the Group.

BU & Central Forecast and Planning Process
All risk registers are re-evaluated and completed as part of the formal budget process every six months. Each regional business and central function will re-assess with their Senior Management teams the risks that they are facing and update their risk registers as required.

Risk materiality process

The Board determines the nature and extent of the Principal Risks it is willing to take in achieving its strategic objectives, whilst maintaining sound risk management and internal control systems.

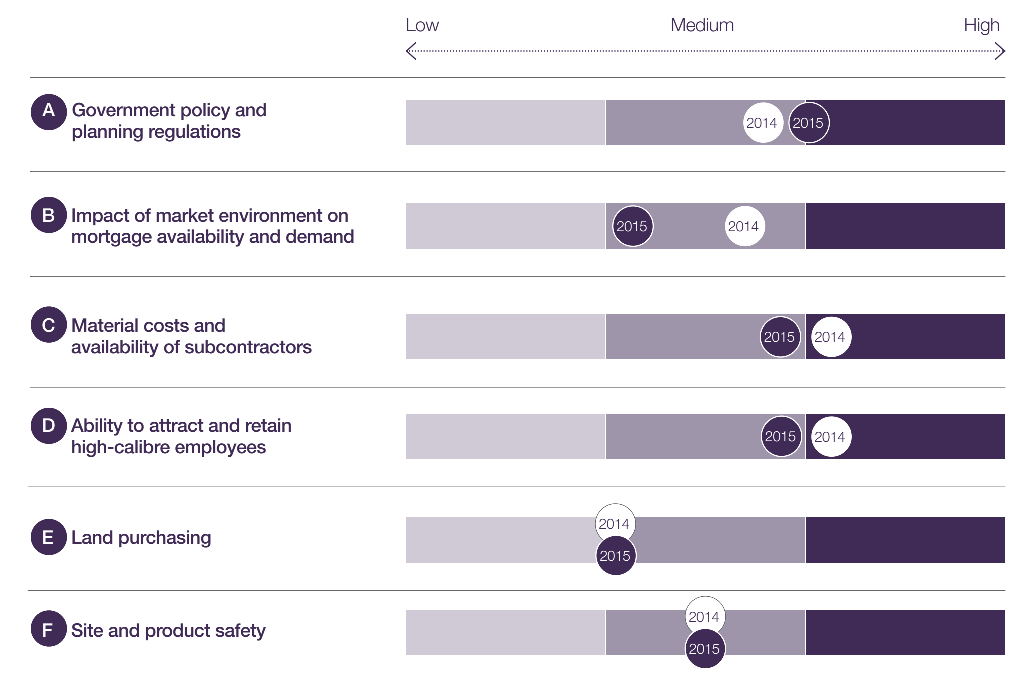
The Board oversees the risk management and internal control framework of the Group. The Chief Executive is responsible for implementing any necessary improvements, with the support of the GMT. In line with the UK Corporate Governance Code, the Board holds formal risk reviews half yearly. The Board reviews the risk profile of the Group and the significant risks with the mitigating factors.

At the meeting in February 2016, the Board completed its annual assessment of risks. This followed the Audit Committee's formal assessment of risk, which was supported by the detailed risk assessment by the GMT, and their review of the effectiveness of internal controls. The key risks affecting the Group were identified and agreed with the Board.

In addition to the principal industry related risks set out in the following pages, we also monitor closely a number of other key internal and external factors. For example, we have considered the impact to the Group from the EU referendum and in the event the UK elects to leave the EU. We have also considered those factors that are likely to affect our reputation e.g. inadequate customer service and potential cyber-attacks. We have enhanced our customer service processes and departments to ensure that the quality of our homes is delivered to our high standards. We have also invested in IT security to help ensure that we identify any cyber-attacks and respond accordingly.

Principal Risks probability

Whilst the Principal Risks to the Group being able to execute its business strategy have not fundamentally changed since 2014, the likelihood of the risk factors occurring may have changed. The table shows the residual likelihood of each risk following our risk mitigation strategies in both 2015 and 2014. The table does not consider the relative size of the associated financial or reputational impacts for each Principal Risk item.



Viability statement
In accordance with provision C2.2 of the 2014 revision of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision. The Board conducted their review for a period of three years, which is in line with the Group's operational planning and risk management review periods.

This operational plan includes the financial considerations attached to the Principal Risks of the business as described on pages 36 to 37. It includes macroeconomic and industry wide projections as well as matters specific to the Group. To mitigate the risks inherent in forward-looking projections, budgets are subject to sensitivity analysis on a series of realistically possible changes to principal assumptions, such as variations in house prices, build costs, planning environments, the number of completions and margins.

Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Principal Risks and Uncertainties

The table below summarises the Group's Principal Risks and Uncertainties. These are not listed by order of importance. Management of these risks and uncertainties is the responsibility of the Chief Executive and the Group Management Team, together with the roles noted below. We maintain a Sustainability and Climate Change Risk and Opportunity Register to monitor other sustainability issues that could affect the Group. In addition, our climate change related risks and opportunities are available as part of our 2015 CDP submission. More information is available at www.taylorwimpey.co.uk/corporate/sustainability

Risk	Relevance to strategy	Potential impact on KPIs	Mitigation	Progress in 2015
A Government policy and planning regulations The National Planning Policy Framework (NPPF) and the Localism Act are becoming established, whilst uptake of the Community Infrastructure Levy (CIL) is increasing, but slowly. The Housing and Planning Bill was presented to Parliament in the Autumn and is closely linked to many of the initiatives announced in the Chancellor's Autumn Statement and Spending Review. These aim to address the disparity between the demand and supply for housing in the UK, by seeking changes to the planning system and signalling potential financial considerations for some sections of our customer base. The position is dynamic as a number of elements, particularly around the Starter Homes initiative, are still to be fully defined which, as they are clarified and embedded, could have a disruptive effect on the planning system, sales rates, site mixes and customer behaviour. Responsibility • Land Director • Regional Managing Directors	Our ability to build homes and communities is dependent upon drawing up site proposals which meet the needs and affordability of our customers, obtaining planning permissions in acceptable timeframes and achieving other regulatory requirements and permits. The NPPF has been positive for housebuilding, although there remains a risk of delayed or refused planning applications, increased timescales to the discharge of planning conditions and greater complexity around S106 since the introduction of CIL. As all elements of the recent announcements are clarified, there could be a change in demand for specific products at our planned sites. In turn, this may lead to changes to site mixes, and to extended timeframes to gaining consent.	• With the introduction of The Housing and Planning Bill, we may be required to meet higher levels of planning obligations and we may incur additional costs to meet increased regulatory requirements. • Unforeseen delays or inability to obtain suitable consents, could impact on the number or type of homes that we build. • The locally produced CIL charge schedules may increase costs, impacting the viability of current developments. Where CIL charges are not in place, there could be an impact on gaining planning consent or Judicial Review challenge. • This could have a detrimental impact on the contribution per plot.	We operate within our comprehensive community-led planning strategy. This improves communications with all parties, but especially local communities, thereby enhancing our ability to deliver developments that meet local requirements. We consult with Government agencies and opposition parties on housing policy, both directly and indirectly as a member of industry groups, to highlight potential issues and to understand any proposed changes to regulations.	Our customer and community engagement strategy is embedded and having a positive effect. We have been successful in gaining planning consents through the year with particular emphasis on the conversion of the strategic land pipeline. We continued our participation in the local Plans Management Group (PMG), via the HBF, to ensure local plans are robust and CIL charge schedules are appropriate. We have met with Government officials and contributed to the HBF submissions in respect of The Housing and Planning Bill and the Starter Homes initiative in particular.
B Impact of market environment on mortgage availability and demand Mortgage availability and affordability constrain the demand for housing. Following the Mortgage Market Review in 2014, stricter guidelines were introduced for lenders to assess mortgage affordability. In 2015, the Bank of England's Financial Policy Committee gained new powers, to set loan-to-value and debt-to-income limits for residential mortgages. The Government has extended the Help to Buy equity loan scheme to 2021, although there is uncertainty over the impact when the scheme ends. Responsibility • UK Sales and Marketing Director • Regional Sales and Marketing Directors	The majority of the homes that we build are sold to individual purchasers who take on mortgages to finance their purchases. A change in business confidence, employment opportunities or significant changes in the base rate may impact on the demand for housing. In particular, the ability for first time buyers and investors to purchase homes is impacted by changes in mortgage availability at the higher loan-to-value levels, as it would impact on the level of deposits required.	• A reduction in demand for new homes below normal levels could negatively impact on both profit and cash generation. This would have an adverse effect on return on net operating assets and net debt.	Our local teams select the locations and home designs that best meet the needs of the local community and customer demand in the present and future. We evaluate new outlet openings on the basis of local market conditions and regularly review the pricing and incentives that we offer. We work closely with the financial services industry to ensure customers receive good advice on the procurement of mortgage products.	We offer the Government-backed Help to Buy scheme and have seen strong interest in the scheme amongst our customers. Throughout 2015 we have continued to develop good working relationships with established mainstream lenders and those wishing to increase volume within the new build market.
C Material costs and availability of subcontractors A continued increase in housing production may further reduce the availability of materials and subcontractors, and put pressure on utility firms to keep up with the pace of installation. This results in build programme and completion delays and an unexpected increase in costs. Responsibility • Head of Procurement • Regional Commercial Directors	In order to optimise our build cost efficiency, whilst retaining the flexibility to commence work on new sites as planning consents allow, the vast majority of work carried out on site is performed by subcontractors. Without the introduction of new resources into the housing market, labour and material prices could increase.	• If the availability of subcontractors or materials is insufficient to meet demand, this could lead to increased build times and costs, thereby reducing profitability. • Lack of skilled subcontractors could also result in higher levels of waste being produced from our sites and lower build quality.	We maintain regular contact with suppliers and negotiate contract volume, pricing and duration as appropriate. We provide both high-level and site specific programme information to aid with demand planning. Competencies are considered as part of our subcontractor selection process, particularly in relation to health and safety, quality, previous performance and financial stability. We work to address the skills shortage with apprenticeship schemes and the Construction Industry Training Board.	Following the recent growth in housebuilding, availability and cost of materials has stabilised and meets current demand. The supply of quality subcontractors remains challenging. The Group has agreed product lines and volumes with key suppliers to mitigate long lead times and shortages.
D Ability to attract and retain high-calibre employees Recruiting employees with inadequate skills or in insufficient numbers, or not being able to retain key staff with the right skills for the future, could have a detrimental impact on our business. Responsibility • Group HR Director • Every employee managing people	Our value cycle requires significant input from skilled people to deliver quality homes and communities for our customers. There remains an increasing incidence of 'poaching' in the housebuilding market. The demand for high-quality trained and experienced employees has increased and is key to achieving our strategic goals.	• Not having the right teams in place could lead to delays in build, quality issues, reduced sales levels, poor customer service and reduced profitability.	We closely monitor employee turnover levels on a monthly basis and conduct exit interviews, as appropriate, to identify any areas for improvement. We benchmark our remuneration to ensure we are competitive within the industry. Clear succession plans are in place for key roles within the Group. We hold regular development reviews to identify training requirements.	During 2015, we increased the number of employees on apprentice, management and graduate training schemes. We broadened our recruitment channels, encouraging a diverse candidate base. Our renewed approach to succession planning enabled more internal candidates to be promoted to senior roles. Finally, the benefits package has been refined and aligned across weekly and monthly paid employees.
E Land purchasing The purchase of land of poor quality, at too high a price, or incorrect timing of land purchases in relation to the economic cycle could impact future profitability. Responsibility • Divisional Managing Directors • Regional Managing Directors • Regional Land and Planning Directors • Strategic Land Managing Directors	Land is the major 'raw material' for the Group. The limited availability of good-quality land at an attractive price throughout the housing cycle leads to significant competition. The disciplined purchasing of land of the appropriate quality, on attractive terms at the right time and scale in the economic cycle, will enhance the Group's ability to deliver sustainable margins through the cycle.	• Purchasing poor-quality or mispriced land, or incorrectly timing land purchases would have a detrimental impact on our profitability and returns. • Acquiring insufficient land would reduce our ability to actively manage the land portfolio and create value for shareholders.	Our Land teams select and appraise each site, with the appraisal process ensuring that each project is financially viable, consistent with our strategy and appropriately authorised. We strive to be the developer of choice, through a comprehensive approach encompassing land vendors, land agents, local councils and local communities. Our Strategic Land teams work alongside regional businesses, to identify and secure land with the potential for future development and to promote it through the planning system.	The short term land market remained benign throughout 2015 enabling us to continue to invest in value-creating land opportunities at investment margins of around 20%. The landbank is now at the optimal size range to deliver our strategy. Together with the strong conversion of the strategic pipeline, our reliance on purchasing short term land has diminished, which provides some insulation from an increase in land price.
F Site and product safety Building sites are inherently dangerous places. Unsafe practices by our employees or subcontractors have the potential to cause death or serious injury. Responsibility • Director of Health, Safety and Environment • Every employee and subcontractor	Our operations involve, and interface with, a large number of people. People range from employees and subcontractors, to customers and their families, who live on or visit our sites each day. We want all of these people to go home at the end of the day safe and uninjured.	• In addition to the potentially tragic personal impact of an accident on site or after customer completion, there is potential for legal proceedings, financial penalties, reputational damage and delay to the site's progress.	We have a comprehensive health, safety and environmental (HSE) management system in place, which is integral to our business. This is supported by our policies and procedures to ensure that we live up to our intention of providing a safe and healthy working environment and build homes that comply with the required regulations. We provide extensive HSE training for our employees, running HSE induction training, poster campaigns as well as providing regular site toolbox talks for our contractors and operatives. In 2014, we launched The Operative's Journey, a major new initiative to improve communications to our supply chain and site work force, to create partnering contractors to share ownership for maintaining a safe site. All HSE issues are reviewed by the GMT and, where appropriate, actions put in place to rectify issues or prevent a recurrence.	We continue to compare favourably with the UK housebuilding and construction industry in terms of site safety. We have continued to keep our Annual Injury Incidence Rate (AIIR) for reportable injuries low at 175 per 100,000 employees and contractors in 2015 (2014: 209). We reduced our AIIR for major injuries from 26 in 2014 to 18 in 2015. During 2015, we continued our site safety training, extending training to over 3,135 groundworkers' supervisors, each receiving a site safety supervisory qualification. We also introduced stages 2 and 3 of The Operative's Journey which aims to foster shared ownership with our supply chain and operatives, for maintaining a safe site. We continually monitor procedures and implement improvements to the work undertaken on site.

Driving the quality of our returns

The Group Financial Review is presented at Group level, which includes Spain, unless otherwise indicated. A short summary of the Spanish business follows.

Joint ventures are excluded from the Business Model and Group Financial Review, unless stated otherwise. For the purpose of clarity, joint ventures are separated out in the Group Financial Review.

Income statement

Group revenue increased by 16.9% to £3,139.8 million in 2015 (2014: £2,686.1 million) from completions of 13,470 (2014: 12,458). The increase was driven by much improved selling prices in the UK, up 8.0% to £230k (2014: £213k), and UK volume growth of 7.5% to 13,219 completions (2014: 12,294). Average selling prices on private completions increased by 8.5% to £254k (2014: £234k) in the UK, with this increase a result of both our underlying shift to better quality locations and capturing market sales price increases.

The UK land cost per unit sold at £42.4k is lower than £45.1k in the prior year, reflecting the increased contribution from sites acquired through the strategic pipeline and trading from a lower number of sites acquired before the economic downturn. Total UK land cost per completion as a percentage of selling prices was 18.4% (2014: 21.2%) reflecting the benefits of conversions from the strategic land pipeline, partially offset by product mix and an increase in volumes from the London Market, where land cost is a higher proportion of revenue.

Build cost per unit in the UK increased to £121.9k (2014: £112.9k). This reflects both the higher product specification required in better quality areas and the impact of build cost inflation. Other direct costs and selling expenses per unit increased to £6.0k (2014: £5.3k). The improvements in how we engage with potential customers mean that total selling expenses are marginally higher as a percentage of revenue.

We are focused on maximising the contribution per completion as we seek to drive the quality of returns. Contribution per completion increased by 19.8% to £59.4k for 2015, (2014: £49.6k), as a result of better quality locations and improving market conditions, offset partially by build cost increases.

Gross profit before exceptional items, of £788.0 million (2014: £620.9 million), increased by 26.9% and included a positive contribution of £8.9 million (2014: £15.9 million). Positive contribution represents previously written down inventory allocated to a plot which has subsequently resulted in a gross profit on completion. This can be due to revenue outperformance, cost efficiencies or product mix improvements. These amounts are stated before the allocation of overheads which are excluded from the Group's net realisable value exercise. Whilst the UK housing market has continued to improve, specific issues on certain impaired sites have resulted in the Group recording a net addition of £0.6 million of inventory write-downs (2014: £18.7 million reversal). The net addition in the year consisted of a release of previous impairments of £6.6 million and additional write-downs to the lower of cost and net realisable value of £7.2 million on previously impaired sites.

In 2015, 6% (2014: 14%) of the Group's UK completions were from sites that had been previously impaired. In Spain, 53 plots (2014: 50) were completed that had previously been

“2015 has been a record year for Taylor Wimpey, delivering an operating profit margin of 20.3% and return on net operating assets of 27.1%.”

Ryan Mangold
Group Finance Director

Financial highlights

2015 Group results	UK	Spain	Consolidated
Completions including joint ventures	13,341	251	13,592
Revenue (£m)	3,081.7	58.1	3,139.8
Operating profit* (£m)	627.0	10.0	637.0
Operating profit* margin (%)	20.3	17.2	20.3
Profit before tax and before exceptional items (£m)			603.8
Profit before exceptional items (£m)			482.3
Basic earnings per share (p)			15.1
Adjusted earnings per share†† (p)			14.9
Maintenance dividends per share – total (p)			1.67

Note: More information on segmental reporting can be found in Note 5 to the Consolidated Financial Statements.

impaired. The Group anticipates that c.4% of UK 2016 completions will come from sites that have been previously impaired.

We continue to monitor our management structures and overhead costs to maximise value and returns. In the short term we expect an increase in overheads as the initiatives implemented for improvements in employee development and customer service are brought on stream.

As previously announced, we now detail separately the trading metrics of joint ventures. During 2015, completions from joint ventures were 122 (2014: 160). The total order book value of joint ventures as at 31 December 2015 was £60 million (31 December 2014: £69 million) representing 118 homes (31 December 2014: 159). Our share of results of joint ventures in 2015 was £4.9 million (2014: £2.6 million).

Operating profit* increased to £637.0 million (2014: £480.7 million), delivering an operating profit* margin of 20.3% (2014: 17.9%), an increase of 240 basis points. The UK operating profit* margin in the second half of the year was 21.1% (H2 2014: 19.3%). These improvements have been driven by the ongoing benefits of the quality of our short term land acquisitions and by our conversion of the strategic pipeline, as well as delivering operational efficiencies across the business.

Pre-exceptional net finance costs for the period were £33.2 million (2014: £30.6 million). Interest on overdraft, bank and other loans reduced by £2.8 million year on year benefiting from the 'amend and extend' agreement with the banks in February 2015. These lower debt finance costs have been offset by higher unwind of discount on land creditors. During 2015, average net borrowings were £94.8 million (2014: £148.7 million).

Pre-exceptional profit before tax for the year from operations increased by 34.1% to £603.8 million (2014: £450.1 million). The pre-exceptional tax charge was £121.5 million (2014: £90.4 million) with an underlying tax rate of 20.1% (2014: 20.1%) that largely reflects the statutory tax rate in the UK.

Given the continued improvement in the profitability in the Spanish business, driven by the performance on recently acquired sites and an improvement in several markets we operate in, a deferred tax asset of £8.0 million has been recognised as an exceptional item in the year. £68.4 million of unrecognised Spanish trading losses remain, as at 31 December 2015.

This resulted in a profit, before exceptional items, for 2015 of £482.3 million (2014: £359.7 million), 34.1% up on the prior year.

Basic earnings per share was 15.1 pence (2014: 11.6 pence). The adjusted basic earnings per share†† was 14.9 pence (2014: 11.2 pence), up 33.0%.

Balance sheet

Net operating assets were £2,442.6 million (31 December 2014: £2,265.0 million), reflecting a net investment of £269.1 million (2014: £409.1 million) year on year in land and work in progress, funded mostly by increased profitability. Return on net operating assets** increased by 460 basis points to 27.1% (2014: 22.5%), ahead of our medium term target of 20%, reflecting improved profitability and balance sheet discipline.

Group net operating asset turn†* increased to 1.33 times (2014: 1.26 times), as a result of trading from better quality locations and focused land and work in progress investment.

Group Financial Review continued

Relative to our medium term targets of adding 15% to net assets before any cash distributions to shareholders, net assets at 31 December 2015 increased by 19.6% before cash distributions and 7.4% overall year on year to £2,723.3 million (31 December 2014: £2,535.3 million). The net asset increase was driven by profitability in the period offset by the £58.8 million maintenance dividend and the £249.6 million cash return.

As at 31 December 2015, the Group held inventory that had been written down to net realisable value of £139.5 million (31 December 2014: £296.6 million) of which the balance in the UK was £115.2 million (31 December 2014: £269.6 million). As at 31 December 2015, the associated write-downs were £167.7 million (31 December 2014: £206.2 million) of which the balance in the UK was £124.2 million and principally related to 14 locations.

As at 31 December 2015, in the UK, 4% of our short term owned and controlled land was impaired (31 December 2014: 7%), with 79% of the short term owned and controlled landbank purchased after 2009, 60% of which was sourced through our strategic pipeline, resulting in a land cost to average selling price in the short term owned landbank of 16.3% (31 December 2014: 17.3%).

We continue to use land creditors as a way of funding land acquisitions where this makes the most commercial sense and is value-enhancing for the business. Land creditors increased to £629.8 million (2014: £487.7 million) and, combined with net cash, resulted in adjusted gearing of 14.3% (31 December 2014: 14.8%).

The mortgage debtor balance was £94.6 million at 31 December 2015 (31 December 2014: £104.8 million), with the decrease due to net redemptions of £11.3 million, offset by a fair value uplift of £1.1 million.

Our deferred tax asset reduced to £55.7 million (31 December 2014: £157.5 million), due to utilisation against profits in the period. During 2015, the Group fully utilised its deferred tax asset arising from UK trading losses and there are no material unrecognised UK trading tax losses.

Retirement benefit obligations of £178.4 million at 31 December 2015 (31 December 2014: £183.8 million) comprise a defined benefit pension liability of £177.1 million (2014: £182.4 million) and a post-retirement healthcare liability of £1.3 million (2014: £1.4 million). The deficit in the pension scheme has decreased by £5.3 million due to contributions in the period partially offset by actuarial assumptions, most notably discount rates and inflation. In 2015 we contributed £23.1 million in pension contributions (2014: £36.3 million).

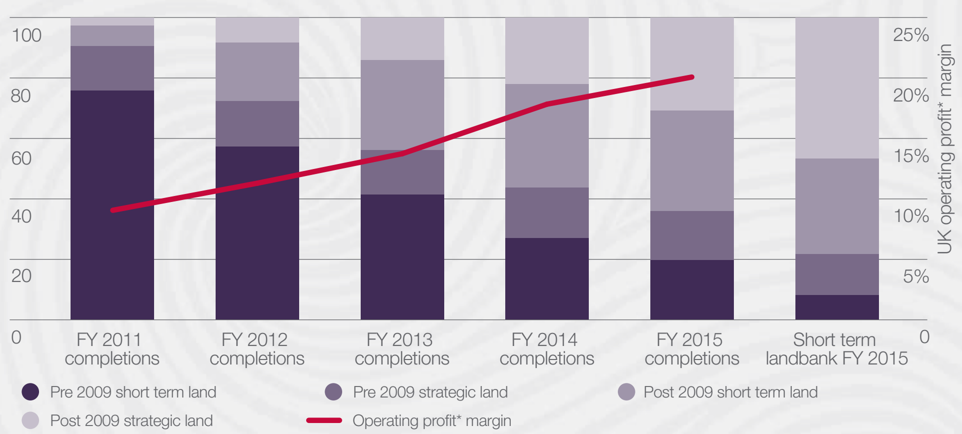
Cash flow

Net cash increased substantially to £223.3 million at 31 December 2015 from £112.8 million at 31 December 2014, despite returning £308.4 million to shareholders by way of dividends in the year. This improvement in net cash is largely as a result of strong performance in underlying trading, whilst at the same time continuing to invest in our landbank. Total land spend, including movement in land creditors, was £556.3 million (2014: £795.7 million).

During the year we increased our investment in work in progress, including increasing our presence in the central London market year on year, with work in progress in Central London of £106.8 million as at 31 December 2015 (31 December 2014: £67.0 million). In 2015, we paid £14.5 million in interest costs (2014: £14.6 million), £308.4 million in dividends and purchased £2.0 million of own shares for settlement of future vesting of share schemes. Average net debt for the year was £94.8 million (2014: £148.7 million).

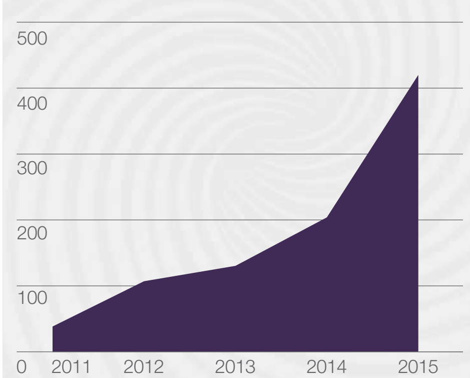
Quality of landbank

We believe that the strength and quality of our landbank is one of the key differentiators for Taylor Wimpey. Please see pages 22 to 23 for more information. The chart below shows the source of land for the last five years of completions, and the make up of the short term landbank as at 31 December 2015 by type of land source.



Cash generation (£m)

At this stage in the cycle and given our strong land position, the focus on converting a high proportion of our profitability into cash is an important measure. The chart below shows cash generated by operations on an annual basis.



* Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.

** Return on net operating assets is defined as 12 month rolling operating profit divided by the average of the opening and closing net operating assets, which is defined as net assets less net cash less deferred tax balances, less any accrued dividends.

*** Operating cash flow is defined as cash generated by operations before tax and interest paid on a rolling 12 month basis.

† Tangible net assets per share is defined as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period.

†† Adjusted basic earnings per share represents earnings attributed to the shareholders of the parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.

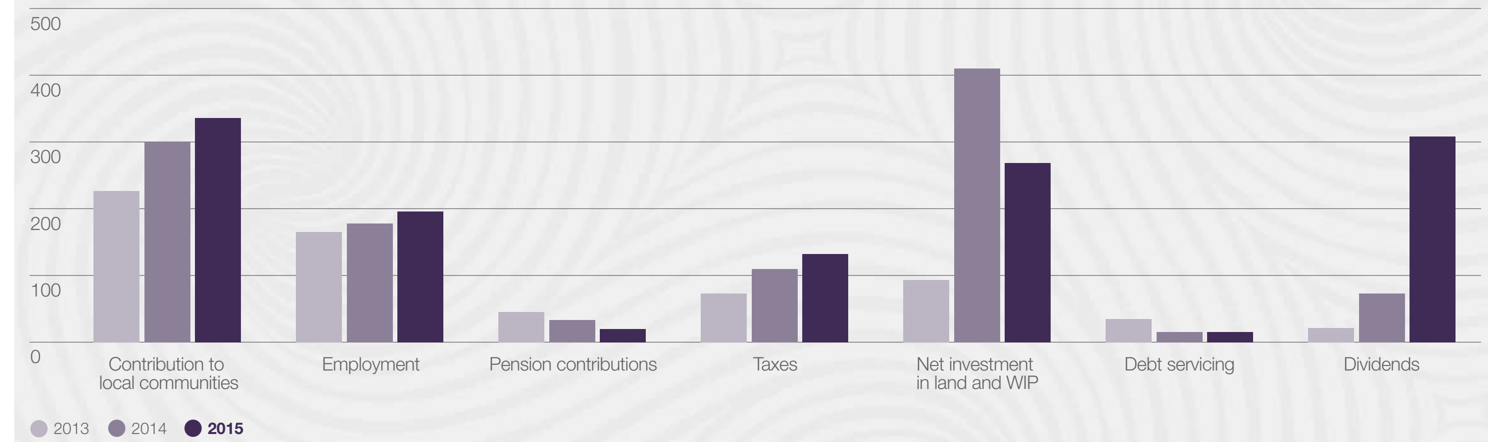
††† Growth in net assets before cash distributions is defined as the percentage change between closing net assets pre accrued and paid returns to shareholders on a rolling 12 month basis and closing net assets on a rolling 12 month basis from the comparative period.

†* Net operating asset turn is defined as total revenue divided by the average of opening and closing net operating assets. Based on rolling 12 months.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Value distributed during 2013 – 2015 (£m)

This chart shows how value is distributed amongst stakeholders and invested in the business.



Financing structure

As at 31 December 2015, the Group had total committed debt facilities of £650 million providing significant financial capacity. During February 2015 agreement was reached to extend the existing revolving credit facility to mature in 2020 and at reduced margins and fees. This resulted in an interest saving of c.£2.5 million in 2015. The average maturity of our committed facilities is now four years.

The strength of the Group's balance sheet and continued strong operational and financial performance has been reflected in the continued improvement of Taylor Wimpey's corporate credit ratings. We are currently rated investment grade by two of the three main agencies.

Spain

We have seen a meaningful improvement in the Spanish market in 2015. We completed 251 homes in 2015 (2014: 164) at an average selling price of €315k (2014: €250k). The total order book as at 31 December 2015 stood at 270 homes (31 December 2014: 233 homes).

The Spanish business delivered an improved operating profit* of £10.0 million for 2015 (2014: £4.2 million) and an operating profit* margin of 17.2% (2014: 12.5%). Looking ahead, we remain cautiously optimistic given the significant contribution of newly acquired sites, whilst conscious of the wider macro European economic environment.

Going concern

The Directors remain of the view that the Group's financing arrangements and balance sheet strength provides both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the consolidated financial statements are prepared on a going concern basis.

Accounting standards

The consolidated financial statements have been produced in accordance with International Financial Reporting Standards (IFRS) as endorsed and adopted for use in the EU. There have been no changes to IFRS during 2015 that have a material impact on the Group results.

For more information about our viability statement see page 35

Approval of the Strategic Report

This Strategic Report was approved by the Board of Directors and signed on its behalf by

Pete Redfern
Chief Executive

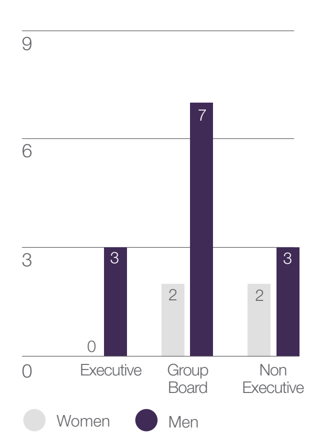
Governance

Board of Directors

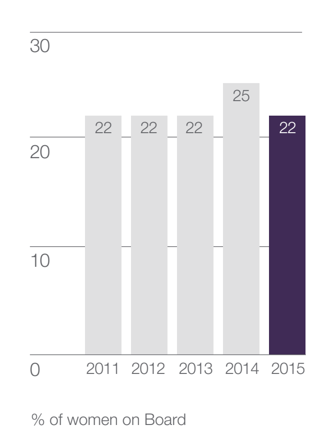
	1 Kevin Beeston Chairman	2 Pete Redfern Chief Executive	3 Ryan Mangold Group Finance Director	4 James Jordan Group Legal Director and Company Secretary
Committee membership	Nomination Committee (Committee Chairman), Remuneration Committee			
Date of appointment	July 2010	July 2007	November 2010	July 2011
Skills & experience	Kevin was formerly Chairman of Serco Group plc and also of Domestic and General Limited; and was previously a non executive director of IMI plc. Kevin has a wealth of commercial, financial and high level management experience including being a former CEO of a FTSE 100 company. He also has significant experience of chairing boards of both public and private companies and of being a non executive director and a member of audit, nomination and remuneration committees.	Pete was previously Group Chief Executive of George Wimpey Plc and, before that, successively held the posts of Finance Director and Chief Executive of George Wimpey's UK Housing business. Pete has full day to day operational responsibility for delivering the Company's strategy in a profitable, safe and environmentally responsible manner. He has significant financial, operational and management experience, gained from his various roles in industry and from his time at KPMG. His appointment in 2014 to the board of Travis Perkins plc as a non executive director has further broadened his experience at plc board level.	Ryan previously held the post of Group Financial Controller of Taylor Wimpey plc. Before joining Taylor Wimpey, Ryan was Group Financial Controller of Mondi Group for five years, prior to which he held a number of senior finance roles with the Anglo American plc group of companies. Ryan has operational responsibility for managing the Company's finances. He has financial, treasury, risk and financial control expertise including that gained from his time with Mondi Group and Anglo American plc.	James, a solicitor, was previously Group Company Secretary and General Counsel of George Wimpey Plc from February 2002 until July 2007, when he was appointed to the same position with Taylor Wimpey plc. Before joining the Group, James held senior legal and company secretary roles in industry which included positions with The Rugby Group Plc and English China Clays Plc. James oversees compliance with legal and regulatory obligations and also manages the Company's Secretariat and Legal Departments. He has significant legal, commercial, transactional and regulatory/governance related experience.
External appointments	Kevin is Chairman of Equiniti Group plc and a non executive director of The Football Association Premier League Limited.	Pete is a non executive director and member of the remuneration committee of Travis Perkins plc, a Trustee of the homelessness charity Crisis and a member of the board of the Home Builders Federation.		

5 Kate Barker DBE Independent Non Executive Director	6 Baroness Ford of Cunninghame Independent Non Executive Director	7 Mike Hussey Independent Non Executive Director	8 Rob Rowley Independent Non Executive Director and Senior Independent Director	9 Humphrey Singer Independent Non Executive Director
Nomination Committee, Audit Committee, Remuneration Committee	Nomination Committee, Remuneration Committee (Committee Chairman)	Nomination Committee, Audit Committee	Nomination Committee, Audit Committee (Committee Chairman), Remuneration Committee	Nomination Committee, Audit Committee
April 2011	April 2013	July 2011	January 2010	December 2015
Kate is a business economist and was previously a member of the Bank of England's Monetary Policy Committee (MPC) from 2001 until May 2010. During this period, Kate also led two major policy reviews for Government, on housing supply and on land use planning. Before joining the MPC, she was Chief Economic Adviser at the CBI. Kate was awarded a CBE in 2005 for services to social housing and a DBE in 2014 for services to the economy. Kate is an industry-recognised economist who also brings a wider economic insight gained through her various roles, including as a Member of the Oversight Board of the Office for Budget Responsibility.	Margaret is an Honorary Professor of Real Estate at Glasgow University and an Honorary Member of the Royal Institute of Chartered Surveyors. She formerly chaired the Olympic Park Legacy Company; English Partnerships; Barchester Healthcare Limited; and May Gurney Integrated Services Plc. Prior to these appointments, Margaret had a long career in management consulting with Price Waterhouse and then Eglinton Management Centre, which she founded. Margaret has wide-ranging experience in a number of sectors and also has extensive knowledge of the property sector, gained through various roles. She has significant plc experience including the chairmanship of both boards and board committees. She also sits in the House of Lords.	Mike is Chief Executive of Almacantar, a private property investment and development company which he founded in February 2010. He has held a number of senior roles in the property sector, most recently as an executive board director of Land Securities plc. Prior to that position, Mike was Head of Leasing and Marketing for Canary Wharf Group plc, and held a number of senior posts in the property industry with the British Council for Offices, the City Property Association, and as Chairman of the Regeneration and Development Committee of the British Property Federation. Mike has in-depth expertise in land development and marketing, particularly in London, gained from his previous roles as a director of Land Securities plc and as Head of Leasing and Marketing of the Canary Wharf Group plc.	Rob was previously Deputy Chairman of Cable and Wireless plc, a director of Reuters Plc, and a non executive director of Prudential plc; Taylor Nelson Sofres plc; and Intu Properties plc. Rob has a wealth of financial, commercial and management expertise, principally from his time as Finance Director of Reuters plc and Deputy Chairman of Cable & Wireless plc. He has substantial experience as a non executive director including the chairing of audit committees and has recent and relevant financial experience as required by the UK Corporate Governance Code.	Humphrey was appointed to the Board on 9 December 2015. He is Group Finance Director of Dixons Carphone plc, a role to which he was appointed in 2014. Humphrey was previously Group Finance Director of Dixons Retail plc and held senior finance-related roles within Dixons, including as Group Financial Controller, and prior to that with Coca Cola Enterprises. Humphrey has a wealth of financial experience and expertise in the areas of both digital solutions and customer services, which will augment the Board's skill sets in these areas. On appointment to the Board, he also joined the Audit Committee, where his financial expertise will assist the Committee in the performance of its duties, and the Nomination Committee.
Kate is a Trustee Director and Chairman of the British Coal Superannuation Scheme; is presently interim Chairman of Electra Private Equity plc; and a non executive director of the Yorkshire Building Society.	Margaret is Chairman of STV Group plc and Grainger Group plc and a non executive director of SEGRO plc.	Mike is a Fellow of the Royal Institution of Chartered Surveyors and a Trustee of the Royal College of Surgeons of England.	Rob is the Senior Independent Director and Chairman of the audit committee of moneysupermarket.com Group PLC; Senior Independent Director of Greene King plc; a non executive director and Chairman of the audit committee of Morgan Advanced Materials plc; and non executive director of Greene King plc and Camelot Group.	Humphrey is Finance Director of Dixons Carphone plc.

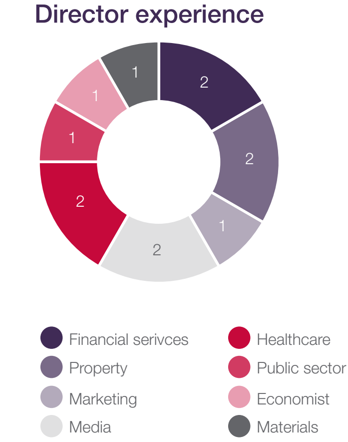
Board gender diversity



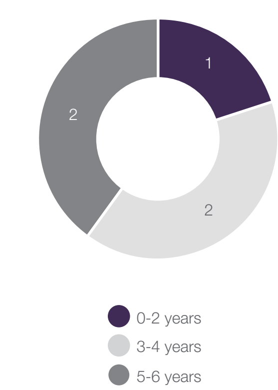
Board gender diversity (%)



Non Executive Director experience



Non Executive Board tenure



Our Committees

See page 58 for more on our Nomination Committee

See page 63 for more on our Audit Committee

See page 68 for more on our Remuneration Committee

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Chairman's Introduction to Corporate Governance

Highlights for 2015

During the year, we:

- Fully met all of the requirements of the UK Corporate Governance Code
- Fully met all of the revised requirements set out in the September 2014 Guidance on Risk Management, Internal Control and Related Financial and Business Reporting
- Improved the functioning of the Board and its Committees through implementing the findings of the externally-facilitated Board Appraisal for 2014
- Conducted a comprehensive internally-facilitated Board Appraisal during 2015
- Further developed the Company's succession and contingency planning across the Group
- Implemented a number of new diversity and inclusivity initiatives and further progressed our overall agenda
- Introduced the new Viability Statement designed to give shareholders greater assurance on the Company's longer term prospects
- Conducted an external appraisal of the Company's 'Whistleblowing' process and procedures
- Conducted an external appraisal of the Company's procedures for dealing in the Company's shares

Dear Shareholder

In my capacity as Chairman of the Board, I am very pleased to again have this opportunity to make a personal statement on the Company's approach to corporate governance.

Firstly, I would like to emphasise again that the Board continues to take corporate governance very seriously and has been able to demonstrate this over many years with full compliance with the UK Corporate Governance Code (the 'Code'). The requirements of the Code are summarised in the table on page 50 where we have included a signpost directing you to the relevant page which sets out in detail how the Company has complied with the various provisions. To demonstrate the Board's proactive approach to corporate governance, the Company has consistently sought to comply with planned improvements to the Code, and with wider governance initiatives often in advance of their formal application to our reporting years. The Board receives regular briefings and updates on corporate governance, both at Board and Committee meetings and, where necessary in between such meetings, which all Directors continue to find very helpful.

This report on corporate governance aims to set out and explain in clear terms the governance related processes and procedures in place at Taylor Wimpey which we believe are essential for delivery of the long term success of the Company. It is these processes that ensure we comply with all applicable laws and regulations as well as, of course, meeting the requirements of our shareholders and their representative bodies, with whom we are always very pleased to engage – and proactively did so again during 2015 and into 2016. The Board strongly believes that good governance should be focused not only on how the Board itself operates effectively but also, and very importantly, on the culture within which all of our businesses operate and conduct themselves on a day to day basis.

As you will see from the Highlights for 2015 there were a number of significant developments in the area of corporate governance during the year, both externally and internally. These were welcomed by the Board as they help to provide shareholders and all of our stakeholders increased assurance that the Company is being managed with their best interests firmly in mind.

The main changes which apply to reporting for 2015 cover a number of areas including: going concern; risk management and internal control; the introduction of a viability statement; requiring remuneration to be designed to promote the long term success of companies; encouraging greater shareholder dialogue; the review of Director time commitments; and further ways to improve the functioning of a Board through wider areas of diversity. The Board fully supports each of these changes and improvements. The plans to address the new requirements and necessary improvements are set out in greater detail in this Report and in the separate Reports of the Nomination, Audit and Remuneration Committees, which can be found on pages 58, 63 and 68. Within these Reports, corporate governance developments likely to be implemented during 2016 are also discussed as appropriate.

In line with the Code, the Board conducts its annual evaluation exercise via an independent external facilitator once every three years and it was last carried out in this way in 2014. Consequently the evaluation for 2015 was conducted internally and was done so via a comprehensive and updated process which involved all Directors.

> "The Board strongly believes that good governance should be focused not only on how the Board itself operates effectively but also, and very importantly, on the culture within which all of our businesses operate and conduct themselves on a day to day basis."

Kevin Beeston
Chairman

The exercise considered the effectiveness of the Board, each Board Committee and each Director including the sufficiency of their individual time commitment to the Board.

Consistent with previous exercises, the 2015 evaluation proved to be very useful and whilst it was pleasing to note that the exercise concluded that the Board continues to function very well, inevitably there were some areas identified for improvement and other areas that would benefit from additional or continuing focus. I can confirm that the Board has already focused on these areas and will continue to do so during 2016. More detail of the 2015 Board evaluation is set out on page 56.

This Report also seeks to explain what your Board of Directors actually does and describes how it is responsible for setting the culture and values of the Company, ensuring that the Company is run in the best interests of its shareholders as well as other stakeholders, and how it interacts with its shareholders in explaining the Company's strategic goals and performance against them. From a governance perspective, it is not just a case of what is done but also, and just as importantly, how it is done – therefore, we try and avoid a simple box ticking type approach, preferring our governance to be something that is properly embedded in our people, processes and decision making at all levels.

As a Board we regularly review health, safety and environmental performance; our business strategy; key risks; the market; operational matters; customer services; human resources; diversity; corporate responsibility; community engagement; our financial position and performance; governance and legal matters; and shareholder-related matters including the make up of our share register. This is done through the consideration and discussion of regular reports submitted by the Executive Directors and through other reports and presentations from our senior management and external advisers. The Board and individual Directors also undertake regular visits to our regional businesses and their development sites, which has proved to be both very useful and very effective.

Appointments and succession

There was one change to the composition of the Board during 2015, when we were very pleased to appoint Humphrey Singer as an Independent Non Executive Director on 9 December 2015. Humphrey is the Finance Director of Dixons Carphone plc and brings with him not just his financial acumen but a number of other skills and experience such as digital solutions and customer services, which will complement the Board's existing skill set. The Board considers that there is an effective balance with three Executive Directors and five Non Executive Directors plus myself as Chairman, which ensures that each viewpoint is properly represented around the Board table. It also ensures that there is an effective balance of guidance, support and constructive challenge to the Executive.

The appointment of Humphrey Singer followed a robust search, assessment and recruitment process, led by the Nomination Committee, the details of which are set out in more detail on page 59.

The Nomination Committee makes recommendations on appointments and succession planning to the Board, and more details can be found in the Nomination Committee Report on pages 58 to 62.

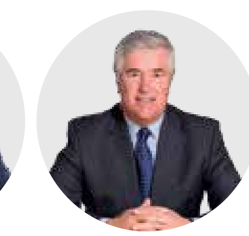
In accordance with the Code, all Directors will again be subject to election or re-election as appropriate by shareholders at the Annual General Meeting of the Company which is being held on 28 April 2016 (AGM). Biographical details of each Director can be found on pages 44 to 45 and also on page 152.

I believe that the new balance and composition of the Board, with myself as Chairman, three Executive Directors and five Independent Non Executive Directors, will continue to provide the right blend of experience, expertise and challenge to ensure good governance so as to enable the Company to successfully implement its strategy.

Board committees

Chairman of the Nomination Committee
Kevin Beeston

See pages 58-62 for more information



Chairman of the Audit Committee
Rob Rowley

See pages 63-67 for more information

Chairman of the Remuneration Committee
Baroness Ford of Cunninghame

See pages 68-85 for more information

Board Committees

In compliance with the Code, the Board has three Committees, the Nomination, Audit and Remuneration Committees.

The Nomination Committee has been closely involved during 2015 in a number of important actions and initiatives including:

- Reviewing the balance, diversity, independence and effectiveness of the Board.
- The appointment by the Board of an additional Independent Non Executive Director – Humphrey Singer.
- The carrying out of a detailed review of both succession and contingency planning across the Group in order to achieve the Company's strategic aim of attracting, developing and retaining the best quality people at all levels of the Company, and to improve our talent management.
- Reviewing strategy; establishing targets; and driving and monitoring progress in improving diversity generally throughout the Group.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Chairman's Introduction to Corporate Governance continued

Board activities and priorities

Regular items at Board meetings cover the review of Committee activities; detailed updates on health, safety and environmental matters; reports from the Executive Directors covering progress towards the Company's strategic objectives, its financial position and prospects, customer service, legal and corporate governance matters, and compliance updates; and shareholder matters including an update from the Company's stockbroker.

Other topics considered during the year at Board meetings included the following on a meeting by meeting basis:

February 2015
- Reviewed the draft 2014 Annual Report and Accounts and the Sustainability Report
- Conducted the annual risk review
- Determined the amount of dividends for 2014 and any special dividend for 2015 to be proposed to shareholders
- Approved the draft Preliminary Announcement of the Company's full year results
- Established improvement plans arising from the 2014 Board evaluation

April 2015
- Reviewed the draft Interim Management Statement to update shareholders on progress for the year to date
- Reviewed arrangements for the 2015 Annual General Meeting
- Reviewed scenario planning to assess the robustness of the Company's strategy
- Detailed review of customer service performance and improvement plans

May 2015
- Received a performance and strategic update on Land and Planning
- Detailed review of the political backdrop and its implications for the Company's strategy

June 2015
- Received a performance and strategic update from the new Major Developments business
- Considered a report on the external review of the Company's share dealing and approval processes

July 2015
- Reviewed the draft half year results announcement
- Determined the level of interim maintenance dividend and proposed special dividend for 2016
- Considered the half year risk review
- Detailed review of progress and plans in employee matters
- Detailed review of the political backdrop and its implications for the Company's strategy

September 2015
- Received an update on the Company's strategic plan for 2016-25
- Received a detailed review of shareholder engagement and feedback from the Investor Relations team
- Reviewed plans for the Board evaluation for 2015

October 2015
- Received a presentation on performance and plans in the areas of health, safety, the environment and sustainability
- Received a presentation on progress and plans in the area of human resources
- Discussion on progress and plans in the areas of diversity and inclusivity

December 2015
- Detailed discussion on the Group's year end forecast
- Reviewed the outcome of the Board evaluation for 2015 and agreed action points
- Detailed review of the year end risk management report
- Detailed review of the Group Business Strategy 2016-2025

These will all remain key priorities for further review and development during 2016, and in particular, succession planning, which is a topic which will continue to be regularly reviewed by both the Nomination Committee and the Board.

Additional reporting on the Committee's activities, including more details of progress and plans in each of these areas, in line with the Code, is set out in the Nomination Committee Report on pages 58 to 62.

During 2015 the Audit Committee completed its schedule of work designed to ensure full compliance with the provisions of Section C of the Code, in relation to financial reporting and risk assessment related to the Company's operations generally and to the preparation of this Annual Report and Accounts and the various confirmations and assurances contained in it for shareholders. Full details are set out in the Audit Committee Report on pages 63 to 67. In brief, the work of the Committee included:

- The following of established processes, so as to enable it to satisfy itself and recommend to the Board that the information presented to shareholders in this Report and Accounts is, as a whole, a fair, balanced and understandable assessment of our position and prospects (see page 67).
- The establishment of robust new processes to give it the necessary assurance as to the Company's financial position and prospects, to enable the Board to make the new Viability Statement, set out on page 35 (see pages 63 and 67).
- The ongoing review of the performance of the external auditor, Deloitte LLP, before recommending to the Board that a resolution be proposed for their re-appointment at the AGM (see page 64).
- The review of risk management and internal controls so that the Company can closely monitor its exposure to risks which could impact upon the future prospects of the Company and achievement of its strategic objectives (see page 66).

The Audit Committee has, during the year, continued to focus closely on these key areas, and will continue to do so throughout the course of 2016 as necessary.

The Committee welcomed the new Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council (FRC) in September 2014. The enhanced requirements are summarised below:

- The design and implementation of appropriate risk management and control systems and their ongoing monitoring and review.
- The level and nature of risk which the Company is willing to take in pursuing its strategic objectives.
- The appropriateness of the Company's culture and reward systems.
- The management and mitigation of Principal Risks.
- The Board's responsibility for external reporting in these areas.

The Committee believes that these enhanced requirements will further improve the overall governance framework in these areas. More details are set out in the Audit Committee Report on pages 63 to 67.

During 2015, the Remuneration Committee has continued its primary responsibility of ensuring that executive remuneration is geared to the enhancement of shareholder value and the delivery of the Company's strategy within a culture that monitors and limits risk-taking in accordance with pre-determined limits; and that the rewards for achieving or exceeding those targets are not excessive. Full details are set out in the Remuneration Committee Report on pages 68 to 85. Key areas which the Committee focused on or considered during the year are set out below:

- Carefully monitored Company performance in relation to the achievement of its strategic goals, so as to ensure potential and actual reward available to Executive Directors and the wider executive team was closely linked to performance measures reflecting those achievements.
- Further aligned employees' and shareholders' interests by extending the participation in the Taylor Wimpey Performance Share Plan to members of the Company's regional Business Unit management teams and further extending shareholding target guidelines below Board level.
- In conjunction with the Board, further increased participation in the all-employee share plans and the percentage of employee shareholders.

Due to the fact that there has been no change to the Remuneration Policy, accordingly there will again be only one resolution on remuneration proposed at the 2016 AGM – namely, the advisory vote on the way in which the Policy has been applied during 2015, as set out in the Remuneration Report on pages 70 to 76.

The terms of reference of each of the Board Committees, including an explanation of their role and the authority delegated to each by the Board, appear on the Company's website www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance

Diversity
Diversity and inclusivity has continued to be a key item on the overall UK governance agenda during 2015, particularly with the publication of Lord Davies of Abersoch's review of progress to date in encouraging a greater proportion of women onto boards. This review sets an enhanced target for the proportion of women on each FTSE 350 company's board to increase from the current 25% target to 33% by 2020. The Board very much welcomes this initiative and the increased target which is designed to give greater impetus to the progress of enhanced gender diversity on PLC boards.

Although the percentage of women on the Board of Taylor Wimpey plc reduced during the year from 25% to 22% following the appointment of Humphrey Singer in December 2015, improvements were however seen in the proportion of women on the Group Management Team (GMT) which increased to 30% during the year from 25% in 2014. The number of women on the Board will be kept under regular review in line with the recommendations made by Lord Davies.

More generally, within Taylor Wimpey, diversity and inclusivity has remained a key priority on the Board's agenda and this will continue to be the case during 2016 for all of our businesses and across all disciplines. Our ambitions and objectives are set out in our Diversity Policy which can be found on pages 60 to 61 and more information can be found on pages 30 to 31 and on the Company's website: www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance

Full details of our strategy and progress made to date towards the policy objectives are set out in detail in the Nomination Committee Report on pages 58 to 62.

Board evaluation
Pursuant to the Code, the Board carries out a formal and rigorous annual evaluation which is, as mentioned earlier, externally facilitated at least once every three years.

Following the external facilitation of this process in 2014, the evaluation in 2015 was conducted internally via a rigorous and comprehensive assessment of the performance of the Board, its Committees and each individual Director.

As part of the Board evaluation, the Board carefully considered the time commitments of all Directors and was satisfied, in line with the Code, that each Director was able to allocate sufficient time to discharge his/her responsibilities to the Company effectively including not only attendance at Board and applicable Committee meetings (where attendance was 100% during 2015 for all Directors) but also for preparation time for meetings, visits to businesses (including the annual Board away day/visit) and other additional requirements that may be required from time to time.

The annual evaluation is an important part of the Board's corporate governance framework and both the process and outcome are always taken very seriously by the Board, each Committee and by each individual Director.

Details of this year's evaluation; its outcome; the actions planned by the Board during 2016 to address the issues raised; and the actions taken during 2015 to address the issues raised in the last (externally-facilitated) evaluation conducted in 2014 and reported in last year's Annual Report, are set out on page 56.

See page 56 for more information

Conclusion
I believe that your Board remains effective and continues to work well. I am confident that the Board has the right balance of skills, expertise and professionalism to continue to deliver strong governance whilst allowing the Executive Directors to implement and deliver the strategy set out on pages 16 to 17 within a culture of effective risk management and appropriate levels of reward. I am pleased with the Board's activity with regard to corporate governance, but we continually look for ways to learn and improve. As ever, I very much look forward to meeting with shareholders at the AGM on 28 April 2016 and, as always, along with all of your Directors (who will all be present at the AGM), remain available to answer or respond to your questions, concerns and suggestions at any time.

Kevin Beeston
Chairman

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Chairman's Introduction to Corporate Governance continued

Adherence to the Code

The Main Principles of the Code and guidance on where to find details in these reports on how the Company has complied with it, are set out below:

Section A: Leadership

- Every company should be headed by an effective board which is collectively responsible for the long term success of the company (see page 51).
- There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision (see page 53).
- The chairman is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role (see page 51).
- As part of their role as members of a unitary board, non executive directors should constructively challenge and help develop proposals on strategy (see page 51).

Section B: Effectiveness

- The board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the company to enable them to discharge their respective duties and responsibilities effectively (see page 52).
- There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board (see page 59).
- All directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively (see pages 49 and 53).
- All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge (see page 54).
- The board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties (see page 54).
- The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors (see page 56).
- All directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance (see page 53).

Section C: Accountability

- The board should present a fair, balanced and understandable assessment of the company's position and prospects (see page 67).
- The board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems (see page 66).
- The board should establish formal and transparent arrangements for considering how they should apply the corporate reporting, risk management and internal control principles and for maintaining an appropriate relationship with the company's auditors (see pages 64 to 65).

Section D: Remuneration

- Executive directors' remuneration should be designed to promote the long term success of the company. Performance-related elements should be transparent, stretching and rigorously applied (see page 77).
- There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration (see page 68).

Section E: Relations with shareholders

- There should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place (see page 57).
- The board should use general meetings to communicate with investors and to encourage their participation (see page 57).

Statement of compliance

For the year ended 31 December 2015, the Company complied with all the provisions of the Code; the Financial Conduct Authority's (FCA) Disclosure and Transparency Rules sub-chapters 7.1 and 7.2 which set out certain mandatory disclosure requirements; the FCA's Listing Rules 9.8.6R, 9.8.7R and 9.8.7AR which include the 'comply or explain' requirement; and the BIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations. These regulations are publicly available at:

- The Code can be found at www.frc.org.uk
- The FCA's Disclosure and Transparency Rules as well as Listing Rules can be found at www.handbook.fca.org.uk
- The BIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations can be found at www.gov.uk
- The FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting can be found at www.frc.org.uk

General Board Governance

Taylor Wimpey plc Board

Kevin Beeston
Chairman

Committee members	Number of meetings attended
Kevin Beeston Chairman	8/8
Pete Redfern Chief Executive	8/8
Ryan Mangold Group Finance Director	8/8
James Jordan Group Legal Director and Company Secretary	8/8
Rob Rowley Senior Independent Director	8/8
Kate Barker Independent Non Executive Director	8/8
Margaret Ford Independent Non Executive Director	8/8
Mike Hussey Independent Non Executive Director	8/8
Humphrey Singer(a) Independent Non Executive Director	1/1

(a) Appointed 9 December 2015.

The Board and its Committees

As at the date of this Report, the Board consists of nine Directors, namely: the Chairman, three Executive Directors and five Independent Non Executive Directors. Their names, responsibilities and other details appear on pages 44 to 45. On 9 December 2015 Humphrey Singer was appointed to the Board as an Independent Non Executive Director, after a selection process led by the Nomination Committee as set out on page 59.

The role of the Independent Non Executive Directors is to offer advice and guidance to the Executive Directors, using their wide experience in business and from their diverse backgrounds, details of which are set out in their biographies on pages 44 to 45 and in the Board diversity analysis on page 45. They also provide a constructive challenge, monitoring the overall direction and strategy of the Company; scrutinising the performance of the Executive Directors; and satisfying themselves as to the integrity of the financial information made available both to the Board and to the Company's shareholders. The Non Executive Directors also play an important part in the appointment or removal of Executive Directors and in general succession planning for the Board and other executive and other management positions below Board level.

The Board met on eight occasions during 2015 and there was full attendance at all meetings. The Board has considered the number of Board meetings that take place each year and has concluded that eight meetings remain appropriate but will keep the number under review. Additional Board meetings would be convened as and when necessary and there are also processes in place for approving transactions and other matters that need approval in between Board meetings.

Directors make every effort to attend all Board and applicable Committee meetings, as strongly evidenced by the attendance records over several years. Where, exceptionally, a Director is unable to attend a meeting, it is Board policy that the Chairman and/or the Group Legal Director and Company Secretary (the Secretary) will, as soon as possible, brief the Director fully on the business transacted at the meeting and on any decisions that have been taken. In addition, the views of the Director are sought ahead of the meeting and conveyed to those attending the meeting by the Chairman and/or the Secretary as appropriate. Details of the attendance of each Director at Board and Committee meetings are set out in the table opposite and on pages 59, 64 and 70.

The Board discharges its responsibilities by providing strategic and entrepreneurial leadership of the Company, within a framework of strong governance, effective controls and a culture of openness and transparency, which enables opportunities and risks to be assessed and managed. In addition, the Board sets the Company's strategic aims; ensures that the necessary financial and human resources are in place for the Company to meet its objectives; and reviews management performance.

The Board is responsible for the Company's culture and for defining and setting the Company's values and standards, which it does, amongst other things, through a number of policies and codes of conduct, and ensures that its obligations to its shareholders and other stakeholders are clearly understood and met. The Board is led in these respects by the Chairman, who ensures the Board operates correctly, setting its culture and, by extension, that of the Company in its operations and its dealings with all stakeholders.

As also set out in our 2015 Sustainability Report, which will shortly be available online at www.taylorwimpey.co.uk/corporate/sustainability/sustainability-reports, the Board is fully committed to providing a safe place in which our employees and subcontractors can work, and that our customers can live. We also ensure that all of our sites are developed to high standards of environmental management. The Board receives detailed reports on health, safety and environmental matters at each Board meeting in respect of the Company's operations in the UK and Spain. The Company's detailed carbon reporting, as required by BIS, is set out on page 29.

Operational management of the Company's business is undertaken by the Chief Executive who receives advice from the Group Management Team (GMT). The GMT is the most senior executive committee and, in addition to the Chief Executive, consists of the Group Finance Director, the Group Legal Director and Company Secretary, the three Divisional Chairmen, the Group HR Director, the Land and Planning Director, the Managing Director of the Central London business unit and the Managing Director of the Major Developments business. The GMT meets monthly and also once each month with the six Divisional Managing Directors as a wider Group Operational Team.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

General Board Governance continued

The Board also receives regular reports and minutes from the Treasury Committee, which meets under the chairmanship of the Group Finance Director, and also comprises the Group Legal Director and Company Secretary, one of the Divisional Chairmen (who rotate periodically) and the Group Treasurer. The key responsibilities of the Treasury Committee are, broadly, to monitor and keep under review the Group's financial risks, financial policies, financial facilities, covenant compliance and insurance programme in the light of current and proposed strategic and operational requirements.

The following documents are available for review on the Company's website at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance:

- Schedule of matters specifically reserved for the decision of the Board.
- Terms of reference of the Board Committees: Nomination, Audit and Remuneration, which outline their objectives and responsibilities and define a programme of activities to support the discharge of those responsibilities.
- Policies covering operational, compliance, corporate responsibility and stakeholder matters, which are reviewed whenever necessary to take account of developments in corporate governance, changes in legislation and revised processes.

All Directors have access to the advice and services of the Secretary. The Board has an established procedure whereby Directors may take independent professional advice at the Company's expense where they judge it necessary to do so in order to discharge their responsibilities as Directors.

The Board took advice during the year from Slaughter and May, on the continued effectiveness of the Company's procedures for dealing in the Company's shares, following which the existing guidance was refreshed and issued to all restricted employees.

Advice was also received from Deloitte during the year via the Audit Committee on the significant governance developments during the year.

The Board receives at each meeting a report from JPMorgan Cazenove (Cazenove) on the sector and the relative performance of the Company's share price.

All businesses and employees are expected to operate at all times to the highest standards of integrity and conduct in all matters concerning the Group. Accordingly, there is a Code of Business Conduct, which sets out the standard for individual dealings both internally and externally. Formal policies have been adopted, which set out the ethical framework within which all Taylor Wimpey companies are required to undertake their business – this includes, in line with the Bribery Act 2010, an Anti-Corruption Policy which requires an annual sign-off by designated senior management.

These policies are available for review on the Company's website www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance and relevant reporting against these is provided to the Audit Committee by the Head of Internal Audit and the Secretary as appropriate.

The Company welcomes the aims and objectives of the Modern Slavery Act 2015 and will be taking its future responsibilities under the Act very seriously. A team has since been established to look at what the legislation will mean for Taylor Wimpey.

Board and Committee balance, diversity, independence and effectiveness

A key role of the Board is to ensure that it retains an appropriate level of independence in order to allow the Independent Non Executive Directors to challenge the Executive Directors constructively whilst, at the same time, also supporting them to implement the strategy and run the business effectively. Another key role is to ensure that it has the right blend of skill, independence and knowledge and this is something that is kept under regular review in conjunction with the Nomination Committee.

It is the Company's policy, in line with the Code, that proposed appointments to the Board, and succession planning, are based on merit, and judged against objective criteria, whilst also having due regard to the benefits of diversity and inclusiveness, including gender, age, disability, ethnicity, thought and experience. The Board also continues to recognise and take very seriously its responsibility to comply with the recommendations of the Davies Report, encouraging increased participation by women on boards, which was previously targeted at 25% on FTSE 100 boards by 2015 but more recently increased to 33% for FTSE 350 companies by 2020, which the Board welcomes.

Following the appointment of Humphrey Singer in December 2015, the proportion of women on the Taylor Wimpey Board has reduced from two out of eight (25%) to two out of nine (22%). The Board will keep the balance of the Board under regular review and this was also an action point arising out of the 2015 Board evaluation exercise.

Board and Committee roles and responsibilities

The work of each of the Board Committees (Nomination, Audit and Remuneration) is described later in this Report.

Relevant skills and expertise

It is a requirement of the Code that the Board and its Committees should have the appropriate balance of skills, experience, independence and knowledge of the Company, to enable duties and responsibilities to be discharged effectively. This was reviewed during the year and was utilised in drawing up the recruitment framework, including the list of desired skills in the process used for the appointment of a new Independent Non Executive Director during the year. The Board considers that each Director brings relevant and complementary skills, experience and background to the Board, details of which are set out below, and additional information is also set out in the biographies on pages 44 and 45, and also on page 152.

Kevin Beeston, Chairman, has a wealth of commercial, financial and high level management experience including being a former CEO of a FTSE 100 company. Kevin also has significant experience of chairing boards of both public and private companies and of being a non executive director and sitting on audit, nomination and remuneration committees.

Pete Redfern, CEO, has operational responsibility for delivering the Company's strategy in a profitable, safe and environmentally responsible manner. Pete has significant financial, operational and management experience, gained from his various roles in industry and from his time at KPMG. In 2014 he joined the Board of Travis Perkins plc as an independent non executive director and serves on their remuneration committee, which will only add to his breadth of experience at plc board level.

Ryan Mangold, Group Finance Director, has operational responsibility for managing the Company's finances. Ryan has financial, treasury, risk and financial control expertise including that gained from his time with Mondi Group and Anglo American plc.

James Jordan, Group Legal Director and Company Secretary, is a solicitor and oversees compliance with legal and regulatory obligations and manages the Secretariat and Legal Departments. James has significant legal, commercial, transactional and regulatory/governance related experience.

Kate Barker, Independent Non Executive Director, is an industry-recognised economist and has led policy reviews for the Government in the areas of land use, planning and housing supply. Kate also brings a wider economic insight gained through her various roles, including as a Member of the Oversight Board of the Office for Budget Responsibility.

Margaret Ford, Independent Non Executive Director, has wide-ranging experience in a number of sectors and also has extensive knowledge of the property sector, gained through various roles. Margaret has significant plc experience including the chairmanship of both boards and board committees. She also sits in the House of Lords.

Mike Hussey, Independent Non Executive Director, has in-depth expertise in land development and marketing, particularly in London, gained from his previous roles as a director of Land Securities plc and as head of leasing and marketing of the Canary Wharf Group plc. Mike is currently CEO of Almacantar, a property development fund he founded in 2010.

Rob Rowley, Independent Non Executive Director and Senior Independent Director, has a wealth of financial, commercial and management expertise, principally from his time as Finance Director of Reuters plc and Deputy Chairman of Cable & Wireless plc. Rob has substantial experience as a non executive director including the chairing of audit committees and has recent and relevant financial experience as required by the Code.

Humphrey Singer has a wealth of financial experience as Group Finance Director of Dixons Carphone plc, and expertise in the areas of both digital solutions and customer services.

Division of responsibilities

The Board has an established framework of delegated financial, commercial and operational authorities, which define the scope and powers of the Chief Executive and of operational management.

In line with the Code, the roles and responsibilities of the Chairman and the Chief Executive have been clearly defined, set out in writing and signed by Kevin Beeston and Pete Redfern in their respective capacities.

Ensuring there is no conflict of interest

In order to assist Directors in complying with their duty to avoid conflicts (or possible conflicts) of interest, it is standard procedure that the Board must first give its clearance to such potential conflicts of interest (which would include directorships or other interests in outside companies and organisations) following which, an entry is then made in the statutory register which the Company maintains for this purpose.

Whenever any Director considers that he or she is, or may be, interested in any contract or arrangement to which the Company is or may be a party, the Director gives due notice to the Board in accordance with the Companies Act 2006 and the Company's Articles of Association. In such cases, unless allowed by the Articles, any Director with such an interest is not permitted to participate in any discussions or decisions relating to the contract or arrangement.

The Board undertakes a regular review of each Director's interests, if any, outside of the Company. In addition, all new appointments and interests of Directors are reported to the Board for consideration or noting as appropriate. Following these reviews, the Board remains satisfied that, in line with the Code, all Directors are able to allocate sufficient time to the Company to enable them to discharge their responsibilities as Directors effectively and that any current external appointments do not detract from the extent or quality of time which the Director is able to devote to the Company. This is further borne out by Directors' attendance at Board and Committee meetings, which has been at or very close to 100% over many years and was at 100% for 2015.

Annual re-election to the Board

The Code requires every Director to seek election or re-election, as appropriate, at each year's Annual General Meeting (AGM). Accordingly, at the 2016 AGM, every Director, irrespective of the date of his or her appointment and the length of his or her service on the Board, will be submitted for election (in the case of Humphrey Singer, as he was appointed since the last AGM) or re-election (in the case of the other Directors).

Details of the resolutions to be proposed in this respect and supporting biographical details of the Directors appear in the Notice of Meeting on pages 147 to 155.

As part of the 2015 Board evaluation process, the Board reviewed and re-affirmed that it considers each of the Non Executive Directors to be independent in character and judgement and that there are no relationships which could affect the Director's judgement. A rigorous evaluation took place with regard to Rob Rowley as he will have served six years by the time of the AGM in 2016.

In addition the Board re-evaluated each Director's time commitments, and was satisfied that they continued to allocate sufficient time to the Company to discharge their responsibilities effectively, including not only attendance at Board and applicable Committee meetings (where attendance was 100% during 2015 for all Directors) but also for preparation time for meetings, visits to businesses (including the annual Board away day/visit) and other additional requirements that may be required from time to time. Recognising the importance of time commitment to shareholders, this will continue to be kept under review during 2016 including as part of the annual Board evaluation process.

The Chairman, at the time of his appointment on 1 July 2010, met the independence criteria as set out in the Code.

General Board Governance continued

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Information and professional development

The Company has procedures whereby newly appointed Directors (including Non Executive Directors) receive a formal induction. This includes training and continuing familiarisation with the Company's business, strategy, operations (including health and safety) and systems, the principles underlying the discharge of their duties as Directors and wider issues relating to the housing sector. The induction also includes meetings with key executives and function heads, advisers and site visits. During 2015, and in response to one of the findings from the 2014 Board evaluation, the existing comprehensive induction process was given greater formality and is also subject to specific tailoring for individual Directors as appropriate.

All Directors visit Group operations on a regular basis, engaging with employees at all levels in order to foster and maintain an understanding of the business. Board visits are arranged each year to operations and at least one Board meeting per annum takes place in a regional business over three days. In 2015, the Board visit took the form of a strategic review which was also attended by senior management, which worked well.

The Group Legal Director and Company Secretary acts as Secretary to the Board and its Committees and he attends all meetings. It is Board policy that wherever possible a formal agenda and reports are issued electronically to Directors in respect of all Board and Committee meetings at least one week prior to the meeting, in order to allow sufficient time for detailed review and consideration beforehand. Formal minutes are prepared in respect of all Board and Committee meetings and are then circulated and submitted for approval at the next meeting. All Board papers are circulated electronically and Board meetings have been effectively 'paperless' for several years, which has worked well and aided the overall efficiency of the wider Board process.

The Secretary provides regular briefings to the Board on regulatory and governance matters which are included as part of his formal regular reporting to the Board, and are supplemented, as appropriate, by briefings from independent advisers. The Board also receives regular briefings and updates on environmental, social and governance (ESG) matters.

The ESG briefings allow the Board to assess the significant ESG risks to the Company's short and long term value and to identify any opportunities that may arise to enhance value. Details of ESG risks and value-enhancement pursuits appear in the Sustainability Report which will shortly be available on our website www.taylorwimpey.co.uk/corporate/sustainability

The Chairman, Chief Executive and Secretary meet sufficiently in advance of each Board meeting in order to ensure action points from previous meetings have been implemented and to prepare the agenda and matters to be covered at the next and at future Board and Committee meetings as appropriate. The agenda and minutes for the Nomination, Audit and Remuneration Committee meetings are agreed by the Secretary with the relevant Committee Chairman.

Board objectives

	2015 Board objectives	2015 Performance	2016 Board objectives
Strategy and execution	• To set the Company's strategic objectives and strategy for their achievement. • To review the Company's performance, resourcing, and achievements affecting its ability to deliver the strategy. • To review and, if necessary, revise the strategy or its objectives in the light of wider economic, financial and market considerations. • To ensure the strategy is sufficiently resilient in different forward-looking scenarios.	• The Board reviewed performance to date towards achieving its strategic objectives and approved a medium term strategy to further enhance returns. • At each meeting, detailed reports from the Executive were discussed, reviewing forward resourcing requirements in the areas of capital, finance, people and land, and operating decisions taken or proposed to address them. • The Board conducted a major review of the Company's medium term strategy, together with more specific reviews in connection with the preparation of forward budgets and projections of future performance. • Detailed scenario planning was reviewed, together with assessments of the strategy's relative robustness in each case.	• To ensure the Company's strategy remains robust in the light of any forecast market and wider economic changes. • To ensure the Company's performance remains on schedule to achieve the strategy. • To take all measures to ensure that health and safety remains the Group's top priority and will remain an ongoing area of focus.
Risk management	• To review and agree the Company's risk appetite in seeking to achieve its strategic objectives. • To regularly review the robustness of the Company's systems of risk reporting; assessment; and internal controls.	• The risk review was conducted twice during the year, at the Board's July (half year) and February (full year) meetings, and covered both the systems used and the reported risks. At the February meeting the position was subject to independent check with external auditor reports on risk processes connected with the annual audit. • The Board's annual risk review for 2015 was completed at the February 2016 Board meeting following a process embracing all levels of the Group's businesses.	• To ensure risk remains within the Company's agreed risk appetite and is adequately monitored and reviewed as appropriate to reflect external and internal changes.
Governance and values	• To fully implement the September 2014 revision of the UK Corporate Governance Code ('Code'). • To fully implement any related governance requirements, such as the new Viability Statement. • To review the remuneration framework to ensure that it remains appropriate, proportionate, and does not encourage excessive risk-taking. • To conduct an annual Board appraisal. • To take account of shareholder guidance and consultation.	• The Company embraced the key requirements of the revised Code in its 2014 reporting and has now fully complied in all respects, as was required for this 2015 reporting year. • The Code requirement for the introduction of a Viability Statement has been met by the inclusion of the Statement on page 35. • The Company's Remuneration Policy remains unchanged since its adoption by shareholders at the 2014 AGM but is reviewed, with advisers, by the Remuneration Committee each year to ensure it remains appropriate and proportionate and helps to drive and reward achievement of the strategy. • The appraisal was conducted internally for 2015 as reported on page 56 (having been externally-facilitated, as required at least each third year, in 2014). • In addition to the AGM, shareholder and institutional feedback was sought when presenting the Company's half year and full year results and in notifying proposals for remuneration during 2015, and taken into consideration by the Board together with advice from its stockbroker.	• To ensure that there is continued full compliance with the Code and with wider statutory and regulatory requirements. • To ensure that remuneration is to remain within the Company's Remuneration Policy and proportionately rewards achievement of the strategy. • To implement the improvements identified on page 56 arising from the 2015 Board appraisal. • Monitor shareholder feedback and continue to actively promote wider engagement.
Organisational capacity	• To ensure that the Company has the necessary resources – financial, people, supply chain and Group structure – to enable it to deliver the strategy. • To ensure that its people are suitably trained and that sufficient provision is being made for succession planning at all levels.	• The Board reviewed reports at each meeting on the financial performance of the Company and the availability, currently and forecast going forward, of financial, people and supply chain resourcing. • The Board and the Nomination Committee reviewed at least twice each year the strategy for succession planning and related training assessment and provision, and progress in achieving it.	• To ensure that resourcing remains sufficient to achieve the strategy together with wider diversity considerations. • To ensure that training and development plans support continuous improvement in the team and contribute towards wider diversity improvements.
Stakeholder engagement	• To increase shareholder attendance and voting, including registering proxies, at the AGM. • To keep employees engaged and informed on the Company's performance and prospects. • To assist prospective and actual purchasers of houses in making and successfully concluding what is, for many, the largest value and potentially most stressful transaction of their lives. • To maintain communication and a culture of continuous improvement throughout the Company's supply chain.	• Shareholder communication was conducted through encouraging attendance at the AGM; steadily increasing voting on resolutions proposed thereat; briefings to analysts and the press; and direct consultation on certain special matters. • Employee involvement was promoted through regular briefing material online and in hard copy; interactive online Q&As; strategy updates around the businesses; and explanation of Company performance around half year and full year reporting and trading statements. • Prospective and actual purchasers of houses were assisted by dedicated teams in each regional business along each stage of the Customer Journey. • The supply chain received constant feedback from Group businesses, suppliers and subcontractors, which fed into updated arrangements and agreements.	• To actively encourage shareholder participation through clear messaging and reporting and careful review of shareholder feedback. • To implement changes proposed following the employee consultation conducted during 2015. • Monitor the embedding of the Customer Service improvements introduced during 2015 and 2016. • To ensure the Group works with subcontractors and suppliers to constantly seek ways of further improving quality; sustainability; and delivery in a safe working environment.

General Board Governance continued

Board evaluation

The outcome of the 2014 Board evaluation (which was externally facilitated, in line with the requirement of the Code that this be undertaken in this way at least every third year) was reported on in detail in last year's Corporate Governance Report. The main action points arising from that exercise, and action taken in respect of each, are set out in the table below.

As previously mentioned, the 2015 Board evaluation was internally facilitated, as set out on page 46.

The 2015 evaluation process consisted of the following:

- A detailed and comprehensive bespoke questionnaire which the Secretary sent individually to all Directors for completion.
- Collation of the responses by the Secretary.
- Review by the Chairman and the Secretary of each performance area, and of each Director.
- Presentation of the findings to the Board on a non-attributable basis.
- Preparation of action plans designed to address the findings, as set out in the table below, during 2016.

Feedback was then provided on an individual basis, by the Senior Independent Director to the Chairman (and vice versa); and through the Chairman discussing each individual Director's own performance assessment with the relevant Director on a one-to-one basis.

The recommendations arising from the Board evaluations for 2014 and 2015, together with actions taken during 2015 in relation to the former, and actions planned during 2016 in relation to the latter, are set out in the table below.

2014 Evaluation – Recommendations included	Actions taken during the year
Refreshing the current strategy; adding scenario planning; adopting a longer term focus; and further explanation and communication to the team.	This was addressed during 2015 by a comprehensive review of the strategy conducted by senior executives; review by the Board on several occasions during the year, culminating in a detailed review at its October meeting including scenario planning outcomes; formal adoption of the revised strategy at its December meeting; and arrangements made for a 'roadshow' around the businesses during 2016 to communicate and explain it to the team.
Continuing focus on succession planning, particularly longer term, with closer links to talent management and training, and including for Board Committee Chairmen.	This was addressed during 2015 by the extension of the Talent Management Group through establishing such a Group in each of the three Divisions of the UK Housing business, linked to reviews of training and professional development requirements and plans, feeding recommendations upwards for review and monitoring of progress. In addition, the Nomination Committee drew up Succession and Contingency Plans for the Non Executive Directors and Board Committees.
Greater formality around Board induction and specific tailoring for Executive and Non Executive Directors.	This was addressed during 2015 by the re-design of the Board induction process, timetable and documentation, with bespoke additions of relevant areas tailored to Executive and Non Executive Directors. Consideration is also being given to expanding this into Regional Boards around the UK business.

2015 Evaluation – Recommendations included	Actions to be taken during 2016
Additional periodic reporting to take place on key areas such as land and planning; marketing-related initiatives; and the Major Developments business.	Additional reporting to the Board on these areas of the business will take place.
Greater alignment of reporting on the three Housing Divisions.	Alignment of reporting has already been implemented.
Additional focus to take place on diversity and inclusivity including continued monitoring and review.	There will be increased focus on diversity and inclusivity initiatives at all levels of the business including at Board level.
The inclusion of special topics for presentation to the Board and to make structural changes to the Board away day.	A programme of special topics and presenters has been compiled. Improvements to the Board away day structure will also be implemented so as to maximise the time the Board spends together.
	Each of these key areas will remain firmly on the Board's agenda during 2016 and an update will be provided in the 2016 Annual Report and Accounts.

Management

Progress in achieving the Group Strategy is reviewed at each Board meeting and is reported on pages 16 to 17. The Chief Executive has responsibility for preparing and reviewing strategic plans for the Group and the annual budgetary process. These are subject to formal approval by the Board.

Budgets are re-examined in comparison with business forecasts throughout the year to ensure they are sufficiently robust to reflect the possible impact of changing economic conditions and circumstances. The Chief Executive and the Board conduct regular reviews of actual results and future projections with comparison against budget and prior year, together with various treasury reports. Disputes that may give rise to significant litigation or contractual claims are monitored at each Board meeting, with specific updates on any material developments or new matters presented by the Secretary.

The Group has clearly defined policies, processes and procedures governing all areas of the business, which will continue to be reviewed and refined in order to meet the requirements of the business and changing market circumstances. Defined authority limits continue to be closely monitored in response to prevailing market conditions. Any investment, acquisition or significant purchase or disposal of land requires detailed appraisal and is subject to approval by the Board or the Chief Executive, depending on the value and nature of the investment or contract.

There is a clearly identifiable organisational structure and a framework of delegated authority approved by the Board within which individual responsibilities of senior executives of Group companies are identified and can be monitored. The Operating Framework, within which delegated authorities, responsibilities and related processes are explained in detail, is available for review and guidance online by any employee through the Company's intranet. These activities are reinforced through process compliance and other audits conducted by Internal Audit.

The annual employee performance appraisal process is objective-based, with individual objectives cascaded down from the appropriate business objectives. The process also identifies training needs to support achievement of objectives.

During 2015 the Group's control environment was further enhanced both through the full implementation of the September 2014 update of the Code and also a robust risk assessment and review led by the Audit Committee. In addition, an independent review was conducted of the effectiveness of Internal Audit and of the Group's strategic risk review process.

This 2015 Annual Report and Accounts

Your Directors have responsibility for preparing this 2015 Annual Report and Accounts and for making certain confirmations concerning it. In accordance with the Code provision C.1.1 the Board considers that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

The Board was able to reach this conclusion, and also received advice from the Audit Committee. The processes of review and assessment followed by that Committee in that respect, are set out on page 67.

The Viability Statement, introduced for the first time this year in line with the September 2014 revision of the Code, appears on page 35.

Shareholder engagement

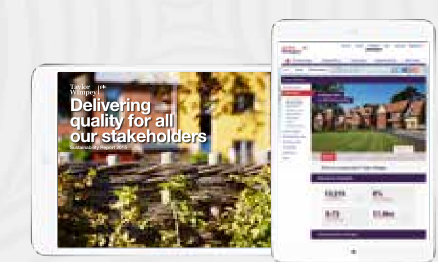
The Board actively seeks and encourages engagement with major institutional shareholders and other stakeholders and supports the initiatives set out in both the Code and the Stewardship Code, which aim to foster a more proactive governance role by major shareholders. The Board has put in place arrangements designed to facilitate contact with shareholders concerning business, governance, remuneration and other issues. This provides the opportunity for meetings with shareholders and the Chairman, the Senior Independent Director as well as the Chief Executive, Group Finance Director, Group Legal Director and Company Secretary and other executives as appropriate, in order to establish a mutual understanding of objectives. The Company also operates a structured programme of investor relations, based on formal announcements and publications covering the full year and half year results. In addition, the Chairman meets with the Company's institutional shareholders from time to time, both proactively and upon request, in order to discuss the Company and its performance, governance and remuneration policies. As set out in the Remuneration Report, the Remuneration Committee undertakes a consultation exercise each year and as part of this exercise, the Committee Chairman also engages directly with shareholders and their representative bodies.

All Directors receive formal reports and briefings during the year about the Company's investor relations programme and receive detailed feedback through surveys, direct contact and also other means. This enables all Directors to develop an understanding of the views of major shareholders about the Company.

The Board encourages all shareholders to participate in the Annual General Meeting, which is attended by all Directors. Shareholders' attention is drawn to the Notice of Meeting on pages 147 to 155 which sets out details of the rights of shareholders in connection with the notice of, and participation in, general meetings of the Company. This year, there are 23 resolutions being submitted for shareholder consideration, including, Resolutions 20 to 22 which are requests for approval of substantial property transactions as defined in the Companies Act 2006, between the Company and Pete Redfern and Ryan Mangold.

For the 2015 AGM, shareholders representing 61% of the Company's issued share capital voted in the poll. There was a vote in favour of 16 of the 20 resolutions of in excess of 99% and an average vote in favour across all 20 resolutions of over 98%.

Information about the Company, including full year and half year results and other major announcements, and additional information about shareholder facilities, is published on the Company's website www.taylorwimpey.co.uk/corporate



Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Nomination Committee Report

Main objective

- To ensure there shall be a formal, rigorous and transparent process for the appointment of new Directors to the Board, its Committees and to other senior roles and in conjunction with the Board to ensure effective diversity improvements and succession planning processes across the Group

2015 Performance

- With the Diversity and Inclusivity Working Party, which was set up in 2014, now up and running, progress has been achieved in these key areas – although there is still a lot of work to be done in order to achieve the Company's diversity policy and wider diversity and inclusivity strategy
- Reviewed the Board structure, its skill sets, succession and contingency planning and recruited a new Independent Non Executive Director
- Finalised contingency and longer-term succession planning for all senior roles across the business, linked to talent development and targeted training programmes
- Formalised the induction process in place for newly appointed Directors

2016 Objectives

- To further progress the diversity and inclusivity agenda across the business, including partnering initiatives with selected third parties
- Monitor the developing requirements for reporting any gender pay gap and ensure processes and controls are in place to facilitate any necessary reporting in that area
- Given their importance, to ensure that the succession and contingency plans are regularly reviewed and updated

Dear Shareholder

I am pleased to be able to take this opportunity as Chairman of the Nomination Committee to summarise the important ongoing objectives and responsibilities of the Committee; the work that has been carried out during 2015; and its plans for the coming year.

The Committee's key objective is to support the Board in fulfilling its responsibilities to ensure that there is a formal, rigorous and transparent process for the appointment of new Directors both to the Board and to senior management positions, and to ensure that effective succession planning and contingency planning processes are in place across the Group.

In meeting its objectives, both the Committee and the Board take into account diversity including gender and fully support the various Government initiatives in this key area, including the latest proposals from Lord Davies of Abersoch that the proportion of women on the boards of FTSE 350 companies should increase from 25% to 33% by the end of 2020. Diversity and inclusivity remains very much on the Taylor Wimpey agenda with regular reporting now taking place including a specific annual update and discussion.

During 2015, I and three female colleagues from the business were delighted to attend and participate in the Women on Boards Conference held by the Department for Business Innovation and Skills, as this was aimed at increasing the number of women considered for appointment to FTSE 350 boards. We were also pleased to support a number of other leading initiatives which are set out in more detail in this Nomination Committee Report.

The Committee's objectives, the strategy for delivering them, progress made towards them during 2015 and targets and plans for 2016 are described in more detail in this Report.

The Committee's achievements during 2015 and its plans for 2016 are set out on the left.

Key priorities are to:

- Continue to focus on succession planning across the Group.
- Drive the Company's diversity and inclusivity agenda at all levels of the Group.
- Regularly review our succession and contingency planning across the Group, and ensure that there is a clear link to individuals' career development and professional development.

The Committee will continue to focus on ensuring that the present and future composition of the Board and the Group's executive management is appropriate for the delivery of the Group's strategy and that all relevant UK Corporate Governance Code (the 'Code') requirements continue to be met.

"Succession planning, together with people development and diversity and inclusivity, are top business priorities, which we will keep at the heart of our agenda."

Kevin Beeston
Chairman of the Nomination Committee

Nomination Committee

Committee members	Number of meetings attended
Kevin Beeston (Chairman)	2/2
Kate Barker	2/2
Margaret Ford	2/2
Mike Hussey	2/2
Pete Redfern[a]	0/2
Rob Rowley	2/2
Humphrey Singer[b]	0/0

(a) Stood down from the Committee on 1 January 2015.
(b) Appointed on 9 December 2015.

The Committee is chaired by the Chairman of the Board and is composed of a majority of Independent Non Executive Directors as required by the Code. Its members are set out in the table above. Pete Redfern (Chief Executive) stood down from the Committee with effect from 1 January 2015, such that the Committee is now comprised of the Chairman and all Independent Non Executive Directors who are members of the Board.

The Committee has procedures in place with regard to maintaining a formal, rigorous and transparent process for Board appointments, ensuring that appointments to the Board are made on merit and assessed against objective criteria. The Committee guides the Board in regularly assessing whether there is an appropriate balance of expertise and skills on the Board and other diversity considerations, whilst also having regard to the 2011 report from Lord Davies of Abersoch on Women on Boards (the Davies Report) and the 2015 Report which raised the target from 25% to 33% by the end of 2020.

A description of how appointments are typically made to the Board is set out below and this was followed in connection with the recent appointment of Humphrey Singer to the Board as an Independent Non Executive Director on 9 December 2015.

The Committee oversees on behalf of the Board, and advises the Board on, the identification, assessment and selection of candidates for appointment to the Board. The Committee has a formal, rigorous and transparent process against objective criteria. The process of appointment of Humphrey Singer, prior to the decision of the Board, included:

- The engagement of independent recruitment consultants, JCA Group, who have no other connection to the Company.
- The preparation of a 'long list' of potential candidates which took into account diversity considerations and the outcome of the Committee's latest review of the composition and skill sets of the Board.
- The selection of a 'short list' of suitable candidates meeting the Committee's criteria.
- Interviews of those candidates by the Chairman, CEO, Group Finance Director and Secretary.
- Following selection of the proposed candidate, interviews with the remaining members of the Board and the taking up of detailed references.

The Nomination Committee also guides the Board in assessing from time to time whether the Board has the correct balance of expertise and in arranging orderly succession planning for appointments to the Board and in respect of senior management across the Group.

As highlighted in the Committee's 2015 performance (opposite), the work of the Committee during the year focused strongly on progressive succession planning at all senior levels of the Company with a view to identifying key prospects and tailoring training and development plans to allow them to demonstrate their potential for future progression.

As part of this process, management below Board level is regularly provided with access to the Board, including the opportunity to attend Board meetings and other Board related functions in order to give presentations on specialist topics, project work and the performance of specific Business Units and Divisions. This helps to provide valuable exposure to the Board for up and coming management as well as being extremely valuable for Board members.

The Committee meets formally at least twice a year. During 2015, in addition to driving the recruitment of an additional Independent Non Executive Director, the Committee's principal agenda items consisted of: longer term succession planning, reviewing and approving the key persons contingency plan and considering progress on diversity across the business. Wider succession planning and diversity remained on the Board agenda regularly throughout the year.

In addition, and in line with the Code, the Chairman and the Senior Independent Director, independent of each other, hold meetings at least annually with the Non Executive Directors without the Executive Directors present. The Chairman also liaises closely each year with each Director as part of the annual Board evaluation process.

Appointments and succession planning

It is the Company's policy, in line with the Code, that proposed appointments to the Board, and succession planning, are based on merit, and judged against objective criteria, whilst also having due regard to the benefits of diversity and inclusiveness, including gender, age, ethnicity, thought and experience. Following the appointment of Humphrey Singer as an Independent Non Executive Director during the year, the Board now consists of nine Directors, two of whom are women, representing 22% of the Board. The Board fully supported the 25% target established by the Davies Report and also fully supports the increased target going forward of 33% by 2020. The Board aspires to increase the current level of representation to at least 25% and will also work towards achieving the higher target of 33% by 2020, whilst continuing to also have due regard to other aspects of diversity as outlined above.

The Committee also reviews the time commitments of each Director both prior to all appointments and periodically so as to ensure that all Directors can discharge their responsibilities effectively.

During the year, we have increased our emphasis on succession planning for people at all levels of the organisation. As part of this, both the Board and the Nomination Committee have visibility of a wide range of employees with leadership potential together with their individual development plans. Each Divisional Chairman of the housing business chairs a divisional Talent Management Board (TMB) comprising senior executives of the Division together with HR representatives.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Nomination Committee Report continued

Each TMB then makes recommendations to the Group Talent Board which is chaired by the Chief Executive. These Boards regularly review succession planning and related development and training requirements across the UK Group. Further actions to support succession planning include the development of career paths linked to experience, exposure and education; an assessment and development centre; and the promotion of the Company's mentoring scheme. We are also focusing upon recruiting individuals from a wider range of backgrounds, experience and industries at all levels.

During 2015, our UK management structure was reviewed and resulted in the appointment of two new Divisional Chairmen, both through internal promotion. This restructuring will facilitate improved operational control, better targeting of capital allocation, and a wider talent pool with great potential for further development.

Succession planning remains a key area of focus across all levels of the organisation. During the year, the Committee considered in detail short and long term succession planning for Directors and key executives, together with appropriate development plans. The Group Management Team (GMT) regularly reviews the Company's succession plans and talent pipelines, with further action to support these areas continuing. The Committee also oversaw the establishment of contingency and longer term succession planning for all senior roles, linked to talent development and targeted training programmes. The Committee notes the publication by the Financial Reporting Council (FRC) of consultation around this area and will be monitoring developments carefully.

There was one change in the composition of the Board during 2015, namely, the appointment of Humphrey Singer on 9 December 2015. Humphrey brings considerable experience and expertise in the areas of finance and due to his background, also in other areas such as digital solutions and customer services and will therefore enhance the overall skill sets of the Board. On his appointment to the Board, Humphrey joined the Nomination Committee, and the Audit Committee where his experience, including from his current role as Group Finance Director of Dixons Carphone plc, will be of considerable benefit.

The composition and performance of the Board and its Committees were considered during the year and it was concluded that the Board and each Committee continues to function effectively.

The Committee believes that the balance of the Board, consisting of a Chairman, three Executive Directors and five Independent Non Executive Directors, recently augmented by Humphrey Singer's additional skill set, will continue to provide the right blend of experience, expertise and challenge in order to take the Company forward in line with its strategy whilst ensuring and maintaining good governance and best practice. This will however be kept under regular review in line with the guidance set out in the Code.

At the Annual General Meeting of the Company to be held on 28 April 2016 (AGM), all Directors will again be subject to re-election or, in the case of Humphrey Singer, to election, by shareholders in accordance with the Code. Biographical details of each Director can be found on pages 44 to 45.

Diversity policy

The Board remains committed to the belief that embracing diversity and inclusion will enable it to succeed better through a workforce that is more creative and innovative. The Board has adopted a policy on diversity which is set out on page 62 and is also available on the Company's website at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance

The Company continues to seek to actively embrace the business and local communities in which it operates and will strive to reflect their richness and character so as to include such aspects as gender, race and religion – and also diversity of thought, background and experience.

The Company is also committed to ensuring that our people are free from any direct or indirect discrimination, harassment, bullying or any other form of victimisation. Our grievance and harassment policies ensure that any reported incidents are investigated. In addition, our whistleblowing policy encourages employees to speak up, including through an independent 'Safecall' telephone facility, against any inappropriate practices or behaviour and we regularly publicise the policy to all staff and workers on site. Due to the importance of whistleblowing, this policy, and the Company's processes for addressing matters raised under it, was independently reviewed during 2015 and was found to be operating well – some improvements in process and documentation were recommended and these are being implemented.

Diversity and inclusion remained an area of clear focus throughout 2015 which will continue into 2016 and for future years. A Working Party which includes a variety of members from across the business has been established to create a diversity and inclusion strategy and to implement new initiatives so as to improve our performance in these key areas. The strategy will focus on the challenges faced in developing an inclusive and diverse workforce. This includes working with specialist external bodies to maximise all opportunities, including:

- Developing our policy and both raising and meeting the expectations from our employees.
- Enhancing our awareness training programme.
- Improving how we attract and recruit candidates to enable us to succeed through a workforce that is inclusive, creative and innovative.

During 2015 a number of key activities have taken place:

- The Working Party undertook several activities all aimed at better embedding a diversity and inclusivity culture within Taylor Wimpey. Specialist independent consultants were engaged to work with the Company with the aim of reviewing and assessing our current practices (Phase 1 of our diversity and inclusion strategy); to develop practical strategies and action plans (Phase 2 of the strategy); with a view to rolling out education and training modules to all of the Group's business units in 2016 (Phase 3 of the strategy).
- As part of the Review/Assessment phase (Phase 1) of the strategy, approximately 250 employees were engaged in several activities including one to one interviews, focus groups, and unconscious bias tests. The data from these activities is currently being assessed and will help to influence our action plans and relevant training modules during 2016.
- We have engaged with the Leonard Cheshire Disability Change 100 Programme, a charitable initiative which provides talented disabled students with the opportunity to participate in a summer internship and professional development programme of 100 days' work experience. We fully intend to engage with the Programme further during 2016.
- We have also engaged with the Career Transition Partnership which is a Ministry of Defence led initiative aimed at providing resettlement services for UK armed forces personnel as they transition to civilian life.
- We have continued to promote our 'Employer of Choice' and diversity agenda through numerous publications and have attended meetings involving the Royal Institute of Chartered Surveyors, Disability Confident, Stonewall, Women in Property, the Men as Change Agents Working Group and participated in the Royal Institute Of British Architects' 'See Me Join Me' campaign aimed at increasing the appeal of our industry to women.
- We continue to actively work with our recruitment partners to ensure they understand and embrace our diversity and inclusion agenda.
- We recruited 98 apprentices (2014: 99), including 29 site management apprentices, 22 management trainees (2014: 50) and 19 graduates (2014: 19). We remain on target with the recruitment of our site management apprentices.
- We increased the number of employees with disabilities recruited. Working with key partners we hope to increase more permanent and secondment opportunities for people with disabilities.
- We introduced a new HR Information System which we believe will better capture data relating to all aspects of diversity and inclusion which will assist us with the management and monitoring of our strategy going forward.
- We continued to engage with a number of specific diversity partners in 2016 with an objective to drive the attraction and development of a more diverse and representative workforce.
- We continued the diversity discussion group meetings with the Chief Executive, Group HR Director and different sections of the workforce; to further embed diversity and inclusiveness at all levels of the Company.

The Board believes that by embracing diversity and inclusiveness, the Company will better understand how people's differences and similarities can be utilised for the benefit of not only the Company but most importantly also for individuals and society as a whole. It is the Board's view that having a diverse workforce will improve the Company's ability to deliver its strategy; the homes that it builds; and its services.

Diversity has continued to be a key item on the overall UK governance agenda during 2015. Within Taylor Wimpey, diversity has remained a key priority for the Board's agenda and this will continue to be the case during 2016. Although the Board will continue to appoint on merit, we recognise that boards will generally perform better when they include top quality people from a range of backgrounds and perspectives. Diversity will continue to be a key consideration when contemplating the composition and refreshing of the Board and indeed our senior and wider management.

As noted opposite, during 2015 the Company put in place systems to measure and monitor diversity around the Group more effectively. With regard to gender, as at 31 December 2015:

- The Board consisted of nine Directors, two of whom are women (22%).
- The GMT, which is effectively the executive Board of Taylor Wimpey UK Limited, our main operating company, consisted of 10 executives, three of whom are women (30%).
- There is one woman out of 24 Regional Managing Directors (4%).
- Women across the Group account for 32% (2014: 32%) of the workforce.
- 27% (2014: 29%) of new starters with the Company during 2015 are women.

While we are making reasonable progress, we of course recognise that we still have more work to do in order to fulfil our overall diversity ambitions and, as stated on page 58, it is a priority for 2016 to achieve further progress in this area.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Nomination Committee Report continued

Progress of our diversity policy

The Company's plans and progress in implementing its diversity policy, benchmarked against appropriate targets, are set out below. Progress is measured and monitored by the Nomination Committee and the Board.

Diversity policy	Strategy	Progress
Taylor Wimpey operates in diverse communities. We believe that embracing this diversity will enable us to succeed through a workforce that is inclusive, creative and innovative. Diversity covers many aspects. We have defined diversity to mean that we actively embrace the business and local communities in which we operate and will strive to reflect their richness and character to include such aspects as gender, race, disability and religion but also diversity of thought, background and experience.	We will examine our culture and practices to determine what further actions can be taken to improve diversity and inclusion within Taylor Wimpey.	The Working Party undertook several activities all aimed at embedding a diversity and inclusivity culture within Taylor Wimpey. Specialist consultants were engaged to work with us with the aim of reviewing and assessing our current practices (Phase 1 of our diversity and inclusion strategy) to develop practical strategies and action plans (Phase 2 of the strategy) with a view to rolling out education and training modules to all of the Group's business units in 2016 (Phase 3 of the strategy). As part of the Review/Assessment Phase of the strategy approximately 250 employees were engaged in several activities including one to one interviews, focus groups, and unconscious bias tests. The data from these activities is being assessed and will help to influence our action plans and relevant training modules during 2016.
Managing diversity is about valuing everyone as an individual – valuing people as our employees, customers and clients. People have different needs, values and beliefs. Our people management practice demands that employment propositions are both consistently fair but also flexible and inclusive in ways that assist our people while supporting our business needs and objectives.	We will identify people management practices that assist a diverse workforce to achieve their full potential. We will use our Community Engagement Programme to heighten awareness of personal interaction and valuing individuals. We will increase the opportunities for young people to join the Company and will promote continuous personal development.	We have engaged with the Leonard Cheshire Disability Change 100 Programme, a charity that provides talented disabled students with the opportunity to participate in a summer internship and professional development programme. Feedback from the students thus far has been positive and we intend to engage with the programme further during 2016. We have also engaged with Career Transition Partnership, which is a Ministry of Defence led initiative aimed at providing resettlement services for UK armed forces personnel as they transition to civilian life. We have continued to promote our 'Employer of Choice' and diversity agenda through numerous publications and have attended meetings involving the Royal Institute of Chartered Surveyors, Disability Confident, Stonewall, Women in Property and participated in the Royal Institute Of British Architects' 'See Me Join Me' campaign aimed at increasing the appeal of our industry to women.
We believe that everyone should have the right to equal access to employment and, when in our employ, to equal pay and access to training and career development.	We will ensure that all managers involved in recruitment and selection receive training that incorporates the areas of diversity and promoting equality. We will extend our recruitment sources in order to attract a more diverse range of applicants.	We continue to work with our recruitment partners to ensure they understand and embrace our diversity and inclusion agenda. We recruited 98 apprentices (2014: 99), including 29 site management apprentices, 22 management trainees (2014: 50) and 19 graduates (2014: 19). We remain on target with the recruitment of our site management apprentices. There was an increase in the number of employees with disabilities recruited. Working with key partners we hope to increase more permanent and secondment opportunities for people with disabilities. We introduced a new HR Information System which we believe will better capture data relating to all aspects of diversity and inclusion. We continue to partner with a number of specific diversity partners in 2016 with an objective to drive the attraction and development of a more diverse and representative workforce. Continue the diversity discussion group meetings with the Chief Executive, Group HR Director and different sections of the workforce; to further embed diversity and inclusiveness at all levels of the Company.
We are committed to ensuring that our people are free from any direct or indirect discrimination, harassment or bullying. We will not tolerate any behaviour that detracts from this.	We will encourage our people to speak out and report any direct or indirect discrimination, harassment or bullying. We will act promptly in addressing any inappropriate behaviour or practice.	A specific focus of the Company's whistleblowing campaign is on diversity, encouraging employees to speak up against any inappropriate practices or behaviour. Our grievance policy ensures that any reports of harassment or bullying are investigated and acted upon.
We acknowledge that we must continue to promote diversity in order to create an organisation that attracts, supports and promotes the broadest range of talent. Establishing an organisational culture with diversity as a core value will enable individuals to reach their full potential and provide the best service to our customers.	Diversity will be promoted from the highest level and we will ensure that our people understand the benefits of having a diverse and inclusive workforce.	Diversity is a core message within our strategy; a main item at our Executive and Regional Management meetings; and is a standing agenda item at GMT meetings. The next stage of the improvement initiative, which commenced in November 2015, is to use the data gathered from our research as the basis for the development phase, which will further develop the Company's strategy in these areas and identify the key actions to drive the project forward during 2016.

Audit Committee Report

Main objective

- To assist the Board in fulfilling its corporate governance responsibilities relating to the Group's risk management and internal control framework; internal audit process; financial reporting practices; external audit process; and whistleblowing procedures

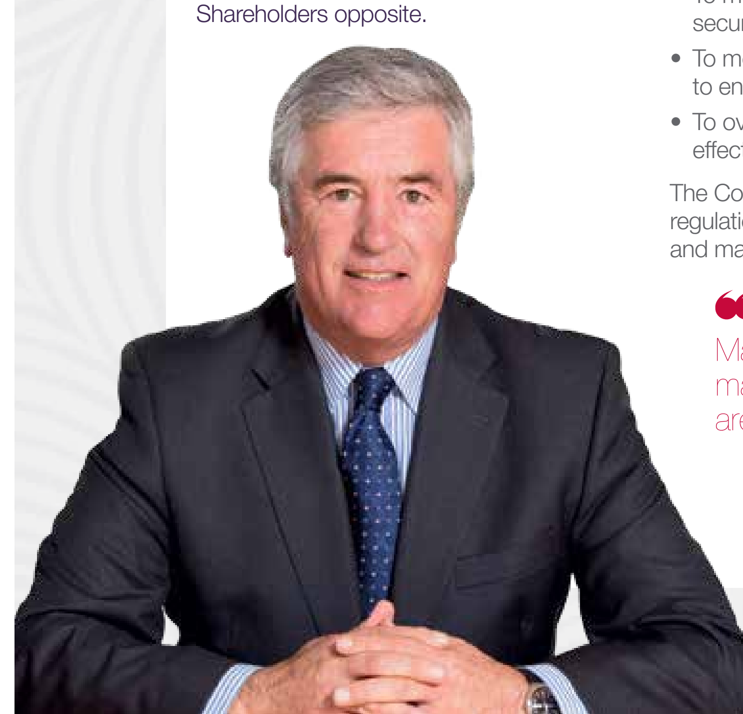
2015 Key achievements

- Fully implemented, and ensured compliance with, the additional requirements introduced in the September 2014 update of the Code, including oversight of the design and implementation of processes and controls designed to permit the Board to make the new Viability Statement which appears on page 35
- Oversaw the latest external evaluation of the Internal Audit function and strategic risk review processes to ensure effectiveness and ability to support strong controls and governance across the Group
- Considered the Group Fraud Risk Assessment to ensure appropriate measures remain in place
- Ensured the continuing robustness of the risk management framework to changes in the operating environment

2016 Key areas of focus

- Monitor the implementation of IT initiatives, particularly in the area of cyber security
- Monitor the implementation of the new Group consolidation and reporting system
- Oversee the implementation of initiatives relating to the effectiveness of both the Internal Audit function and the Risk Management Framework

These are explained in detail in the Committee Chairman's Letter to Shareholders opposite.



Dear Shareholder

I am pleased to be able to take this opportunity as Chairman of the Audit Committee to summarise the ongoing responsibilities and objectives of the Committee; the work that has been carried out during 2015; and the priorities established for 2016.

The Committee supports the Board in fulfilling its corporate governance responsibilities relating to the Group's risk management and internal control framework; internal audit process; financial reporting practices; the preparation and compliance of the Company's Annual Report and Accounts; external audit process; and whistleblowing procedures.

The terms of reference of the Audit Committee, which are summarised on page 64, reflect its responsibilities under the UK Corporate Governance Code (the 'Code'), and related regulations.

The Committee conducts an annual evaluation of its performance against its key objectives. The evaluation for 2015 was formally assessed by the Committee at its February 2016 meeting.

During 2015 the Audit Committee:

- Reviewed processes designed to meet new governance requirements, namely:
  - Fully implemented, and ensured compliance with, the additional requirements introduced in the September 2014 update of the Code and continued to support the Board in ensuring that the requirements of the Code, especially provision C1, are met.
  - Oversaw the design and implementation of processes and controls designed to permit the Board to make the new Viability Statement which appears on page 35.
  - Undertook an assessment of the effectiveness of the external audit process.
  - Oversaw the design and implementation of robust processes to meet the requirements of the Guidance On Risk Management, Internal Control And Related Financial And Business Reporting issued by the Financial Reporting Council (the FRC) in September 2014.
- Oversaw the external evaluation of the Internal Audit function and the Group's strategic risk review processes by PricewaterhouseCoopers LLP (PwC).
- Reviewed the processes and controls within the Company's key corporate functions.
- Received the Group Fraud Risk Assessment for 2015 and ensured that appropriate measures and controls remained in place and are robust to any changes to the operating environment.
- Oversaw the change of the Company's basis of accounting from UKGAAP to FRS101 as reported last year.
- Ensured those systems and processes that impact key data to facilitate timely decision making were effective.
- Focused on the key processes that support the Group's execution of its strategy.

Key priorities for 2016 are:

- To monitor the implementation of IT initiatives ensuring appropriate focus on cyber security in the key areas of customers, suppliers and employees.
- To monitor the implementation of the new Group consolidation and reporting system to ensure it contributes to the efficiency and effectiveness of the Finance function.
- To oversee the implementation of initiatives highlighted in the PwC report on the effectiveness of both the Internal Audit function and the Risk Management Framework.

The Committee will continue to focus on ensuring that all the relevant codes and regulations are complied with to ensure that the business is operating in a controlled and managed environment.

"Maintaining and enhancing the strong governance and risk management framework together with effective internal controls are our top priorities."

Rob Rowley
Chairman of the Audit Committee

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Audit Committee Report continued

Audit Committee

Committee members	Number of meetings attended
Rob Rowley	3/3
Kate Barker	3/3
Mike Hussey	3/3
Humphrey Singer[(a)]	1/1

(a) Appointed to the Board 9 December 2015.

The members of the Audit Committee during 2015 and their attendance at meetings of the Committee during that year are as set out above.

Details of the Committee's activities during 2015 and priorities for 2016 are contained in the Letter from the Chairman of the Audit Committee on the preceding page.

The Audit Committee is chaired by Rob Rowley. All members of the Committee are Independent Non Executive Directors as required by the Code. During the year, Humphrey Singer, who was appointed to the Board on 9 December 2015, joined the Committee on that date and brings a wealth of financial experience and expertise, which will augment the Committee's skill sets. The Board has determined that Rob Rowley (who currently chairs the audit committee at moneysupermarket.com Group PLC) and Humphrey Singer both have recent and relevant financial experience as required by the Code.

Committee meetings are also attended, by invitation, by the Chairman of the Company and other Non Executive Directors who are not members of the Committee, the Executive Directors, Head of Internal Audit, other senior executives and by Deloitte LLP (Deloitte), the external auditor. The Committee also meets privately with representatives from Deloitte during at least two Committee meetings per annum, which normally take place around the time of the full and half year financial statements, in order to discuss any matters which the auditor may wish to raise in confidence, without any Executive Directors (other than the Secretary) being present.

The Audit Committee met on three occasions during the year. At those meetings, the Committee carried out its remit which primarily includes:

at its February 2015 meeting:

- Reviewed the final draft 2014 Annual Report and Accounts together with any significant accounting and audit issues thereon; considering issues of materiality and the external auditor's report on the progress of the audit; conducting a formal compliance check.
- Reviewed the draft Preliminary Announcement of the Group's 2014 results; and advised the Board regarding the appropriateness of the proposed final maintenance dividend for 2014.
- Conducted the 2014 year end risk review.
- Oversaw the introduction of processes designed to address the new Viability Statement reporting for 2015.

at its July 2015 meeting:

- Reviewed the final draft half year statement for 2015 together with details of any significant accounting issues thereon; considering issues of materiality and the external auditor's report on its review of that statement.
- Conducted the 2015 half year risk review.
- Received the Group fraud risk assessment.
- Reviewed an overview of the accounting changes consequent upon the adoption of the FRS 101 basis of accounting.
- Agreed the brief for the external evaluation of Internal Audit and of the Company's approach to strategic risk.
- Advised the Board regarding the appropriateness of the proposed interim maintenance dividend and special dividend for 2016.
- Reviewed Deloitte's audit plan for the audit of the Company's 2015 accounts, and report on the progress of the audit to date.

at its December 2015 meeting:

- Conducted the 2015 year end risk review.
- Reviewed the outcome of PwC's independent review of the effectiveness of Internal Audit and the related review of the Company's approach to strategic risks.
- Approved updates to the Audit Committee framework.
- Reviewed and confirmed the processes which allow the Committee to ensure that the 2015 Annual Report and Accounts meets the requirements of Code provision C.1.
- Reviewed and confirmed the processes which allow the Committee to assess the performance of Deloitte during the audit of the Company's 2015 full year reporting and make a recommendation to the Board as to their re-appointment at the 2016 AGM.
- Received a briefing on key accounting judgements with regard to the Company's 2015 accounts.
- Oversaw the process leading to the Board's new Viability Statement, included for the first time in its 2015 reporting.

In addition, at each meeting, the Committee also reviewed its other areas of responsibility, including:

- The internal audit process and the review of reports received and actions arising therefrom.
- The risk management and internal control framework.
- The Company's whistleblowing procedures and the adequacy of any investigations.
- Checking for any incidences of fraud, actual, alleged or precautionary, and ensuring proper controls and a response plan are in place.
- Financial reporting practices.

In carrying out these activities, the Committee places reliance on regular reports from executive management, Internal Audit and from the Company's external auditor. In monitoring the financial reporting practices, the Audit Committee reviewed accounting policies, areas of judgement, the going concern assumptions and compliance with accounting standards and the requirements of the Code. During the year, the Committee reviewed, prior to publication, other statements affecting the Group concerning price sensitive information as necessary.

External auditor

Re-appointment

As noted earlier, Deloitte LLP is the Company's external auditor. Their performance is kept under regular review by the Board and the Audit Committee and the Committee undertook a formal assessment of the external audit process during the external audit of the Company's 2015 results and Deloitte's suitability going forward.

This review took the form of a checklist and questionnaire issued to Directors; executives involved in the detailed stages of the audit process; and a representative sample of employees in regional business units which were subject to audit. The responses were augmented by external feedback on the relative performance of auditors generally, and from regulatory sources. A summary of the findings was prepared by Internal Audit and considered by the Audit Committee at its February 2016 meeting.

The outcome of the review was that the Committee recommended to the Board, which in turn is recommending to shareholders in Resolution 13 on page 153, that Deloitte be re-appointed as the Company's auditor at the 2016 AGM.

Tender

A formal competitive audit tender process was carried out by the Company with regard to the 2008 audit, following which Deloitte was selected to continue as external auditor to the Company. The current lead engagement partner is Edward Hanson, whose responsibility for the audit under Deloitte's partner rotation scheme commenced with the 2014 audit. The Code requires FTSE 350 companies to put the external audit contract out to tender at least once every 10 years. The Company also notes the guidance issued by the FRC by way of transitional arrangements. Therefore, and having due regard to the foregoing, having conducted a tender process in 2007/2008, the Company presently intends to defer tendering again, until completion of Edward Hanson's rotation in 2019, but will of course keep the matter under regular review, taking into account the annual performance review to be conducted by the Committee as well as other relevant factors. There are no contractual restrictions on the Company's selection of its external auditor.

Statement of compliance

The Company has complied throughout the reporting year with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender processes and Audit Committee Responsibilities) Order 2014.

Appointment of the auditor for non-audit services

The Audit Committee has a formal policy on whether the Company's external auditor should be employed to provide services other than audit services. In line with the Code, the Committee has regard to the relevant ethical guidance regarding the provision of non-audit services by Deloitte.

This policy requires that there should be a competitive tender process – except in narrowly defined circumstances where it is considered that, based on confidentiality, past knowledge and other commercial reasons, there is an advantage in using a single tender procurement procedure.

The Committee has determined that the following assignments should not be undertaken by the auditors:

- Bookkeeping or other services related to the accounting records or financial statements.
- Internal audit outsourcing services.
- The provision of advice on large Information Technology systems.
- Services connected with valuation, litigation support, legal, recruitment or remuneration.

The Board is satisfied that this policy is conducive to the maintenance of good governance, best practice and auditor independence and objectivity.

Non-audit services in 2015 predominantly related to work undertaken as a result of Deloitte's role as auditors, in particular the interim review in connection with the Company's half year results for 2015 and tax work which included some advisory services to the Company and its subsidiaries. Deloitte also performed certain real estate advisory work, for which they were selected as they were considered to be the best supplier for that service. All independence considerations were considered with regard to these services, in line with the above policy, and were fully compliant with it.

The Audit Committee fully recognises and supports the importance of the independence of auditors. Its review of the auditor's performance during 2015 included non-audit services. The Committee is satisfied that the carrying out of the above work did not, and will not going forward, impair the independence of the external auditor. It also recognises that, from time to time, there is a clear commercial advantage based on cost and timetable requirements in using the Company's auditors. As a result, the value of non-audit services work was £0.2m in 2015 (2014: £0.2m) as set out in Note 6 to the Accounts on page 110.

The Committee is aware of proposals by the FRC that the current guidelines on the employment of the external auditor on non-audit work should be amended, such that the value of non-audit work should be no more than 70% of the audit fee for the relevant year. As can be noted from Note 6 to the Accounts, referred to in the preceding paragraph, if the proposed new guidelines are adopted, the Company would have been in compliance with them in 2015 and in each of the preceding two years.

Internal Audit

The Internal Audit function reviews the effectiveness and efficiency of the systems of internal control in place to safeguard the assets; to quantify, price, transfer, avoid or mitigate risks; and to monitor the activities of the Group in accomplishing established objectives. Following each review an Internal Audit report is provided to both the management responsible for the area reviewed and the Group Management Team (GMT). These reports outline Internal Audit's opinion of the management control framework in place together with actions indicating improvements proposed or made as appropriate. The Chief Executive, the GMT and senior management consider the reports on a regular basis and are responsible for ensuring that improvements are made as agreed. A database of audit recommendations and improvement initiatives is maintained. Follow-up and escalation processes ensure that such improvements are implemented and fully embedded in a timely manner.

The Company belongs to and participates in industry-wide forums and other initiatives aimed at combating fraud within the construction industry.

Summaries of all key Internal Audit reviews and activity and resulting reports are provided to the Audit Committee for review and discussion.

The Internal Audit function also formally reviews proposed related party transactions, such as purchases by employees from Group companies, to ensure proper procedures are followed and that such procedures are undertaken strictly in accordance with the formal policy in place and, where applicable, company law.

During 2015, an independent formal evaluation of the Internal Audit function was carried out on behalf of the Audit Committee by PwC and its finding was that Internal Audit continues to operate effectively. In addition, a number of initiatives were progressed during 2015 to ensure the Internal Audit function continues to meet both current best practice and the evolving needs of the Group.

The Internal Audit Charter, which codifies the aims, modus operandi and outputs of Internal Audit, was reviewed by the Committee for ongoing appropriateness.

The Head of Internal Audit has direct access at all times to the Chairman of the Audit Committee, the Chairman of the Board and also to the Chief Executive and the other Executive Directors.

Audit Committee Report continued

Risk management and internal control

The Group has established an ongoing process of risk management and internal control, applying Main Principle C.2 and its Supporting Code Provisions of the Code. The Board is responsible for the effectiveness of the system of internal control, which has been designed to meet the requirements of the Group and the risks it encounters, including taking account of environmental, social and governance considerations. The systems cannot eliminate the risk of failure but rather seek to manage both the likelihood of their occurrence and the extent of their impact, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Principal Risks facing the Company, as assessed by the Board, are set out on pages 36 to 37, together with information on action taken and/or planned to mitigate each one.

The Board makes its assessment of risk half yearly, after overseeing a bottom-up and top-down review of risk in all areas of the business. Action to mitigate the effect of each one is led by the Chief Executive either directly or indirectly.

The Board's assessments use a standard methodology which takes into account environmental, social and governance considerations. In compliance with the Code, the Board also regularly reviews the effectiveness of the Group's system of internal control in providing a responsible assessment and mitigation of risks. The Board's monitoring covers all controls, including financial, operational, compliance and assurance controls which include risk management.

Compliance with the Group's system of internal control is primarily driven and co-ordinated through compliance with an established Operating Framework (OF) supported by function manuals covering the main disciplines. These include clear levels of delegated authority, responsibility and accountability, and are subject to periodic review to ensure they remain appropriate and proportionate to the Group's changing strategic and operating requirements. Adherence to the OF is monitored by management and assessed independently by Internal Audit. At its half year and year end meetings, the Board reviews risk in relation to the Company's strategic objectives and its current plans to deliver them. It also reviews progress and performance in action taken to mitigate the impact of those risks.

The Board is supported in this by more regular and detailed reviews, by the Audit Committee, including the review of progress reports from Internal Audit, and by operational risk reviews across the business, led by the GMT. These reviews during 2015 resulted in a number of enhancements to internal controls, designed to reduce or better manage risk across the business. These included continuing reviews of the effectiveness of the embedding, during 2014, of the COINs and 1B1S ERP business systems, which have improved the accuracy, timeliness and uniformity of data used to manage, and report on, the Group's businesses, and further work towards updating the OF and Commercial and Finance Manuals, which guide the businesses in ensuring compliance with Group standards.

During 2015, the Committee oversaw the introduction of new and revised processes and reporting, designed to meet the requirements of the FRC's September 2014 Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. This aims to bring together elements of best practice for risk management; to prompt boards to consider how to discharge their responsibilities in relation to Principal Risks faced by the Company; embed risk management and internal control in the Company's business processes; and highlights related reporting responsibilities. These new regulations applied for the first time to the Company's 2015 reporting, and the Committee believes they will enhance sound stewardship by the Board in these areas. The principal change is the inclusion of the new Viability Statement, referred to later in this Report.

At its meeting in February 2016, the Board, after conducting its own review and after reviewing more detailed assessments from the Audit Committee, remained satisfied that the system of internal control continued to be effective in identifying, assessing, and ranking the various risks facing the Company; and in monitoring and reporting progress in mitigating their potential impact on the Company. The Board also approved the statement of the Principal Risks set out on pages 36 to 37 of this Annual Report.

Whistleblowing

The Group's whistleblowing policy is supported by a clear process that includes an externally facilitated hotline through which any person, including employees of the Company, may, in confidence, raise concerns about possible improprieties in financial reporting, other operational matters or inappropriate behaviours in the work place. All whistleblowing cases are formally investigated by the Head of Internal Audit, Group Director of Health, Safety and Environment (where appropriate), Group Human Resources Director and/or the Group Legal Director and Company Secretary depending on the nature of the issue. The Chief Executive is apprised of all allegations and conclusions of the review.

Whistleblowing incidents and their outcome are reported to the Audit Committee. Whistleblowing is a standing item on each Audit Committee agenda, which allows the Committee to regularly review the adequacy of the policy in line with its requirement to do so under the Code. The process is regularly reviewed and during 2015 an independent, external appraisal was conducted, which confirmed that the Company's policy in this respect was adequate. A number of administrative recommendations were however made and these have been addressed. The Committee is satisfied that the policy and its administration remain effective.

Change of basis of accounting

As reported last year, the Company changed its basis of accounting with effect from 1 January 2015, from UKGAAP (which the Financial Reporting Committee (FRC) announced should change for all relevant companies from that date) to FRS 101. The reason for choosing FRS 101 is that it is based on International Financial Reporting Standards (IFRS), as endorsed by the European Union, and currently used for the Group financial statements. It was therefore proposed that the Company's basis of accounting be changed from UKGAAP to FRS 101 with effect from 1 January 2015.

The Audit Committee continues to support this change, which is largely a technical matter designed to ensure that the Company's accounts continue to be prepared in an appropriate way, which meets the standards applied by the accounting and auditing bodies of the UK, and remains in line with current law, regulation and guidance. During the year, the Committee oversaw the change and ensured that it had no detrimental effect on the Company's reporting for 2015.

The Group Accounts are not impacted by this change. The Group Statutory Accounts are, and will continue to be prepared in accordance with IFRS as adopted by the European Union.

Going concern

The Group has prepared forecasts, including certain sensitivities, taking into account the Principal Risks identified on pages 36 to 37. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Viability Statement

A new requirement for the Company's 2015 reporting, arising from the FRC's September 2014 Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, is the inclusion of a Viability Statement. This is designed to be a longer term view of the sustainability of the Company's strategy and business model and related resourcing, in the light of projected wider economic and market developments.

During 2015, the Committee oversaw the introduction of processes designed to enable the Board to make this statement. The statement appears on page 35 together with details of the processes, assumptions, and testing which underpin it.

Annual Report and Accounts 2015

Code provision C.1

The Board has responsibility under C.1 of the Code and its Supporting Principles and Code Provisions, for preparing the Company's Annual Report and Accounts; for ensuring that it presents a fair, balanced and understandable assessment of the Company's position and prospects; and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Process

The review of the Company's Annual Report and Accounts took the form of a detailed assessment of the collaborative process of drafting them, which involves the Company's Investor Relations; Finance; Company Secretariat; and Internal Audit Departments, with guidance and input from external advisers. It ensured that there is a clear and unified link between this Annual Report and Accounts and the Company's other external reporting, and between the three main sections of the Annual Report and Accounts – the Strategic Report; the Governance Reports; and the Accounts.

In particular, the Committee:

- Reviewed all material matters, as reported elsewhere in this Annual Report.
- Ensured that it correctly reflected the Company's performance in the reporting year, as described on pages 12 to 41.
- Ensured that it correctly reflected the Company's business model, as described on pages 18 to 33.
- Ensured that it correctly described the Company's strategy, as described on pages 16 to 17.
- Ensured that it presented a consistent message throughout.
- Considered whether it presented the information in a clear and concise manner, illustrated by appropriate KPIs, to facilitate shareholders' access to relevant information.

Significant items

As part of the above process, the Committee considered the following significant items in connection with the preparation of the 2015 Annual Report and Accounts:

- That the carrying value of inventory is reflective of the lower of cost and net realisable value and all relevant disclosures are included in the accounts. The Company carries out a net realisable value assessment for inventory every six months, the process and results of which are discussed by the Audit Committee.
- That the assumptions used in calculating the net pension liabilities are reasonable and supported by appropriate data and external advice. The Company takes external advice, including market-wide comparisons, in valuing pension assets and liabilities. These are discussed and agreed by the Committee.
- The Committee also satisfied itself that the underlying business processes that dictate the points of recognition for revenue, and the way in which inventory is costed and allocated, remain appropriate.

As part of the year-end process the Audit Committee received updates on other judgemental areas including provisions and taxation. The presentation of exceptional items and changes to IFRS were also considered when reviewing the 2015 Annual Report and Accounts.

Conclusion

A summary of the process and of the Committee's findings, was considered by the Board at its meeting on 25 February 2016. The outcome of that review was that the Committee confirmed to the Board that the 2015 Annual Report and Accounts met the requirements of Code provision C.1, and the Board's formal statement to that effect, to meet the requirements of the Code, is set out on page 50.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Remuneration Report

Main objective

- To establish and maintain formal and transparent procedures for developing policy on executive remuneration and for agreeing the remuneration packages of individual Directors and senior executives and to monitor and report on them

2015 Developments

- Carefully monitored Company performance in relation to the achievement of its strategic goals, so as to ensure that the potential and actual reward available to Executive Directors and the wider executive team was closely linked to performance measures reflecting those achievements
- Further aligned employees' and shareholders' interests by extending the participation in the PSP to members of the Company's regional Business Unit management teams and by further extending shareholding target guidelines below Board level
- In conjunction with the Board, further increased participation in the all-employee share plans and the percentage of employee shareholders

2016 Objectives

- To review the Remuneration Policy and consult as appropriate ahead of the submission of the Policy to shareholders for approval at the 2017 Annual General Meeting
- To continue the process of increased alignment with shareholders through increased participation in our all-employee share plans and enhanced share ownership guidelines

Dear Shareholder

I am delighted to be able to again take this opportunity to summarise the Company's Remuneration Policy and the way it has been implemented during 2015.

As always, the Committee remains very mindful of the interest in executive remuneration and has again sought to ensure that the remuneration policies and practices at Taylor Wimpey drive behaviour that is appropriate and in the long term interests of the Company and its shareholders.

Shareholders approved the Remuneration Policy (the Policy), as set out on pages 71 to 73 of this Report, at the 2014 AGM. The Remuneration Committee is of the view that the Policy continues to remain appropriate and should therefore continue to operate until its planned renewal at the Company's 2017 AGM. There are no changes proposed to the Policy; however, there are some minor differences in the way in which the Policy will be implemented in 2016 compared with 2015. In order to assist shareholders, we have added additional explanations where there are any differences in the way in which the Policy will be implemented in 2016 compared with previous years. Where additional information has been included in this Policy, this has again been clearly indicated in italicised text.

Although no changes are proposed, the Policy has, nevertheless, again been included in this Report in full, for ease of reference, so as to assist shareholders in reviewing the Company's implementation of the Policy during 2015 and the Committee's proposals for 2016. The Annual Report on Remuneration, which describes the implementation of the Policy during the year, will again be subject to an advisory vote by shareholders, and this will take place at the forthcoming AGM to be held on 28 April 2016.

The Committee has continued its much valued practice of engaging with key institutional investors and shareholder representative bodies with regard to Director remuneration. As in previous years, the Committee has considered and taken into account all of the feedback which it has received and is, as ever, very grateful for the constructive engagement and feedback. In addition, the Committee has carefully reviewed and taken into consideration applicable developments in corporate governance and best practice during the year.

With regard to salaries, it is proposed that the general increase throughout the Company to take effect from 1 April 2016 will be 3% and it is proposed that this level of increase will also apply to the three Executive Directors.

With regard to the 2015 short term incentive (cash bonus) in place for Executive Directors, the Company performed strongly against certain of the Group KPIs during the year, particularly in respect of its financial targets: Earnings Before Interest and Tax (EBIT), Margin and Cash Conversion. The Company did not however meet the challenging Customer Service target that was set for 2015 and which attracted a 20% weighting. Accordingly, the bonus outturn for 2015 was 78% of the maximum bonus potential. One-third of this incentive for the Executive Directors will be deferred into shares to be held on trust for three years. For 2016, the improvement of Customer Service remains a very high priority for the Company and therefore the Committee has retained this as a target with an unchanged weighting of 20% of the overall short term incentive scheme targets.

Turning to the Performance Share Plan (PSP), as previously explained, the ROCE and Margin performance conditions of the 2012 awards were measured at different times compared to the relative TSR performance conditions for that award, with the consequence that only the ROCE and Margin elements could be included in the single figure for 2014 reported last year.

"The Committee believes in ensuring a strong alignment between Executive Directors and senior management with the interests of the Company's shareholders."

Baroness Ford of Cunninghame
Chairman of the Remuneration Committee

Accordingly, we were able to report last year that the ROCE and Margin elements of the 2012 award would each vest at 100% and I can now confirm that 100% of the relative TSR vs FTSE 250 element of the award vested and that 71.86% of the relative TSR vs Sector Peers element vested. As a result, as set out in the table on page 80, 94.37% of the overall 2012 PSP award vested in March 2015.

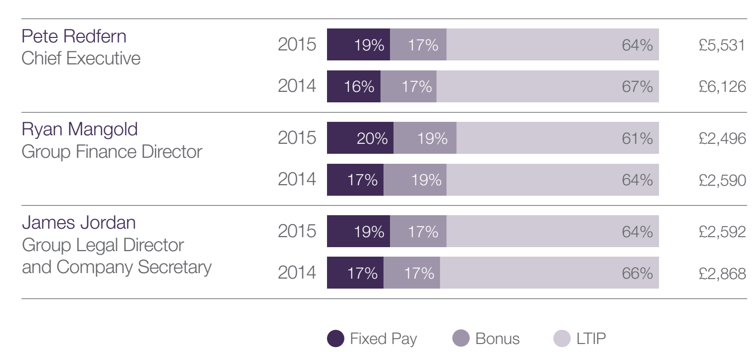
As set out in previous Remuneration Reports, the performance period for PSP awards for 2013 and for subsequent awards was amended such that all performance conditions, including those for TSR, are now measured over a period of three financial years, with all ending and measured as at 31 December of the final year. As a result of this, I can now confirm that, based on the Company's results for 2015 and its relative TSR for the three year period ending on 31 December 2015, all measures were met in full which has resulted in an overall vesting of 100%, details of which are also set out in the table on page 80. The single figure for 2015 set out below therefore includes the TSR elements of the 2012 PSP awards (which, for example, amounted to £1,488,085 for Pete Redfern) plus all elements of the 2013 awards.

The level of vesting under the PSP awards made in 2012 and 2013 reflect the continuing improvement in the Group's performance including Return on Capital Employed and Operating Margin from 14.3% to 27.1% and 11.2% to 20.3%, respectively, between 2012 and 2015. This improvement in financial performance has contributed to a c.209% increase in Taylor Wimpey's share price over the same period (from 65.8p on 31 December 2012 to 203.1p on 31 December 2015) and total shareholder return of c.243% over the same period, resulting in a significant increase in value for our shareholders and in the level of the awards that have vested.

The Committee believes that the level of achievement under both the short term and long term plans reflects the Company's excellent underlying performance, which is described in the Chairman's Statement on page 10 and the Chief Executive's Review on page 12.

Executive Directors' single figure

The following chart compares the 2015 single figure for total remuneration for each of the Executive Directors with the figure for 2014. In each case the figures have been restated (as explained in note (c) on page 78) to show a more meaningful comparison by including all of the 2013 PSP awards that vested in the 2015 figures and all of the 2012 PSP awards that vested in the 2014 figures.



The operation of the incentive arrangements for 2016 will be unchanged structurally. The short term incentive will therefore retain EBIT, Cash Conversion and Customer Service as measures but we have decided to increase the weighting on EBIT from 35% to 40%. The Committee has also decided to replace the Margin performance measure with a Return on Net Assets measure in order to recognise the importance to the Company of capital efficiency. Margin will of course remain an area of particular operational focus for the Group and will be taken into consideration as part of the Committee's assessment of the financial underpin test that is applied before any award vests under the PSP. With regard to the PSP itself, the performance measures will be revised to: TSR versus the FTSE 100; TSR versus a peer group to which has been added Countryside Properties; plus the ROCE and Cash Conversion measures. The ROCE measure has been stretched from a range of 16% to 24%, to 18% to 26% in order to reflect the continued progress made in improving the strength and quality of the landbank, whilst at the same time increasing our expected returns from the business.

The Committee believes in ensuring a strong alignment between Executive Directors and senior management with the interests of the Company's shareholders. Executive Directors' interests continue to be strongly aligned with those of the Company's shareholders through the shareholding requirements described on page 84, and also via the requirement to defer each year one third of their cash bonus into shares which are then required to be held on trust for three years – this is described in more detail on page 80. This alignment was further enhanced with regard to shares that vest under the PSP, through the introduction of a requirement to retain such shares for at least one year after vesting of the 2014 awards and for two years after any vesting of the 2015 and subsequent years' awards (other than to pay tax on exercise).

The Committee believes that the remuneration of executives and the whole team during 2015 and the incentives for further improving performance that have been awarded during the year, support the Company's strategy to deliver enhanced returns to shareholders. The Committee also believes that the short term incentive payments and the level of vesting of awards under the PSP reflect the Company's success to date in the delivery of that strategy.

I do very much hope that you will again feel able to support the level of remuneration paid with respect to 2015, and our remuneration proposals for 2016, at this year's Annual General Meeting.

Baroness Ford of Cunninghame
Chairman of the Remuneration Committee

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Remuneration Report continued

Remuneration Committee

Committee members	Number of meetings attended in 2015
Baroness Ford of Cunninghame, Committee Chairman	2/2
Kate Barker	2/2
Kevin Beeston, Chairman	2/2
Rob Rowley	2/2

Introduction

This Report has been prepared to comply with the provisions of the Companies Act 2006 and other applicable legislation, including the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (Regulations), and has also been prepared in line with the recommendations of the UK Corporate Governance Code (the 'Code') and the UKLA Listing Rules.

This Report has been prepared by the Remuneration Committee on behalf of the Board.

The 2015 Remuneration Report includes disclosures which reflect in full the BIS Regulations on remuneration reporting, divided into two sections:

- Remuneration Policy Report, setting out the framework within which the Company remunerates its Executive Directors and other senior executives. This was approved by shareholders at the 2014 AGM and is binding on the Company from the 2014 AGM. It is intended to submit a new Remuneration Policy report to shareholders for approval at the 2017 AGM.
- Annual Report on Remuneration, setting out how the Company's present Remuneration Policy was applied during 2015 and how the policy will be implemented in 2016. The Annual Report on Remuneration will be subject to an advisory resolution at the AGM on 28 April 2016. Details of the resolution and its status as an advisory vote are set out in the Notes to the Notice of Meeting on page 154.

The Regulations require that the Company's auditors report to shareholders on certain parts of this Report and state whether in their opinion those parts of it have been properly prepared in accordance with the Regulations. The Remuneration Policy Report, which describes the Committee's Remuneration Policy for Executive Directors and has applied since its approval by shareholders on 17 April 2014, contains unaudited information. Elements of the Annual Report on Remuneration, which describes how the Committee has implemented its existing policy in 2015, contain audited information.

Remuneration Policy Report

Unaudited information

This part of the Report has been prepared in accordance with Part 4 of Schedule 8 set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

The Company's Remuneration Policy was put to a shareholder vote at the 2014 Annual General Meeting of the Company (AGM) and was approved by 98% of shareholders who voted.

There is no requirement to vote on the Policy in 2016 as no changes to the Policy are proposed. The Policy is set out below for information only; the chart, showing remuneration scenarios on page 73, has been updated to reflect proposed 2016 remuneration levels and minor changes to the text of the Policy have been made to reflect the fact that it has been previously approved by shareholders. In order to assist shareholders, we have also added additional explanations where there are any differences in the way in which the policy will be implemented in 2016 compared with the way in which the policy was implemented when first approved by shareholders. Where additional information has been included this has been clearly indicated in italicised text.

The Remuneration Policy Report as approved by shareholders at the Company's 2014 AGM is set out on pages 61 to 66 of the Company's 2013 Annual Report and Accounts and also appears on the Company's web site at www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance

Policy overview

A key part of the Committee's role is to ensure that the remuneration of Executive Directors and senior management is aligned to the Company's strategic objectives. It is, of course, key that the Company is able to attract and retain leaders who are focused and also appropriately incentivised to deliver the Company's strategic objectives within a framework which is aligned with the interests of the Company's shareholders. This alignment is achieved through a combination of deferral into shares of a percentage of the short term incentive arrangements and also via share ownership guidelines which require executives to build up holdings of Taylor Wimpey shares by retaining vested share awards. These guidelines require Executive Directors to put in place a plan to accumulate a holding in the Company of twice their basic salary within a specified period.

The Committee's Remuneration Policy ensures that a significant percentage of the overall package of Executive Directors and senior management remains at risk. With all packages substantially geared towards share incentive schemes and performance, the Committee believes that the pay and benefits of its Executive Directors and senior management adequately take account of reward versus risk.

In line with The Investment Association's Guidelines on Responsible Investment Disclosure, the Remuneration Committee ensures that the incentive structure for Executive Directors and senior management will not raise environmental, social or governance (ESG) risks by inadvertently motivating irresponsible behaviour. More generally, the Committee under its terms of reference may, where it considers appropriate, take ESG matters into account when considering the overall remuneration structure.

The Committee considers that no element of the remuneration arrangements, which are all very carefully considered, will encourage inappropriate risk taking or behaviour by any executive. The table on pages 71 to 73 summarises the Committee's Policy for the Remuneration of Executive Directors which, since being approved by shareholders at the 2014 AGM, became effective from the conclusion of the 2014 AGM and remains binding until the AGM in 2017. It also summarises the remuneration position of the Chairman and Non Executive Directors and the Company's all-employee share schemes.

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Salary	To recruit and reward executives of a suitable calibre for the role and duties required.	Salaries are normally reviewed annually to ensure that salaries remain competitive with external market practices and are competitive when measured against FTSE peers (other non-financial companies of a similar size in terms of market capitalisation and other large UK housebuilders). There is no automatic entitlement to an increase each year. Takes into account the following: • the performance, role and responsibility of each individual Director; • the economic climate, general market conditions and the performance of the Company; • the level of pay awards across the rest of the business; and • salary levels in comparably-sized companies and other major housebuilders.	The maximum annual salary increase will not normally exceed the average increase which applies across the wider workforce. However, larger increases may be awarded in certain circumstances including but not limited to: • increase in scope or responsibilities of the role; • to apply salary progression for a newly appointed Director; and • where the Director's salary has fallen significantly below the market positioning.	Company and individual performance are factors considered when reviewing salaries
Chairman and Non Executive Director fees	The Chairman's and Non Executive Director fees should be in line with recognised best practice and be sufficient to attract and retain high calibre non executives.	Fees consist of a single consolidated fee for the Chairman plus the payment of a cash amount to cover his office expenses[1], an annual fee for the other Non Executives and additional fees for the Chairman of the Audit Committee and the Remuneration Committee. An additional fee is also paid to the Senior Independent Director in recognition of the responsibilities of that role. Set by reference to the responsibilities undertaken by the non executive, taking into account that each Non Executive Director is expected to be a member of the Nomination Committee and/or the Audit Committee and/or Remuneration Committee. Reviewed periodically but generally annually and at least every other year. Takes into account levels in comparably-sized companies and other major housebuilders. Fees are paid monthly in cash. Non Executive Directors do not participate in any incentive, share scheme, benefits-in-kind or pension arrangements. The Chairman is entitled to participate in the Company's private medical insurance scheme.	Aggregate annual limit of £1 million imposed by the Articles of Association.	N/A
Other benefits, including benefits-in-kind	Provides a competitive package of benefits to assist with recruitment and retention of staff.	The main benefits offered include: • company-provided car or a cash allowance in lieu; • provision of a fuel card; • life assurance; • private medical insurance; and • a 5% discount on the price of a new or part exchange home acquired from the Group in the UK or Spain. Benefits-in-kind are not pensionable.	Life assurance of up to four times basic salary and a pension of up to two-thirds of the member's entitlement for a spouse on death in service, or in retirement, are provided, together with a children's allowance of up to 100% of the dependant's pension for three or more eligible children. The cost of these benefits is not predetermined. The value of a company-provided car or a cash allowance in lieu is of a level appropriate to the individual's role and is subject to review from time to time. The fuel card covers the cost of all fuel, for both business and personal use. For home purchases, the price discount is calculated at the plot release price less the average discount to third party buyers for that house type, less a further 5%.	N/A

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

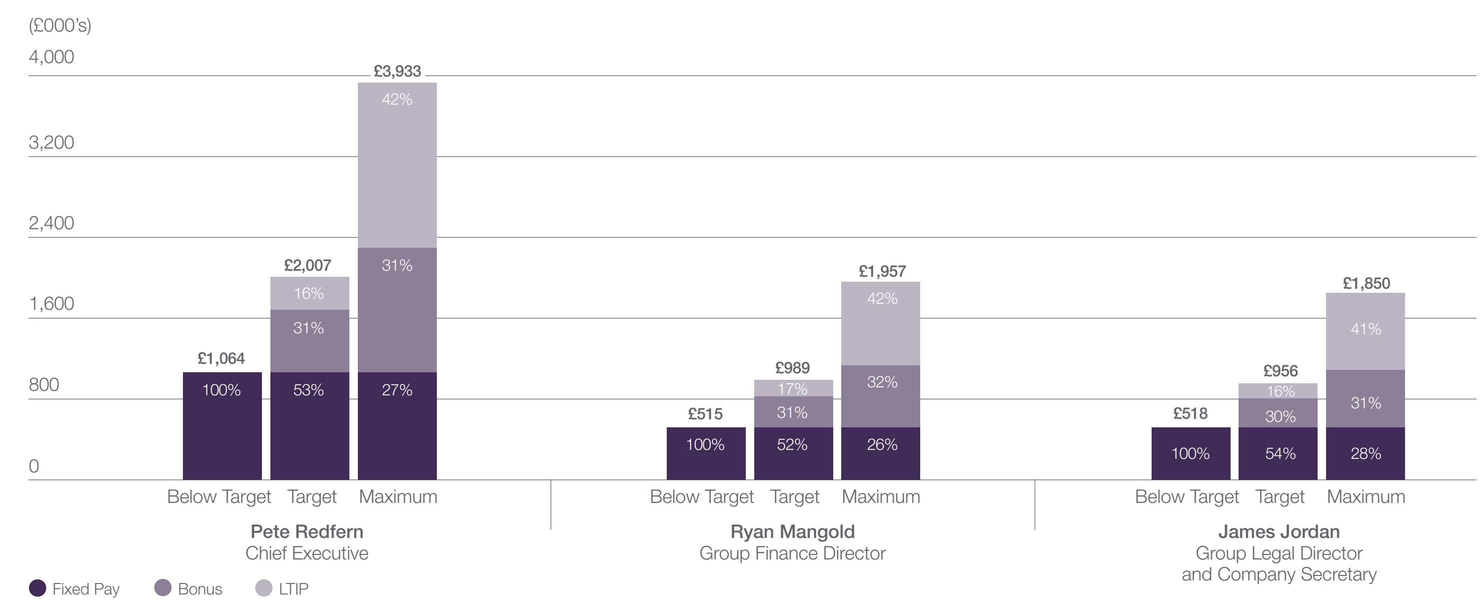
Remuneration Report continued

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Short term incentive arrangement (STIA)	Rewards the achievement of stretching objectives that support the Company's annual and strategic goals. Compulsory deferral in shares (with no matching) is designed to further align the interests of Directors with shareholders.	Bonus awards are determined by the Committee after the year end, based on annual performance against targets set at the beginning of each year. One-third of any bonus payable is deferred into shares for three years. No further performance conditions apply. Dividends or other distributions will accrue in favour of participants during the three year deferral period and will be received with any shares that vest after the applicable deferral period. A clawback mechanism applies to all participants in the event of a material misstatement of the Group's accounts and also for other defined reasons. The period of the clawback is three years from the date of payment. No element of any STIA is pensionable.	The maximum STIA opportunity for Executive Directors is set at 150% of base salary. Target is set at 75% of salary and threshold at 0%.	The STIA measures are based on a scorecard of key annual financial, operational and environmental measures and the measures for 2016 are described in the Annual Report on Remuneration. The Committee may vary the metrics and weightings from year to year according to strategy and the market, however financial measures will normally have the most significant weighting.
Long term incentive plan (LTIP)	Annual grants of share-based long term incentives assist with retention and help to incentivise senior executives to achieve returns for shareholders through the inclusion of relative Total Shareholder Return (TSR) as a measure, driving further UK operating margin progression and improving return on net operating assets through the cycle. The use of shares and the introduction in 2014 of a post-vesting shareholding period, helps align the interests of senior executives with those of the Company's shareholders.	Executive Directors and other designated senior executives can receive annual awards of performance shares or share options[2], although it is the Company's normal policy to grant performance shares only. Awards of performance shares provide alignment with shareholders as they deliver (subject to meeting performance conditions) the full value of the shares, which can increase and decrease over the three year performance period. Dividends or other distributions will accrue for Directors during the performance period and will be received with any shares that vest in favour of participants after the applicable performance period. For awards made in 2014 there was a requirement to hold net after tax shares resulting from any vesting for at least one year post-vesting, rising to two years for awards made in 2015 and beyond. Performance measures are currently measured over three financial years.	The maximum award (currently in performance shares) is normally over shares with a face value of 200% of base salary. In exceptional circumstances this can be increased up to 300%. If share options were to be granted in addition to or instead of performance shares then the limits would be doubled to reflect the relative fair value of options to performance shares.	Measures for 2015 are based on: ROCE (RONA); Relative TSR measured against a FTSE grouping of the 51st to 150th ranking companies; TSR measured against an unweighted industry peer group; and Cash Conversion. Vesting of awards is also subject to the achievement of a financial underpin. The Committee may vary the measures that are included in the plan and the weightings between the measures from year to year. Any changes to the metrics would be subject to prior consultation with the Company's major shareholders. The targets and weightings for 2016 are described in the Annual Report on Remuneration.
Pension	The Company aims to provide competitive retirement benefits that represent an appropriate level of cost and risk for the Group's shareholders[3].	Pension benefits for Executive Directors are provided through one or more of the following arrangements: • Personal Choice Plan[4]; • Taylor Wimpey Pension Scheme[5]; • or as cash allowances.	Pete Redfern: cash allowances of 20% of salary up to a scheme specific cap and 25% of salary above the cap. James Jordan: cash allowances of 20% of salary up to a scheme specific cap and 28% of salary above the cap. Ryan Mangold: 20% of salary, split between a cash allowance and Company pension contribution[7]. Company contributions to any pension scheme in respect of the recruitment of a new Executive Director will not exceed 30% of base salary per annum. A Salary Exchange Arrangement is available, allowing the sacrifice of a portion of salary, to be paid into a pension scheme as a Company contribution.	N/A
All-employee share schemes	All employees including Executive Directors are encouraged to become shareholders through the operation of all-employee share plans such as the HMRC approved Sharesave plan and a Share Incentive Plan (SIP).	The Sharesave plan and SIP have standard terms under which all UK employees with at least three months' service can participate.	Sharesave: Employees can elect for a savings contract of either three or five years, with a maximum monthly saving set by legislation or by HMRC. Options can be exercised during the six months following the end of the contract. SIP: Employees can elect to contribute an amount per month or per tax year by one or more lump sums. The maximum saving or contribution level is set by legislation or Government from time to time and the Committee reserves the right to increase contribution levels to reflect any approved Government legislative changes.	N/A
Shareholding guidelines	Encourages greater levels of shareholding and aligns employees' interests with those of shareholders.	Executive Directors and senior executives are expected to achieve and maintain a holding of the Company's shares at least equal to a significant proportion of their respective salary.	Executive Directors: 200% of salary (100% within five years of appointment and balance by agreement with the Chairman)[6].	N/A

1. The Company makes a contribution to the Chairman's office-related and other expenses, as reported on page 79.
2. Taylor Wimpey Share Option Plan – Awards made under this plan may include Income Tax-approved awards made up to HMRC's aggregate limit of £30,000. Awards normally vest after three years from the start of the performance measurement period provided that the performance condition has then been achieved. No awards have been made under this plan since 2009 and no further awards are intended.
3. Taylor Wimpey Pension Schemes – The Group has two principal UK pension schemes: Taylor Wimpey Personal Choice Plan and Taylor Wimpey Pension Scheme (TWPS). The latter was created on 7 March 2013 and all members of the George Wimpey Staff Pension Scheme and the Taylor Woodrow Group Pension & Life Assurance Fund, the two legacy defined benefit schemes, were transferred into the TWPS on 1 October 2013. Two Directors are members of the TWPS, which is closed to future accrual.
4. Taylor Wimpey Personal Choice Plan (PCP) – The PCP was introduced on 1 April 2002. It is a defined contribution stakeholder pension scheme, which all new eligible UK employees are invited to join. All active members of the two legacy defined benefit arrangements were invited to join the PCP when those arrangements closed to future accrual.
5. TWPS – Pete Redfern and James Jordan are members of the Executive section of the TWPS. They have a Normal Retirement Age under the TWPS of 62.
6. Until the 200% target is achieved, an Executive Director will be required to retain in shares at least 50% of the net of taxes gain arising from any shares vesting or acquired pursuant to the LTIP.
7. *This percentage has been corrected from previous disclosures made with regard to Ryan Mangold's pension allowance which was previously disclosed in this section at a level of 15.6% (although the full contribution of 20% was disclosed correctly in other sections of the Remuneration Report for 2014).*

Performance criteria pay chart 2016

The chart below illustrates the level and mix of remuneration based on the current policy depending on the achievement of threshold, target and maximum for the Executive Directors. It has been updated to reflect 2016 salary levels but the assumptions used are the same as in the Policy Report that was approved by shareholders at the 2014 AGM.



1. Salary is £819,724, £412,000 and £380,586 for Pete Redfern, Ryan Mangold and James Jordan, respectively with effect from 1 April 2016.
2. Benefits are £47,000, £21,000 and £43,000 for Pete Redfern, Ryan Mangold and James Jordan, respectively.
3. Pension is £195,924, £81,800 and £93,764 for Pete Redfern, Ryan Mangold and James Jordan, respectively.
4. For the Short Term Incentive Arrangement the target and maximum award is 75% and 150% of salary, respectively.
5. For performance share awards under the long term incentive plan (PSP) the target (assumed for these purposes to be at threshold performance) and maximum are 40% and 200% of salary, respectively.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Remuneration Report continued

Additional information – Malus and clawback

During 2014, the Committee reviewed and updated the malus and clawback provisions to ensure compliance with the 2014 Code and took the opportunity to extend these provisions so that they applied to future STIA awards and Long Term Incentive Plan (PSP) awards made in 2015 and future years. Where there has been a misstatement of results; error in calculating the incentive payment; or misconduct on the part of the individual, the Committee has the ability to seek to recover any overpaid bonus or PSP award. This applies for a period of up to three years following the determination of the performance conditions applying to the award and can be effected by reducing (if necessary to zero) the payment or vesting of any future STIA or PSP award or by requiring the individual to repay the overpaid amount.

Committee discretion

The Committee fully recognises that the exercise of discretion must be undertaken in a very careful and considered way and that it is an area that will quite rightly come under scrutiny from shareholders and other stakeholders. It is however important for the Committee to retain some discretion to make payments outside of its Remuneration Policy in exceptional circumstances. The Committee confirms that any exercise of discretion in such circumstances would be within the available discretions set out in this Report and the maximum levels available set out in any plans would not be exceeded.

With regard to the STIA and LTIP, the Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans but in all cases within the rules. These include (but are not limited to) the following (albeit with the level of award restricted as set out in the policy table on pages 71 to 73):

- Who participates in the plans.
- The timing of grant of award and/or payment.
- The size of an award and/or a payment, subject to the limits of the rules.
- Discretion relating to the measurement of performance in the event of a change of control or reconstruction.
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each plan and the appropriate treatment chosen.
- Discretion to dis-apply time pro-rating in the event of a change of control or good leaver circumstances.
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, acquisition, divestment, change of control, special dividend or a change in prevailing market conditions).
- The ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose.

How shareholder views are taken into account

The Remuneration Committee considers very seriously all shareholder feedback received in relation to remuneration each year and guidance from shareholder representative bodies more generally. Shareholder views are key inputs when shaping the Remuneration Policy and the Committee welcomes any comment or feedback on any aspects of remuneration and will always consider and respond.

The Committee regularly engages with its largest shareholders regarding the ongoing Remuneration Policy and implementation and will take into account any feedback when determining any changes that might apply. *The last such consultation took place in December 2015 and included the proposed performance targets and weightings of the PSP and STIA and salary proposals for 2016.*

The Committee follows the principles of good governance relating to Directors' remuneration as set out in the Main Principles, Supporting Principles and Code Provisions of the Code. The Committee reviews and takes into account any governance related developments and guidance that arise, on an ongoing basis.

How performance measures were chosen

The performance metrics that are used for each of the short and long term incentive plans have been selected to reflect the Group's key strategic goals and are designed to align the Directors' interests with those of the Company's shareholders.

The STIA performance metrics include a mix of financial and personal metrics reflecting the key annual priorities of the Group. The financial metrics will generally determine at least 50% of the bonus and include profit before interest and tax as this reflects the Company's strategic objective to increase profit. The other metrics, selected on an annual basis, will be measurable and will ensure that executives are motivated to deliver across a scorecard of key objectives.

The performance conditions applicable to the LTIPs were selected by the Remuneration Committee as they are consistent with the overall longer term success of the Company. TSR provides an external assessment of the Company's performance against its competitors via an unweighted industry peer group and relative TSR measured against the FTSE 250. It also aligns the rewards received by executives with the returns received by shareholders. The Margin, ROCE and Cash Conversion targets ensure that returns to shareholders and the generation of cash to fund them are the result of long term sustainable financial performance.

The Committee will review the choice of performance measures and the appropriateness of the performance targets each year. Targets are set based on a sliding scale that takes account of internal planning and external market expectations for the Company. Only modest rewards are available for delivering threshold performance levels with maximum rewards requiring substantial out-performance of our challenging plans approved at the start of each year.

Additional information – Performance metrics

As referred to in last year's letter from the Chairman of the Remuneration Committee, the Margin metric used in the PSP in recent years has been replaced by a Cash Conversion metric which will apply to 25% of the 2015 awards. A greater focus on Cash Conversion is a key element of the strategy that has been outlined to shareholders during 2014. For 2016, Margin will also be replaced by Return on Net Assets (RONA) as a bonus metric. RONA is intended to reinforce the focus on capital efficiency and phasing of capital needs in the short term. However, Margin remains an important KPI for the Company and Margin performance will be taken into consideration as part of the Committee's assessment of the financial underpin that applies to awards under the PSP. In light of the growth in the Group's market capitalisation, the FTSE 250 peer group used for one of the TSR components of the PSP awards in previous years has been replaced, beginning with the 2015 awards, by a peer group comprised of the 50 companies ranked above and 50 ranked below Taylor Wimpey by market capitalisation. This comparator group is felt to be more appropriate given the Company's current size than the FTSE 250.

Additional information – Performance metrics for 2016 awards

The Remuneration Committee has further reviewed the suitability of the PSP performance metrics in light of the Company's 2015 performance and has determined that for awards for 2016 and subsequently, the FTSE TSR comparator group described above will be replaced by the FTSE 100 and the Peer Group TSR comparator group will be amended by the addition of Countryside Properties plc. The former will better represent the Company's current position as a constituent of the FTSE 100 and the latter will further increase the size of the peer comparator group following Countryside's admission to listing on the London Stock Exchange on 17 February 2016.

External non executive director positions

Subject to Board approval and provided that such appointments fall within the general requirements of the Code (and do not give rise to any conflict issues which cannot be managed by the Board and the Executive Director), Executive Directors are permitted to take on non executive positions with other companies. Executive Directors are permitted to retain their fees in respect of such positions. Any such appointments would be the subject of a public announcement to the London Stock Exchange.

On 11 November 2014 Pete Redfern was appointed as an independent non executive director to the Board of Travis Perkins plc where he also initially served on its Audit and Remuneration Committees. His fees for 2014 were £55,000 per annum and he received £9,000 for the period from his appointment to the end of 2014. *In addition to the Board, he now currently serves on the Remuneration Committee and his current fees total £57,000 per annum*

Remuneration Policy for the wider workforce

When setting the policy for Executive Directors, the Committee is made fully aware of pay structures across the workforce. In addition, the Committee will conduct a formal review of remuneration across the Group and for all levels of employee every three years.

Virtually all of the Company's employees participate in incentive arrangements and many employees can elect to take their performance related payment in shares rather than cash, further enhancing the link and alignment between shareholder value and employee reward throughout the Company, which both the Company and the Committee remain keen to promote.

In the past, the Company has also operated targeted long term incentive arrangements, such as the Land Value Plan (LVP) for senior divisional and functional roles with payouts in shares. The LVP operated from 2012 to 2014 and was open to designated senior executives below Executive Director level. It was designed to reward participants for managing the landbank in a way which added value, through a combination of managing and adding value to the existing land portfolio and buying land and adding value over and above the base case for each acquisition. Performance was measured over a three year period and awards to senior participants were in shares which were required to then be retained for 12 months. The LVP addressed a strategic imperative for a period and has now been withdrawn, with participants instead considered for full participation in the PSP. No Executive Director participated in the LVP.

The Company also offers both Sharesave and SIP schemes to all eligible UK employees with more than three months' service.

Remuneration Policy on recruitment or promotion

Base salary levels will be set in accordance with the current Remuneration Policy, taking into account the experience and calibre of the individual. Where appropriate, the Company may offer a below market salary initially with a view to making above market and workforce increases over a number of years to reach the desired salary positioning, subject to individual and Company performance. Benefits and pension will be provided in line with those offered to other Executive Directors, with relocation expenses/arrangements provided for if necessary. Tax equalisation may also be considered if an executive is adversely affected by taxation due to their employment with the Company. Legal fees and other costs incurred by the individual may also be paid by the Company, if considered appropriate and reasonable to do so.

The variable pay elements that may be offered will be subject to the maximum levels described in the policy table above. The Company may also apply different performance measures if it feels these appropriately meet the strategic objectives and aims of the Company whilst incentivising the new appointment.

The above policy applies to both an internal promotion to the Taylor Wimpey plc Board or an external hire.

In the case of an external hire, the Company may choose to buy-out any incentive pay or benefit arrangements which would be forfeited on leaving the previous employer. This will only occur where the Company feels that it is a necessary requirement to aid the recruitment. The replacement value would be provided for, taking into account the form (cash or shares) and timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. Replacement share awards, if used, will be granted using Taylor Wimpey's existing share plans wherever and to the extent possible, although in exceptional circumstances awards may also be granted outside of these schemes if necessary and as permitted under the Listing Rules.

In the case of an internal hire including a promotion, as previously reported, the Company will honour any commitments entered into prior to their appointment to the Board even where it is not consistent with the policy prevailing at the time such commitment is fulfilled.

Directors' contracts

It is the Company's policy that Executive Directors should have contracts of employment providing for a maximum of one year's notice either way. This meets the latest proposals in the Principles Of Remuneration issued by The Investment Association during 2015. Service contracts for all Executive Directors and letters of appointment for all Non Executive Directors are available for inspection as described in the Notice of Annual General Meeting.

Each of the Executive Directors' service contracts provides for:

- The payment of a base salary (details of which are set out on page 77).
- An expensed Company-provided car or a cash allowance in lieu; a fuel allowance; life assurance; and private medical insurance (details of which are set out on page 79).
- Employer's contribution to a pension scheme (details of which are set out on page 85).
- A notice period by either side of 12 months.
- A provision requiring a Director to mitigate losses on termination.

The service contract for each of Pete Redfern and James Jordan additionally provides for a pension allowance.

Each service contract contains the following performance-related provisions:

- Participation in the STIA.
- Participation in one or more LTIP.

In respect of pay in lieu of notice (PILON), it is the Company's policy that liquidated damages should not automatically apply on the termination of an Executive Director's contract. Such contracts do provide for PILON to be paid, with the amount determined having regard to normal legal practices. In accordance with this approach, payment for early termination of contract (without cause) by the Company is to be determined, in the case of each Executive Director, having regard to normal legal principles which require mitigation of liability on a case-by-case basis. Any such payment would typically be determined by reference to the main elements of a Director's remuneration, namely: salary, STIA entitlement (subject to Committee discretion as appropriate), benefits-in-kind and pension entitlements. Phased payments will be considered by the Company where appropriate. There are no change of control provisions that apply in relation to the service contract of any Executive Director.

Remuneration Report continued

Other than in certain 'good leaver' circumstances (including, but not limited to, redundancy, ill-health or retirement), no STIA would usually be payable unless the individual remains employed and is not under notice at the payment date. Any STIA paid to a 'good leaver' would be based on an assessment of their and the Company's performance over the applicable period and pro-rated for the proportion of the STIA year worked.

Where an Executive Director is considered by the Remuneration Committee to be a good leaver, deferred bonus awards (shares) would vest. In other circumstances, awards would lapse.

With regard to long term incentive awards, the LTIP rules provide that other than in certain 'good leaver' circumstances, awards lapse on cessation of employment. Where an individual is a 'good leaver', the Committee's normal policy is for the award to vest on cessation of employment following the application of performance targets no later than the normal vesting date of the award and a pro-rata reduction to take account of the proportion of the applicable performance period outstanding post the cessation. The Committee has discretion to deem an individual to be a 'good leaver'. In doing so, it will take account of the reason for the departure and the performance of the individual through to the time of departure.

In situations where an Executive Director is dismissed, the Committee reserves the right to make additional exit payments where such payments are made in good faith:

- In discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or
- By way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment.

The terms of engagement of the Chairman and the Non Executive Directors are regulated by letters of appointment over a term of three years, which are reviewed annually. Both the Company and the aforementioned Directors have a notice period of six months and the Directors are not entitled to compensation on termination other than for the normal notice period if not worked out.

Service contracts and letters of appointment may be inspected at the Company's Registered Office during normal business hours.

Legacy arrangements

Any commitment made which is consistent with the approved Remuneration Policy in force at the time that commitment was made will be honoured, even where it is not consistent with the policy prevailing at the time such commitment is fulfilled.

Annual Report on Remuneration Unaudited information

This part of the Report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), and 9.8.6R/9.8.8 of the Listing Rules. This Annual Report on Remuneration will be put to an advisory shareholder vote at the 2016 AGM. The information in the Implementation of the Remuneration Policy during 2015 section on pages 78 to 85 has been audited.

Remuneration Committee

The role of the Remuneration Committee (the 'Committee') is to recommend to the Board a strategy and framework for remuneration for Executive Directors and senior management in order to attract and retain leaders who are focused and incentivised to deliver the Company's strategic business priorities within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long term success of the Company.

The Remuneration Committee has clearly defined terms of reference which are available on the Company's website www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance. The Committee's main responsibilities are to:

- Establish and maintain formal and transparent procedures for developing policy on executive remuneration and for determining the remuneration packages of individual Directors, and to monitor and report on them.
- Determine the remuneration, including pension arrangements, of the Executive Directors.
- Monitor and make recommendations in respect of remuneration for the tier of senior management one level below that of the Board.
- Approve annual and long term incentive arrangements together with their targets and levels of awards;
- Determine the level of fees for the Chairman of the Board.
- Select and appoint the external advisers to the Committee.

The Committee currently comprises three Independent Non Executive Directors and the Chairman of the Board. Margaret Ford is the Committee Chairman and the other members of the Committee are Kate Barker, Kevin Beeston and Rob Rowley. Membership of the Committee is, and was throughout 2015, in line with the Code.

Details of attendance at Remuneration Committee meetings held during 2015 appear on page 70.

No Director or other executive is involved in any decisions about his/her own specific remuneration.

Advice to the Committee

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate.

The Committee appoints its own independent remuneration advisers and during the year it continued to retain the services of New Bridge Street, part of Aon PLC.

New Bridge Street is a signatory to the Remuneration Consultants' Group Code of Conduct. It provides no other services to the Company. Although the wider Aon PLC group of companies provide insurance broking and pension administration support services to the Company, the Committee is entirely satisfied that the provision of such services does not create any conflicts of interest. New Bridge Street was appointed in February 2009 following a comprehensive tendering process. The Committee reviews the performance and independence of its advisers on an annual basis.

The Committee also receives legal advice from Slaughter and May as and when necessary. This generally relates to technical advice on share schemes and also with regard to any senior appointments and termination arrangements.

The fees paid to the Committee's advisers in 2015 were: New Bridge Street £88,000 (2014: £80,000) representing a full year's appointment. No significant amount of advice was sought from Slaughter and May during the year.

Pete Redfern, the Chief Executive; James Jordan, the Group Legal Director and Company Secretary; and the Group Human Resources Director each attend Committee meetings by invitation only but are not present for any discussions that relate directly to their own remuneration.

Chairman and Non Executive Directors

The terms of engagement of the Chairman and the Non Executive Directors are regulated by letters of appointment as follows:

Name	Date of appointment as a Director	Date of initial letter of appointment	Term of appointment	Notice period by Company (months)	Notice period by Director (months)
Kevin Beeston	1 July 2010	13 May 2010	3 years, reviewed annually	6	6
Kate Barker	21 April 2011	7 February 2011	3 years, reviewed annually	6	6
Margaret Ford	25 April 2013	19 March 2013	3 years, reviewed annually	6	6
Mike Hussey	1 July 2011	30 June 2011	3 years, reviewed annually	6	6
Rob Rowley	1 January 2010	1 December 2009	3 years, reviewed annually	6	6
Humphrey Singer	9 December 2015	9 December 2015	3 years, reviewed annually	6	6

How the Remuneration Policy will be applied in 2016

Base Salary

The Committee reviewed the Executive Directors' salaries in February 2016 and has decided to award increases of 3% for each Executive Director, with effect from 1 April 2016, in line with the equivalent general increase made to all employees (subject to a very small number of exceptions).

The salaries of the Executive Directors effective from 1 April 2016 will be as follows:

Name	Salary at 1 April 2015	Salary at 1 April 2016	Increase
Pete Redfern	£795,849	£819,724	3%
Ryan Mangold	£400,000	£412,000	3%
James Jordan	£369,501	£380,586	3%

Short term incentive arrangements (STIA)

The STIA performance metrics and their weightings for 2016 are shown in the table below. The targets themselves, as they relate to the current financial year, are deemed to be commercially sensitive. However, detailed, retrospective disclosure of the targets and performance against them will be provided in next year's Remuneration Report.

Measure	Strategic objective	Weighting
Group EBIT	To increase profit	40%
Cash conversion	Delivering sustainable growth	20%
RONA	Driving capital efficiency	20%
Customer Service	Caring about our customers	20%

The above metrics and weightings reflect an increase in weighting from 35% to 40% with regard to the Group EBIT measure and the replacement of the Margin measure with the RONA measure which has been included in the 2016 STIA so as to reflect the importance of driving the Group's capital efficiency. As mentioned earlier in this Report, Margin will however remain a very important area of ongoing focus across the Group and will also continue to form part of the financial underpin test conducted by the Remuneration Committee prior to any vesting taking place under the PSP. Customer Service remains an area of particular focus by the Company and challenging targets have again been put in place, in order to both reflect this and the weighting attached to this measure following the increase in weighting that was implemented in 2015.

Long Term Incentive Plans

Taylor Wimpey Performance Share Plan (PSP)

The annual awards granted to Executive Directors in 2016 will be subject to the following performance conditions:

	Weighting (% of total award)	Below threshold (0% vesting)	Threshold (20% vesting)	Maximum (100% vesting)
TSR v Direct Peer Group Index	30%	Below Index	Equal to Index	Index + 8% p.a.
TSR v FTSE 100	20%	Less than median	Median	Upper Quartile
Absolute ROCE in 2018	25%	Less than 18%	18%	26%
Conversion of operating profit into operating cash flow averaged over a three year performance period (2016-2018)	25%	Less than 65%	65%	70%

Awards vest on a straight line basis between these points. The ROCE targets are based on the absolute ROCE in 2018, defined as operating profit, divided by the average of the opening and closing net operating assets, which is, in turn, defined as capital employed plus intangibles less tax balances. The Direct Peer Group Index of housebuilders is an unweighted index comprised of Barratt Developments, Bellway, Berkeley Homes, Bovis Homes Group, Countryside Properties, Crest Nicholson, Galliford Try, Persimmon and Redrow.

An underlying requirement for any vesting under the current share-based incentive plans is that at the time of approving the vesting, the Committee must be satisfied with the overall financial performance of the Group. This will include inter alia the Company's ROCE and Margin performance.

The Committee also retains the right (as part of its overall discretion) to reduce the vesting of the award if it considers that volumes (i.e. the number of homes sold) have not been satisfactory during the relevant performance period.

Dividends and other distributions will accrue on all awards during the performance period and then be released in cash when, and to the extent that, the relevant awards vest.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Remuneration Report continued

Non Executive Directors' and Chairman's fees

Fees of Non Executive Directors are determined by the Board in their absence taking into account the research carried out by independent remuneration consultants of fees paid to non executive directors. The fees of the Chairman are determined by the Remuneration Committee in his absence. A summary of the current fees are set out below. The fees of the Chairman and the Non Executive Directors are reviewed every other year with any increases taking place with effect from 1 July. The Chairman's fees were reviewed in his absence by the Board in June 2015 (having last been reviewed in 2013) and, taking into account the independent advice received from New Bridge Street, it was determined that his annual fees should be increased by 15% with effect from 1 July 2015. The fees of the Non Executive Directors have remained unchanged since 2013 and will be reviewed during the course of 2016:

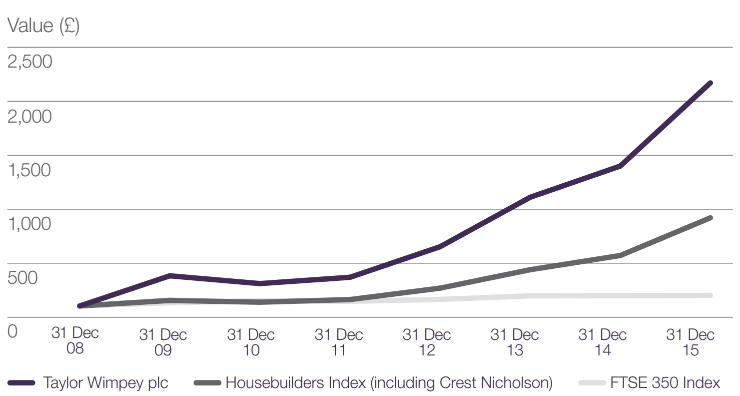
	Annual Fees as at 1 April 2016
Chairman	£295,000
Basic Non Executive Director fee	£55,000
Senior Independent Director fee	£10,000
Audit Committee Chairman	£15,000
Remuneration Committee Chairman	£15,000

All Directors will submit themselves for election or re-election, as appropriate, at the AGM in accordance with the Code.

Implementation of the Remuneration Policy during 2015
Audited information
Performance graph

This graph shows the value, by 31 December 2015, of £100 invested in Taylor Wimpey plc on 31 December 2008 compared with the value of £100 invested in the FTSE 350 and in the average of the housebuilder index introduced for the 2012 TWPSP awards onwards. The other points plotted are the values at intervening financial year-ends. We have included Crest Nicholson in this year's graph as they have been included in the index for the 2014 awards onwards.

Total shareholder return



Chief Executive remuneration

The table below shows the total remuneration figure for the Chief Executive over the same seven year period as is reflected in the TSR graph above. The total remuneration figure includes the STIA and LTIP awards which vested based on performance in those years. The STIA and LTIP percentages show the payout for each year as a percentage of the maximum.

	Year ending 31 December						
	2009	2010	2011	2012	2013	2014	**2015**
Total Remuneration (£'000)	£1,657	£1,542	£1,674	£3,009	£6,724	£6,250[a]	**£7,019**[b]
STIA (%)	100%	85%	82%	95%	90%	90%	**78%**
LTIP vesting (%)	0%	0%	0%	40%	85%	94%	**100%**

(a) As the 2012 PSP award did not vest until March 2015, the final value of the ROCE and Margin elements of this award were not known at the time the 2014 report was prepared and therefore an estimate of the share price at vesting was used. The 2014 single figure includes £2,402,000 in respect of the ROCE and Margin elements of the 2012 PSP award and £1,613,115 in respect of the TSR elements of the 2011 PSP award (as TSR was measured from date of grant for the 2011 and 2012 PSP awards).

(b) The 2015 single figure includes £2,143,460 in respect of the ROCE and Margin elements of the 2013 PSP award, £1,488,085 in respect of the TSR elements of the 2012 PSP award (as TSR was measured from date of grant for the 2012 PSP award); and £1,428,977 in respect of the TSR elements of the 2013 PSP award (as TSR was measured from 1 January 2013 for the 2013 PSP award).

(c) In order to show a more meaningful comparison of the total figures, the chart included in the Chairman's letter on page 69 includes all of the 2013 PSP award that vested in the 2015 figure and all of the 2012 PSP award that vested in the 2014 single figure.

Director emoluments

£'000	Year	Fees & Salary	Benefits[a]	STIA	LTIP[d][e]	Pension[f]	**Total**
Executive							
Pete Redfern	2015	790	47	931	5,061	190	**7,019**
	2014	768	43	1,043	4,211	185	**6,250**
Ryan Mangold[c]	2015	389	21	468	2,145	78	**3,101**
	2014	354	21	480	1,715	71	**2,641**
James Jordan	2015	367	43	432	2,350	91	**3,283**
	2014	357	42	484	1,956	88	**2,927**
Non Executive							
Kevin Beeston[b]	2015	271	1	–	–	–	**272**
	2014	256	–	–	–	–	**256**
Kate Barker	2015	55	–	–	–	–	**55**
	2014	55	–	–	–	–	**55**
Margaret Ford	2015	70	–	–	–	–	**70**
	2014	66	–	–	–	–	**66**
Mike Hussey	2015	55	–	–	–	–	**55**
	2014	55	–	–	–	–	**55**
Rob Rowley	2015	80	–	–	–	–	**80**
	2014	80	–	–	–	–	**80**
Humphrey Singer (appointed 9 December 2015)	2015	3	–	–	–	–	**3**
	2014	–	–	–	–	–	**–**
Tony Reading (resigned 17 April 2014)	2015	–	–	–	–	–	**–**
	2014	21	–	–	–	–	**21**
	2015	2,080	112	1,831	9,556	359	**13,938**
	2014	2,012	106	2,007	7,882	344	**12,351**

(a) Benefits include non-cash payments such as private medical insurance, life insurance, company car provision, fuel allowances, and cash payments such as car allowance taken in lieu of a car.

(b) The Company also paid £2,000 (2014: £10,000) as a contribution towards the Chairman's annual office and related administration costs incurred in carrying out his role. The Chairman's fees increased from £256,250 to £295,000 per annum with effect from 1 July 2015.

(c) Ryan Mangold was previously, until the end of 2014, a member of the salary exchange scheme operated by the Company and the amount exchanged during the year was £0 (2014: £9,000). The Flexible Pension Arrangement is a voluntary arrangement, the effect of which is to allow members and the Company to benefit from savings in National Insurance contributions through the sacrifice of a portion of salary, which would then be paid into a pension scheme as a Company contribution, prior to NIC being calculated. The Scheme therefore reduces the effective salary of the individual.

(d) This column shows the vesting during 2015 and 2014 of LTIPs as set out in the table at the top of page 80. Note that the 2014 figures reported last year were based on estimates of the value of the shares at vesting. These have been restated to reflect the actual value of the shares at the point of vesting. As explained on pages 68 and 69, the reason why this includes vesting from awards made in both 2011 and 2012 is due to the timing of the vesting of various elements of the awards which differ as between ROCE and Margin which are calculated on 31 December of the final year of the performance period and the TSR measures which are calculated on the third anniversary of the award. With effect from and including the 2013 awards all measures are now tested as at 31 December.

(e) The 2014 LTIP figure includes the value of the TSR elements of the 2011 PSP awards and the ROCE and Margin elements of the 2012 PSP awards. Details of the percentage of each award vesting are summarised in the table at the top of page 80. For an explanation on why the 2014 figure includes elements of both the 2012 and 2013 awards, please see note (d) above.

The 2015 LTIP figure includes the TSR elements of the 2012 PSP award plus all elements of the 2013 award as the performance period for the 2012 award ended in March 2015 and all elements of the 2013 award ended on 31 December 2015. Details of the percentage of each award vesting are summarised in the table at the top of page 80.

(f) These figures represent the cash allowances payable as described in the Remuneration Policy 'Pension' section. For Pete Redfern this is 20% of salary up to a scheme specific cap (notional earnings cap) and 25% of salary above the cap; for Ryan Mangold this is 20% of salary, split between a cash allowance and Company pension contribution as reported in Non-Group Pension Arrangements on page 85; and for James Jordan this is 20% of salary up to a scheme specific cap (notional earnings cap) and 28% of salary above the cap.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Remuneration Report continued

LTIP awards included in 2014 single figure

LTIP award	Performance target	Weighting	% Vesting (max 100%)	Date of end of performance period	Date of vesting	Share price at vesting (pence)
2011 PSP	TSR FTSE	20%	100%	31/03/2014	01/04/2014	119.4
	TSR Peer Group	20%	93.85%	31/03/2014	01/04/2014	119.4
2012 PSP	ROCE	30%	100%	31/12/2014	05/03/2015	149.0[a]
	Margin	30%	100%	31/12/2014	05/03/2015	149.0[a]

(a) The share price shown is as at 5 March 2015; in the 2014 Remuneration Report these awards had not yet vested, therefore the share price at vesting was calculated as the average of the share prices for the dealing days in the last three months (October to December 2014). See notes (d) and (e) on page 79 for an explanation on why more than one year of LTIP awards has been included in the single figure.

LTIP awards included in 2015 single figure

LTIP award	Performance target	Weighting	% Vesting (max 100%)	Date of end of performance period	Date of vesting	Share price at vesting (pence)
2012 PSP	TSR FTSE	20%	100%	04/03/2015	05/03/2015	149.0
	TSR Peer Group	20%	71.8%	04/03/2015	05/03/2015	149.0
2013 PSP[a]	TSR FTSE	20%	100%	31/12/2015	01/03/2016	192.16[a]
	TSR Peer Group	20%	100%	31/12/2015	01/03/2016	192.16[a]
	ROCE	30%	100%	31/12/2015	01/03/2016	192.16[a]
	Margin	30%	100%	31/12/2015	01/03/2016	192.16[a]

(a) The share price shown is the average of the share price for the dealing days in the last three months (October to December 2015). See notes (d) and (e) on page 79 for an explanation on why more than one year of LTIP awards has been included in the single figure.

Short term incentive arrangements (STIA) in respect of 2015

For 2015, the Committee measured performance against each individual performance target, which is directly linked to the achievement of the Company's strategy, as follows:

Measure	Strategic objective	Weighting	Summary of targets	Result	% of maximum	% of salary paid in cash	% of salary deferred in shares
EBIT	To increase aggregate profit	35%	Entry £570m Target £594m Stretch £618m	£637m	35	23.33	11.67
Operating Margin	Driving further UK operating margin progression	25%	Entry 18.5% Target 19% Stretch 20.5%	20.3%	23	15.33	7.67
Cash	Driving increased cash generation and retention as a proportion of PBIT	20%	Entry 50% Target 60% Stretch 65%	67.0%	20	13.33	6.67
Customer Service	Improving and delivering customer service	20%	Entry 83% Target 89% Stretch 93%	81.0%	0	0	0
Total		**100%**			**78**	**52**	**26**

The amounts paid to Pete Redfern, Ryan Mangold and James Jordan in respect of 2015 are set out in the remuneration table on page 79.

Vesting of long term incentive awards in 2015

The BIS Regulations require the value of long-term incentives vesting, by reference to performance periods ending in the financial year being reported on, to be included in the single figure. This applies to the TSR elements of the March 2012 TWPSP awards and all elements of the March 2013 TWPSP award.

The performance period for the TSR elements of the 2012 award ended on 5 March 2015, which was after the Preliminary Announcement of the Company's 2014 results, and the performance outcome was independently calculated by New Bridge Street.

As reported last year, the performance period for all elements of annual PSP awards made from 2013 and for subsequent years now ends on 31 December. Consequently, the performance period for all elements of the 2013 award ended on 31 December 2015 and the final measurement was undertaken based on this date.

The outcomes were as follows:

Award	Measure	Weighting	Vesting scale	Performance achieved	% of this award vesting
5 March 2012[a]	TSR FTSE	20%	No vesting below median, 20% vests at median, 100% vests at upper quartile. Pro-rata vesting between median and upper quartile	10th out of 203	100%
	TSR Peer Group	20%	No vesting below median, 20% vests at Index TSR, 100% vests at Index TSR + 8% p.a. (multiplicative). Pro-rata vesting in between	48.6 points above Peer Group index	71.8%
6 March 2013[b]	TSR FTSE[c]	20%	No vesting below median, 20% vests at median, 100% vests at upper quartile. Pro-rata vesting between median and upper quartile	5th out of 204	100%
	TSR Peer[d] Group	20%	No vesting below median, 20% vests at Index TSR, 100% vests at Index TSR + 8% p.a. (multiplicative). Pro-rata vesting in between	73.9% above Peer Group index	100%
	ROCE[e]	30%	No vesting below median, 20% vests at 10% ROCE, 100% vests at 20% ROCE. Pro-rata vesting in between	27.1%	100%[b]
	Margin[f]	30%	No vesting below median, 20% vests at 11.5% margin, 100% vests at 16% margin. Pro-rata vesting in between	20.3%	100%[c]

(a) All outcomes are as at 5 March 2015.
(b) All outcomes are as at 31 December 2015.
(c) Median target is 105th ranking and upper quartile target is 52nd ranking as averaged for dealing days in last three months of the performance period ended 31 December 2015.
(d) Median is placing 102.5 and upper quartile is placing 51.5 as averaged for dealing days in last three months of the performance period ended 31 December 2015.

In deciding whether, and to what extent, any vesting of awards should take place under any LTIP, the Committee also considers the overall financial performance of the Company during the period. The Committee has determined that the overall financial performance of the Company has been strong in respect of the performance periods of the above LTIPs and therefore determined that the 2013 LTIP should vest in full based on the achievement in full of all performance measures.

Remuneration Report continued

Change in Company performance relative to change in remuneration

	2015	2014	Change (%)
Profit before tax, interest and exceptional items	**£637.0m**	£480.7m	32.5
Dividends paid per ordinary share	**9.35p**	3.10p	201.6
– interim 2015/interim 2014 (0.49p/0.24p) – final 2015/final 2014 (1.18p/1.32p) – special 2015/special 2014 (7.68p/1.54p)			
Employee pay in aggregate (see Note 7 to the financial statements)	**£195.4m**	£173.6m	12.6
Employee pay average per employee (see Note 7 to the financial statements)	**£45,869**	£45,009	1.9

Change in Chief Executive pay compared to Taylor Wimpey employees

The table below shows the percentage year-on-year change in salary, benefits and annual bonus earned between 2014 and 2015 for the Chief Executive compared to the average pay of Taylor Wimpey employees during the year.

	Salary	Benefits	STIA
Pete Redfern	3.0%	9.3%	-10.7%
Average pay of Taylor Wimpey employees	3.0%	3.0%	3.0%

Directors' share-based rewards and options

Performance awards were made in the year under the TWPSP scheme as summarised below:

	Award	Type	Number of shares	Face value (% of salary)	Performance conditions	Performance period	% vesting at threshold performance
Pete Redfern	TWPSP	Nil cost options	1,035,958	£1,545,338 (200%)	25% on ROCE; 25% on cash conversion; 20% on TSR v a FTSE Group[(a)]; 30% on TSR v Peer Group index	01/01/2015 – 31/12/2017	20%
Ryan Mangold	TWPSP	Nil cost options	476,965	£711,488 (200%)	As above	As above	As above
James Jordan	TWPSP	Nil cost options	480,980	£717,477 (200%)	As above	As above	As above

(a) 'a FTSE Group' covers the group of 50 companies immediately above, and 50 companies immediately below, the FTSE 100 point, as described earlier on page 74.

Details of options and conditional awards over shares held by Directors who served during the year are as follows:

Pete Redfern

Plan	Outstanding shares at 1 January 2015	Granted/ Awarded in 2015 (number)	Dividend re-investment shares added during 2015 (number)	Special Dividend adjustment shares added during 2015 (number)	Exercised/ vested (number)	Lapsed (number)	Outstanding shares as at 31 December 2015	Exercise price (pence)	Market price on exercise (pence)	Date of grant	Date from which exercisable/ capable of vesting	Expiry date
Deferred Shares (STIA)[(a)]	387,541	–	–	–	387,541	–	–	–	159.19	23.03.12	24.03.15	23.09.15
Deferred Shares (STIA)[(a)]	256,696	–	12,643	–	–	–	269,339	–	–	25.03.13	26.03.16	25.09.16
Deferred Shares (STIA)[(a)]	300,237	–	14,787	–	–	–	315,024	–	–	25.03.14	26.03.17	25.09.17
Deferred Shares (STIA)[(a)]	–	222,031[(b)]	10,936	–	–	–	232,967	–	–	25.03.15	26.03.18	25.09.18
Performance Share Plan[(c)]	2,906,623	–	–	–	2,742,687	163,936	–	–	145.97	05.03.12	05.03.15[(d)]	04.09.15
Performance Share Plan[(c)]	1,784,608	–	–	74,487[(e)]	–	–	1,859,095	–	–	06.03.13	06.03.16[(f)]	05.09.16
Performance Share Plan[(c)]	1,222,746	–	–	–	–	–	1,222,746	–	–	04.03.14	04.03.17[(f)]	03.09.17
Performance Share Plan[(c)]	–	1,035,958[(g)]	–	–	–	–	1,035,958	–	–	09.03.15[(d)]	09.03.18[(f)]	08.09.18
Sharesave Plan[(a)]	63,331	–	–	–	–	–	63,331	24.04	–	11.10.11	01.12.16	31.05.17
Sharesave Plan[(a)]	10,000	–	–	–	–	–	10,000	90.00	–	07.10.14	01.12.17	31.05.18
Total	**6,931,782**	**1,257,989**	**38,366**	**74,487**	**3,130,228**	**163,936**	**5,008,460**					

Ryan Mangold

Plan	Outstanding shares at 1 January 2015	Granted/ Awarded in 2015 (number)	Dividend re-investment shares added during 2015 (number)	Special Dividend adjustment shares added during 2015 (number)	Exercised/ vested (number)	Lapsed (number)	Outstanding shares as at 31 December 2015	Exercise price (pence)	Market price on exercise (pence)	Date of grant	Date from which exercisable/ capable of vesting	Expiry date
Deferred Shares (STIA)[(a)]	157,784	–	–	–	157,784	–	–	–	159.19	23.03.12	24.03.15	23.09.15
Deferred Shares (STIA)[(a)]	110,629	–	5,449	–	–	–	116,078	–	–	25.03.13	26.03.16	25.09.16
Deferred Shares (STIA)[(a)]	138,231	–	6,808	–	–	–	145,039	–	–	25.03.14	26.03.17	25.09.17
Deferred Shares (STIA)[(a)]	–	102,225[(b)]	5,035	–	–	–	107,260	–	–	25.03.15	26.03.18	25.09.18
Performance Share Plan[(c)]	1,183,410	–	–	–	1,116,665	66,745	–	–	145.97	05.03.12	05.03.15[(d)]	04.09.15
Performance Share Plan[(c)]	769,123	–	–	32,101[(e)]	–	–	801,224	–	–	06.03.13	06.03.16[(f)]	05.09.16
Performance Share Plan[(c)]	562,963	–	–	–	–	–	562,963	–	–	04.03.14	04.03.17[(f)]	03.09.17
Performance Share Plan[(c)]	–	476,965[(g)]	–	–	–	–	476,965	–	–	09.03.15[(d)]	09.03.18[(f)]	08.09.18
Sharesave Plan[(a)]	10,623	–	–	–	–	–	10,623	84.72	–	08.10.13	01.12.16	31.05.17
Sharesave Plan[(a)]	10,000	–	–	–	–	–	10,000	90.00	–	07.10.14	01.12.17	31.05.18
Total	**2,942,763**	**579,190**	**17,292**	**32,101**	**1,274,449**	**66,745**	**2,230,152**					

James Jordan

Plan	Outstanding shares at 1 January 2015	Granted/ Awarded in 2015 (number)	Dividend re-investment shares added during 2015 (number)	Special Dividend adjustment shares added during 2015 (number)	Exercised/ vested (number)	Lapsed (number)	Outstanding shares as at 31 December 2015	Exercise price (pence)	Market price on exercise (pence)	Date of grant	Date from which exercisable/ capable of vesting	Expiry date
Deferred Shares (STIA)[(a)]	179,930	–	–	–	179,930	–	–	–	159.19	23.03.12	24.03.15	23.09.15
Deferred Shares (STIA)[(a)]	119,181	–	5,870	–	–	–	125,051	–	–	25.03.13	26.03.16	25.09.16
Deferred Shares (STIA)[(a)]	139,396	–	6,866	–	–	–	146,262	–	–	25.03.14	26.03.17	25.09.17
Deferred Shares (STIA)[(a)]	–	103,086[(b)]	5,077	–	–	–	108,163	–	–	25.03.15[(d)]	26.03.18	25.09.18
Performance Share Plan[(c)]	1,349,503	–	–	–	1,273,388	76,115	–	–	145.97	05.03.12	05.03.15[(d)]	04.09.15
Performance Share Plan[(c)]	828,568	–	–	34,583[(e)]	–	–	863,151	–	–	06.03.13	06.03.16[(f)]	05.09.16
Performance Share Plan[(c)]	567,703	–	–	–	–	–	567,703	–	–	04.03.14	04.03.17[(f)]	03.09.17
Performance Share Plan[(c)]	–	480,980[(g)]	–	–	–	–	480,980	–	–	09.03.15[(d)]	09.03.18[(f)]	08.09.18
Sharesave Plan[(a)]	63,331	–	–		–	–	63,331	24.04	–	11.10.11	01.12.16	31.05.17
Sharesave Plan[(a)]	10,000	–	–		–	–	10,000	90.00	–	07.10.14	01.12.17	31.05.18
Total	**3,257,612**	**584,066**	**17,813**	**34,583**	**1,453,318**	**76,115**	**2,364,641**					

Details of options over shares held by Directors who served during the year:

(a) Vesting is not dependent on any performance conditions.
(b) Market value per share on date of grant 25 March 2015 was 156.6 pence.
(c) Vesting is subject to the achievement of performance conditions.
(d) Or later publication of the preliminary full year or half year results announcement on which the associated performance condition will be calculated.
(e) Adjustment to number of shares in award to reflect the impact of the Special Dividend of 7.68 pence for 2015 paid on 3 July 2015 when the market value per share was 191.3 pence.
(f) At later publication of the preliminary full year or half year results announcement on which the associated performance condition will be calculated.
(g) Market value per share on date of grant 9 March 2015 was 147.8 pence.
(h) Vesting will be 20% for the 2015 award (2014 award: 20%) for threshold performance (50th percentile for TSR for FTSE Group, Index TSR for Housebuilder Index; 16% ROCE (2014 award: 10%); 65% cash conversion (2014 award: 14% margin)) and 100% (2014 award: 100%) for upper quartile performance (75th percentile for TSR vs FTSE Group; index + 8% p.a (multiplicative) for Housebuilder Index, 24% ROCE (2014 award: 20%); 70% cash conversion (2014 award: 18.5% margin)) with straight line vesting between these two thresholds.

There have been no variations to the terms and conditions or performance criteria for outstanding share awards during the financial year. The market price of the ordinary shares on 31 December 2015 was 203.1 pence and the range during the year was 124.1 pence to 205.0 pence. Details of any share awards made to Executive Directors during 2016 will be included in the 2016 Remuneration Report.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Remuneration Report continued

Directors' interests in shares of the Company

Share ownership guidelines

These Taylor Wimpey share ownership guidelines are designed to encourage greater levels of shareholding by executives at various levels within the Company for the purpose of alignment with the Company's shareholders which the Committee strongly believes is very important. The guidelines cover the Executive Directors and those executives who participate in long term incentive plans with all participating executives required to build up shareholdings through the retention of shares vesting under the Company's share plans.

The level of shareholding for Executive Directors to attain is two times base salary. Executive Directors are expected to achieve a holding equivalent to one times base salary within five years of their appointment and although there will be no set time limit for achieving a two times salary holding, each Executive Director is required to agree a personal plan with the Chairman on the target to be achieved within an agreed time frame. Executive Directors are also required to retain at least 50% of their net of taxes gain arising from any shares vesting or acquired pursuant to the Company's long term incentive share plans, until such time as the guidelines have been met. Only beneficially owned shares count toward the guidelines, thus the Executive Directors' deferred portion of STIA vestings are excluded. Members of the Group Management Team (GMT) and other designated executives are currently expected to maintain a shareholding generally in direct proportion to their level of participation in the Company's discretionary share plans. Each participant will be required to retain at least 50% of shares vesting or acquired net of taxes pursuant to the Company's long term incentive plans until such guidelines are met. The Committee will keep the guidelines under regular review.

As mentioned earlier in this Report, any shares that vest under the 2014 award must, as a standard requirement, be retained by executives for at least 12 months and for at least 24 months under later awards. The Chairman and the Non Executive Directors are also encouraged to hold shares in the Company in order to align their interests with those of shareholders.

Directors' interests in 1p ordinary shares held (fully paid) (ordinary shares) are as set out in the table below:

	Beneficially owned		Outstanding interests in share plans				Share interests expressed as a percentage of salary			
Director	at 1/1/15 (ordinary shares)[a][e]	at 31/12/15 (ordinary shares)[e]	STIA[b]	TWPSP	TWSOP	Sharesave	Value of shares (including any SIP shares) as at 31/12/15; salary as at 31/12/15[c]		Value of shares (including any SIP shares) as at 25/02/16; salary as at 1/4/16[d]	
							Excluding STIA shares v the shareholding guidelines	Including STIA shares (for information only)[e]	Excluding STIA shares v the shareholding guidelines	Including STIA shares (for information only)[e]
Kevin Beeston	1,155,562	1,155,562	–	–	–	–				
Pete Redfern	2,688,789	3,330,956	817,330	4,117,799	–	73,331	850%	960%	739%	835%
Ryan Mangold	636,792	892,399	368,377	1,841,152	–	20,623	453%	552%	394%	480%
James Jordan	1,309,330	1,561,034	379,476	1,911,834	–	73,331	858%	968%	746%	841%
Kate Barker	40,000	40,000	–	–	–	–				
Margaret Ford	84,940	84,940	–	–	–	–				
Mike Hussey	150,000	150,000	–	–	–	–				
Rob Rowley	200,000	200,000	–	–	–	–				
Humphrey Singer	0	25,000	–	–	–	–				

(a) Or date of appointment.
(b) Only the net amount of shares has been included in this column.
(c) This is the percentage of shareholding achieved at 31 December 2015 towards the targets described on page 73 calculated on 2015 salary and at 31 December 2015 share price. Salaries as at 31 December 2015 for Pete Redfern, Ryan Mangold and James Jordan were £795,849, £400,000 and £369,501 respectively.
(d) This is the percentage of shareholding achieved at 31 December 2015 towards the targets described on page 73 calculated on 1 April 2016 salary and at 25 February 2016 share price. Salaries as at 1 April 2016 for Pete Redfern, Ryan Mangold and James Jordan will be £819,724 £412,000 and £380,586 respectively.
(e) Including partnership and matching shares held under the Share Purchase Plan (SIP) described on page 73.

Note: The share price on 31 December 2015 and used in the above calculation was 203.1 pence per share and on 25 February 2016 was 181.8 pence per share. Note: The above table does not include the deferral into shares of 33% of the 2015 STIA for any Executive Director.

The only changes to the Directors' interests as set out above during the period between 31 December 2015 and 29 February 2016 were the regular monthly purchases of shares and 1:1 matching by the Company under the Share Incentive Plan by Pete Redfern (320 shares) and James Jordan (320 shares).

Directors' pension entitlements

Defined benefit schemes

The Taylor Wimpey Pension Scheme

Pete Redfern and James Jordan are members of the Taylor Wimpey Pension Scheme (TWPS). The following table sets out the transfer value of their accrued benefits under the TWPS calculated in a manner consistent with 'The Occupational Pension Schemes (Transfer Values) Regulations 2008'.

Director	Normal retirement Age	Accrued pension as at 31/12/14	Increase in accrued pension from 31/12/14 to 31/12/15	Accrued pension as at 31/12/15[a]	Transfer value gross of Director's contributions at 31/12/15[b]	Transfer value gross of Director's contributions at 31/12/14[b]	Increase (decrease) in transfer value from 31/12/14 to 31/12/15 less Director's contributions[c]	Increase in transfer value from 31/12/14 to 31/12/15 less inflation	Transfer value of accrued pension increase less Director's contributions
Pete Redfern	62	14,440	202	14,642	236,626	241,877	(5,251)	–	–
James Jordan	62	26,697	380	27,077	576,448	559,151	17,297	–	–

(a) The George Wimpey Staff Pension Scheme (GWSPS) closed to future accrual on 31 August 2010 so pension accrual ceased on that date. Members of the GWSPS were transferred into the TWPS on 1 October 2013 and there was no change to members' benefit entitlement. Pension accrual shown above is the amount which would be paid annually on retirement based on service to 31 August 2010. Pension benefits include a two thirds spouse's pension. Pensions accrued up to 5 April 2006 are guaranteed to increase in payment in line with inflation limited each year to 5%. Pensions accrued after 5 April 2006 are guaranteed to increase in payment in line with inflation limited each year to 2.5%. Pensions accrued up to 5 April 2009 will revalue in deferment in line with inflation subject to an overall cap of 5% per annum. Pensions accrued after 5 April 2009 will revalue in deferment in line with inflation subject to an overall cap of 2.5% per annum. We have only taken into account defined benefits accrued over the period to 31 August 2010 and have not included any Defined Contribution pension benefits accrued after this date.
(b) Transfer values have been calculated in accordance with the Occupational Pension Schemes (Transfer Value) Regulations 2008.
(c) The transfer value includes the effect of fluctuations due to factors beyond the control of the Company and Directors, such as financial market movements.
Note: The GWSPS closed to future accrual on 31 August 2010 and so no contributions were made after 31 August 2010.

There was no change to benefits during the year and consequently no difference between the changes to any Director's pension benefits in comparison with those of other employees.

Non-Group pension arrangements

Ryan Mangold has non-Group pension arrangements, to which contributions were paid by the Company as set out below:

	2015 (£)	2014 (£)
Ryan Mangold	**40,000**	34,000

Notes: Ryan Mangold also received a pension allowance of £37,787 in 2015 (2014: £37,000) in lieu of Company pension contributions over the Annual Allowance limit introduced in April 2011 of £40,000.
Pete Redfern and James Jordan received cash allowances of £190,000 (2014: £185,000) and £91,000 (2014: £88,000) respectively in lieu of Company pension contributions.

Statement of shareholder voting

At the 2015 Annual General Meeting, the result of the shareholders' vote on the Company's Remuneration Report for 2014 was:

	2015 (Votes)	2014 (Votes)
For	**1.9 billion**	1.9 billion
	(99%)	(99%)
Against	**18.9 million**	10.8 million
	(1%)	(1%)
Withheld	**35 million**	8.6 million

As stated earlier, the Remuneration Committee has consulted further with our shareholders on remuneration matters during the year. We hope that shareholders will, again, support the Remuneration Report at the AGM on 28 April 2016.

Approval

This Remuneration Report was approved by the Board of Directors on 29 February 2016 and signed on its behalf by the Remuneration Committee Chairman:

Baroness Ford of Cunninghame
29 February 2016

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Statutory, Regulatory and Other Information

Introduction

This section contains the remaining matters on which the Directors are required to report each year, which do not appear elsewhere in this Directors' Report. Certain other matters which are required to be reported on appear in other sections of this Annual Report and Accounts as detailed below:

- An indication of likely future developments in the business of the Company and its subsidiaries appears in the Strategic Report on pages 4 to 41.
- The Remuneration Report appears on pages 68 to 85.
- The reporting on the Company's carbon footprint appears on page 29.
- A list of the subsidiary and associated undertakings, including branches outside the UK, principally affecting the profits or net assets of the Group in the year appears on pages 142 to 145.
- Changes in asset values are set out in the consolidated balance sheet on page 100 and in the Notes to the accounts on pages 103 to 146.
- The Group's profit before taxation and the profit after taxation and minority interests appear in the consolidated income statement on page 98 and in the Notes to the accounts on pages 103 to 146.
- A detailed statement of the Group's treasury management and funding is set out in Note 19 on pages 119 to 122.
- A statement that this Annual Report and Accounts meets the requirements of Provision C.1.1 of the UK Corporate Governance Code (the 'Code'), is set out in the Corporate Governance Report on page 57.
- Details of the Company's long-term incentive schemes as required by LR 9.4.3 R are set out in the Remuneration Report on pages 68 to 85.
- Details of any contracts of significance subsisting during the period under review to which a subsidiary undertaking of the Company is a party and in which a Director of the Company is materially interested appear in the Notice of Meeting on pages 147 to 155.
- Details of an arrangement under which a shareholder has waived or agreed to waive any dividends, and where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review, appear later in this Report on page 88.

Directors

The following Directors held office throughout the year:

Kevin Beeston, Chairman;

Pete Redfern, Chief Executive;

Ryan Mangold, Group Finance Director;

James Jordan, Group Legal Director and Company Secretary;

Kate Barker, Independent Non Executive Director;

Margaret Ford, Independent Non Executive Director;

Mike Hussey, Independent Non Executive Director; and

Rob Rowley, Independent Non Executive Director and the designated Senior Independent Director.

In addition to the above, Humphrey Singer was appointed to the Board as an Independent Non Executive Director on 9 December 2015.

The Directors together with their biographical information are shown on pages 44 and 45.

Retirement and re-election

The Company has determined that in accordance with the Code, all Directors should seek election or re-election, as appropriate, at this year's AGM as explained in the Notes to the Notice of Meeting and on page 53 of the Corporate Governance Report.

Each of the Directors proposed for election or re-election at the AGM is being unanimously recommended by all of the other members of the Board. This recommendation follows the completion of the annual performance evaluation process, which included a detailed appraisal of the Board, its Committees and also in respect of each Director, which included a review of their respective time commitments. The Board appraisal process did not include Humphrey Singer as he was appointed to the Board following the conclusion of the 2015 process, but was, nevertheless, subject to a detailed appraisal of his suitability as part of the appointment process and participated in the Board discussions which took place at the December 2015 and February 2016 Board meetings. Further information relating to the evaluation, and the process followed with regard to Humphrey Singer's appointment, is set out in the Corporate Governance Report on page 49.

The Articles of Association of the Company further regulate the appointment and removal of Directors, in addition to the Companies Act 2006 and related legislation. The Company's Articles of Association may be amended by special resolution of the shareholders. The various powers and responsibilities of the Directors are described in the Corporate Governance Report.

Qualifying third party indemnity

The Company has granted an indemnity in favour of its Directors and officers and those of its Group companies against the financial exposure that they may incur in the course of their professional duties as Directors and officers of the Company and/or its subsidiaries/affiliates. The indemnity has been put in place in accordance with section 234 of the Companies Act 2006 in respect of which the Company took advice from its corporate lawyers, Slaughter and May.

Audit and auditor

Each Director has, at the date of approval of this Report, formally confirmed that:

- To the best of his/her knowledge there is no relevant audit information of which the Company's auditor is unaware.
- He/she 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 section 418 of the Companies Act 2006.

Deloitte LLP (Deloitte) have confirmed their willingness to continue in office as auditor of the Company. Following a review by the Audit Committee of their effectiveness, details of which are set out on page 64, a resolution to re-appoint Deloitte will be proposed at the AGM.

It is the Company's general policy that its auditor will not carry out non-audit services except where it is appropriate to do so and in accordance with the Company's formal policy for the carrying out of such work. In addition, and in line with the Code, the Committee takes into account the relevant ethical guidance regarding the provision of non-audit services by the external auditor. The Company notes the consultation currently under way to consider designating further areas for which the auditor should not be allowed to provide non-audit services. Any revision to current regulations or guidelines will be taken into account in framing the Company's policy going forward and reported on in future Annual Reports as appropriate. Deloitte provided non-audit services to the Group during the year within the policy framework as described in the Audit Committee Report, details of which are set out in Note 6 on page 110.

Basis of accounting

As reported in last year's Annual Report and Accounts, the Company changed its basis of accounting with effect from 1 January 2015 to FRS 101. Further details may be found in the Audit Committee Report on page 66.

Annual General Meeting

The AGM will be held at 11:00 am on 28 April 2016 at The British Medical Association, BMA House, Tavistock Square, London, WC1H 9JP.

Formal notice of the AGM including details of the special business being proposed is set out in the Notice of Meeting on pages 147 to 155 and on the Company's website www.taylorwimpey.co.uk. In line with recent practice, voting on all resolutions at this year's AGM will again be conducted by way of a poll. The Board believes that this method of voting gives as many shareholders as possible the opportunity to have their votes counted as part of the process, whether their votes are tendered by proxy in advance of or in person at the AGM.

Web communication

With shareholders' consent, the Company has adopted web communication. The benefits of web communication are that it:

- Enables the Company to significantly reduce its printing and postage costs.
- Enables shareholders to access information faster, on the day documents are published on the Company's website.
- Reduces the amount of resources consumed, such as paper, and therefore helps to reduce the impact of printing, mailing and related activities on the environment.

Shareholder communications (including the 2015 Annual Report and Accounts) are available electronically through the Company's website.

The Company will of course continue to provide hard copy documentation to those shareholders who have requested this and is, of course, happy to do so.

Registrar

The Company's registrar is Capita Asset Services. Their details, together with information on the services and facilities available to shareholders, are set out in the Shareholder Facilities section on page 157.

Capital structure

Details of the Company's issued share capital, together with information on the movements in the Company's issued share capital during the year, are shown in Note 22 on page 128.

Statutory, Regulatory and Other Information continued

The Company has two classes of shares: Ordinary Shares of 1p, each of which carries the right to one vote at general meetings of the Company and such other rights and obligations as are set out in the Company's Articles of Association, and Deferred Shares which carry no voting rights.

The authority given by shareholders at the AGM held on 23 April 2015 for the Company to purchase a maximum of 325,346,100 of its own shares remained valid at 31 December 2015. The authority was not exercised during 2015 or prior to the date of this Report. The Company has no current intention of exercising this authority but will nevertheless be seeking the usual renewal of this authority at the AGM and the Board will continue to keep the position under regular review. The Company currently holds no shares in treasury.

There are no specific restrictions on the size of a holding, the exercise of voting rights, nor on the transfer of shares, which are governed by the Articles of Association and prevailing legislation. The Directors are not aware of any agreement or agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in the Remuneration Report on pages 72 and 73. The Employee Share Ownership Trust which hold shares on trust for employees under various share schemes, generally abstain from voting at shareholder general meetings in respect of shares held by them.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Substantial interests

The persons set out in the table opposite have notified the Company pursuant to Rule 5.1 of the Disclosure and Transparency Rules of their interests in the ordinary share capital of the Company.

At 26 February 2016, no change in these holdings had been notified nor, according to the Register of Members, did any other shareholder at that date have a disclosable holding of the Company's issued share capital.

Directors' interests, including interests in the Company's shares, are shown in the Remuneration Report. The Board strongly believes in the alignment of interests between senior management and the Company's shareholders.

Substantial interests in the Company's shares as at 26 February 2016

Name	Number of shares held (millions)	Percentage of issued voting share capital
BlackRock, Inc.	181.0	5.55
JP Morgan Asset Management Holdings Inc	159.6	4.99
FMR LLC	156.9	4.84
Schroder plc & Schroder Investment Management Limited	152.1	4.71
The Capital Group Companies, Inc.	131.3	4.04
Legal & General Group Plc	98.4	3.02
Standard Life Investments Limited	96.4	3.02

Dividend

Information relating to the recommended 2015 final dividend is set out in the Chairman's Statement on page 10 and in the notes to resolution 2 on page 151 in the Notes to the Notice of Annual General Meeting.

Information relating to the recommended 2016 special dividend is set out in the Chairman's Statement on page 10 and in the notes to resolution 3 on page 151 in the Notes to the Notice of Annual General Meeting.

The Company will be operating a Dividend Re-Investment Plan (DRIP), further details of which are set out on page 156 of this Annual Report. The DRIP will operate automatically in respect of the 2015 final dividend for those shareholders who have previously registered a DRIP mandate (unless varied by shareholders beforehand) and also in respect of all future dividends, including special dividends, until such time as each participating shareholder elects to withdraw from the DRIP, or the DRIP is suspended or terminated in accordance with the Terms and Conditions of the plan. The Board will continue to keep the availability of the DRIP under regular review.

Shareholders are again reminded to check their position with regard to any dividend mandates that are in place, should they either wish to participate in the DRIP or discontinue or vary any participation, as existing mandates will apply to all dividend payments (including special dividends) unless or until revoked.

The right to receive any dividend has been waived in part by the Trustee of the Company's Employee Share Ownership Trusts (ESOTs) over those Trusts' combined holding of 9,000,914 shares. More details of these ESOTs are contained in Note 25 on page 130.

Research and development

During 2015 the Company continued to build its new standard house type range in significant numbers. Taylor Wimpey has designed in-house a new suite of house types that meet the space and accessibility standards introduced as a result of the housing standards review. These will be available for use by our regions during 2016.

We continue to work with our supply chain to identify new products and techniques available to us and appraise them before they will be needed. As the proposal to further improve energy efficiency through Part L of the Building Regulations in 2016 has been removed, our focus for 2015 turned to continual improvement of our specification and construction details to meet current building regulations in the most robust way. This will continue in 2016. As an adjunct to our research and development we continue to contribute to several industry working groups looking at energy efficiency, changes to building regulations and standards and how to close the gap between design and performance.

During 2015 we embarked on 'Project 2020', a major long term initiative that could impact upon several aspects of our future business and processes. As part of Project 2020 we are exploring and evaluating trends, changes and innovations in design, architecture, technology, materials and methodology. Our aim is to shape, design and future-proof as much as practicably possible, the homes that we build for 2020 and beyond. As part of this process we are engaging with organisations such as BRE and the Zero Carbon Hub and also with academics, suppliers, industry and research bodies. As part of our Research we will also look at and evaluate developments taking place in Europe, Asia, and America.

Workstreams include product design, demographics, customer profiling, alternative build methodologies, smart homes technology, sustainability of raw materials and other initiatives. We are looking at a range of environmental issues including energy efficiency, zero-energy buildings, renewable energy technologies, resource efficiency and carbon reduction.

More information on Project 2020 appears in the Chief Executive's Review on page 29.

We are working on a number of additional sustainability initiatives that relate to green infrastructure. We use a Carbon Futures approach to quantify the carbon dioxide emissions for entire sites. This approach takes into account the buildings but also the carbon absorption of green infrastructure throughout the site. We have undertaken a Carbon Futures assessment for our Prince Philip Barracks development at Bordon. We are also a partner in Newcastle University's SUCCESS (Sustainable Urban Carbon Capture: Engineering Soils for Climate Change) project. This project is investigating the performance of soils to act as a carbon sink and how to maximise sequestration of atmospheric carbon dioxide through natural soil processes including 'Carbon Capture Gardens'.

Employee involvement and communication

We are proud of how committed our employees are to Taylor Wimpey and the long term success of our business. We strive to listen to and engage with all staff and employees. During 2015, we undertook the latest annual employee engagement survey "Talkback" and the feedback from our employees continues to shape our plans and priorities for the future.

More details of the outcomes of the survey are set out in the Chief Executive's Review on page 15.

We believe that inviting and listening to employee feedback is essential and we will conduct employee surveys on an annual basis going forward.

We have active employee consultation committees in our regional business units and communicate with employees via our half yearly Teamtalk employee magazine and regular Teamtalk Express email newsletter. Our intranet includes a wide range of employee information from human resources policies to advice for employees on sustainable living. It also includes an 'Open Door' forum that puts employees directly in touch with our Chief Executive. During 2015 we introduced a new customer services forum on our intranet and invited employees to voice their thoughts, concerns, ideas and initiatives on key customer questions. Employees could post comments within the forum or send an email to our Chief Executive or Customer Director.

The Company is committed to ensuring open and regular communication throughout the Group on both business-related issues and issues of general interest. There is a formal Employee Consultative Committee structure in place in all operations and elected representatives meet with management to consult on appropriate issues. Intranet systems are continually updated which provide a valuable communication tool across the Group and an important facility for providing employees with access to a wide range of information. Information is regularly cascaded throughout the Group via email – including regular communications from the Chief Executive – and via verbal briefings and by management presentations. The Company's internal magazine provides further communication.

Statutory, Regulatory and Other Information continued

The Company promotes share ownership as widely as possible across the business. In addition to the various share-related reward plans described in the Remuneration Report on pages 68 to 85, the Company also offers a scheme whereby employees (i.e. generally those who do not participate in the Executive Incentive Scheme (cash bonus scheme)) are offered the opportunity each year to exchange part of any cash bonus awarded for exceptional performance, into shares of the Company, offering a 20% enhancement to the value if taken entirely in shares and retained for a period. The scheme has operated since 2012 and in 2015 resulted in 481,160 shares (2014: 724,297) being acquired by 301 employees (2014: 326).

In addition to the above, the Company also maintains two all-employee share plans, namely, the Save As You Earn share option plan and the Share Incentive Plan (SIP), which are offered as widely as possible across the Group. Over half of our eligible employees participate in one or both plans or are otherwise already shareholders of the Company.

Equal opportunities

We strive to treat our employees fairly and with respect at all times. We have policies and processes in place to ensure that we act in accordance with our cultural values which encompass equal opportunities, anti-corruption and whistleblowing. We encourage our employees and subcontractors to speak up about concerns over any wrongdoing at work and provide access to an independent reporting hotline service.

We remain committed to the belief that embracing diversity and inclusion will enable Taylor Wimpey to succeed through a workforce that is creative and innovative. We continue to actively embrace as much as possible the business and local communities in which we operate and will strive to reflect their richness and character, including such aspects as gender, race and religion but also diversity of thought, background and experience.

As set out in our Diversity Policy, we remain committed to equality of opportunity in all of our employment practices, policies and procedures across the Group. To this end, within the framework of applicable law, we are committed, wherever practicable, to achieving and maintaining a workforce which broadly reflects that of the local catchment area within which we operate.

No employee or potential employee will receive less favourable treatment due to their race, creed, colour, nationality, ethnic origin, religion, political or other opinion, affiliation, gender, sexual orientation, marital status, family connections, age, membership or non-membership of a trade union, or disability, unless justifiable in exceptional circumstances, for example due to health and safety considerations particularly on construction sites. Instruction on equal opportunities is part of the induction programme and diversity is also promoted through awareness training locally and by its inclusion as a business priority at presentations around the business.

Our Diversity Policy can be found on the Company's website: www.taylorwimpey.co.uk/corporate/sustainability/our-policies

Employment of people with disabilities

It is our policy that people with disabilities should have fair consideration for all vacancies within the Group.

The Company is therefore committed, where possible, to ensuring that people with disabilities are supported and encouraged to apply for employment and to achieve progress once employed. They will be treated so as to ensure that they have an equal opportunity to be selected, trained and promoted. In addition, every reasonable effort is made for disabled persons to be retained in the employment of the Group by investigating the possibility of making reasonable adjustments to the job, workplace or equipment.

We have increased the number of employees with disabilities recruited. Working with key partners, we hope to increase more permanent and secondment opportunities for people with disabilities;

For example, we have recently engaged with the Leonard Cheshire Disability Change 100 Programme, a charity that provides talented disabled students with the opportunity to participate in a 100 day summer internship and professional development programme. Feedback from the students who participated in the programme in 2015 has been very positive and we intend to engage with the programme further during 2016.

Charitable donations

The Company has a Charity Committee, which operates within written terms of reference and charitable guidelines. The Committee's aims are to monitor and review charitable donations made by regional businesses as against the guidelines and to assess and administer larger donations centrally. The Committee is chaired by the Chief Executive and includes representatives from all areas and levels of the Group's UK businesses, from the Board to apprentices and trainees. The Company and the Committee encourage non-financial contributions also and for employees to participate in charitable causes.

During the year, Group companies donated £559,424 (2014: £272,790) to various charities in the UK. In addition, many employees at all levels around the country gave up their work and free time to participate in fundraising events for charitable causes including Centrepoint; The Youth Adventure Trust; and Crisis UK.

Further information on the Group's donations, activities and initiatives can be found in Our Business Model on page 32 and in the Sustainability Report 2015 which will shortly be available on the Company's website: www.taylorwimpey.co.uk/corporate/sustainability

Political donations

The Company has a policy of not making donations to political parties, and has not made any this year and neither does it intend to make any going forward. The Company does support certain industry-wide organisations which directly assist the housebuilding industry such as the Home Builders Federation and the Confederation of British Industry. Whilst we do not regard this support as political in nature in any way, the Companies Act 2006 definition of 'political organisations' and related terms is very wide and in certain circumstances a donation or a subscription to such organisations or to a charity could retrospectively be categorised as a political donation in the eyes of the law. Accordingly, as a matter of prudency, the Company will be seeking the usual annual dispensation from its shareholders at the 2016 AGM so as to be able to continue with the above memberships and make charitable donations up to defined levels without inadvertently breaching the applicable legislation.

Agreements

Apart from a small number of borrowing agreements, pursuant to which the Company borrows or is able to borrow money, which could potentially be terminated by the other party upon a change of control of the Company, there are no significant contracts or agreements which take effect, alter or terminate upon a change of control of the Company.

Important events since the year end

There have been no important events affecting the Company or any of its subsidiary undertakings since 31 December 2015.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Accordingly, Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have elected to prepare the Parent Company financial statements in accordance with FRS 101 (United Kingdom Accounting Standards and applicable law) as adopted from 1 January 2015 and reported in last year's Annual Report and Accounts. In accordance with company law, the Directors must not approve the accounts 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 the Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.
- Make an assessment of the Company's ability to continue as a going concern.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Provision C.1 of the Code, the Directors are required, inter alia, to ensure that the Annual Report and Accounts provides the information necessary for shareholders to assess the Company's performance, business model and strategy. Details of how this was addressed are set out in the Audit Committee Report on page 67.

Responsibility statement

The Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This Report of the Directors was approved by the Board of Directors on 29 February 2016.

James Jordan
Group Legal Director and Company Secretary
Taylor Wimpey plc
29 February 2016

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Financial Statements

Independent Auditor's Report

Opinion on financial statements of Taylor Wimpey plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and the Notes 1 to 31 relating to the Consolidated financial statements and 1 to 15 relating to the Parent Company financial statements. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and IFRS as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Going concern and the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within Note 1 to the financial statements and the Directors' statement on the longer term viability of the Group contained within the Risk Section on page 35.

We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on pages 35 and 66 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 34 to 37 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in Note 1 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Directors' explanation on page 35 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These risks remain consistent with the prior period.

As part of our audit of the Group, in addition to substantive tests, we also evaluate the design and implementation of internal controls over financial reporting in each of the risk areas.

Risk	How the scope of our audit responded to the risk
Inventory Costing *Refer to page 67 (Audit Committee Report) page 107 (Critical Accounting judgements and key sources of estimation uncertainty) and page 117 (financial statement disclosures).* The value for inventory as at 31 December 2015 is £3,891.2 million (2014: £3,490.1 million) and as such is the most significant value on the Balance Sheet (page 100). We consider the appropriate recognition of costs into inventory to be an area of significant risk. There is significant judgement in; • identifying which costs, based on their nature, should be capitalised into inventory rather than expensed; and • appropriately allocating these costs across sites, phases and plots – particularly shared costs such as infrastructure.	We tested a sample of sites as part of our visits to the Group's Business Units. We determined whether shared costs were allocated across sites, phases and plots appropriately by assessing the reasonableness of the methodology used and we independently recalculated a sample. We tested the operating effectiveness of controls in relation to; • the approval of site budgets; • the regular review meetings where Management review actual costs against detailed site budgets; and • the movement of costs across different phases and sites as a result of these meetings or other factors identified during the construction of the site.

Our assessment of risks of material misstatement continued

Risk	How the scope of our audit responded to the risk
Inventory Costing continued These judgements impact the carrying value of inventory in the balance sheet and the profit recognised on each plot sold.	For a sample of individual plots, we tested additions to the inventory balance to determine whether the costs have been appropriately capitalised, by tracing these additions to supporting invoices. We also tested a sample of journals adding to the inventory balance using IT interrogation techniques, to highlight any costs that should have been expensed. In addition, for a sample of sites we obtained details of the margin that had been recognised and corroborated whether the amount recognised in the current period took into account all cost elements, including those that the Group is obligated to in the future as part of the conditions of planning.
Net realisable value of inventory *Refer to page 67 (Audit Committee report), page 107 (Critical Accounting judgements and key sources of estimation uncertainty) and page 117 (financial statement disclosures).* At the balance sheet date the Group held inventory that had been written down to net realisable value of £139.5 million (2014: £296.6 million) with associated impairments of £167.7 million (2014: £206.2 million). During the year the Group recorded a net exceptional expense of £0.6 million (2014: net release of £18.7 million) as the inventory provision was increased, on a net basis, due to developments in the year relating to specific sites. The net increase in the inventory provision has been recognised as an exceptional item. The carrying value of inventory at the lower of cost and net realisable value (NRV) is dependent on key judgements and estimates that are made by Management. These include: • an estimation of expected sales prices, which are based on recent sales prices achieved; • an estimation of costs to complete; • the outcome of applications for planning consent; and • the consideration of other site-specific factors. Changes to these assumptions could result in a material change in the carrying value of inventory and the associated movements recorded in the income statement.	The Company conducted a detailed exercise in assessing the carrying value of inventory. This exercise is undertaken by each Business Unit and then subject to review and challenge by Head Office Management. We tested the inventory NRV model and critically assessed the judgements that had been made. This included: • checking the arithmetic accuracy of the calculations within the model and identifying any anomalies; • performing a sensitivity analysis on the key judgements relating to the future expected sales price and costs to complete; • assessing the estimated sales prices used by Management by testing the historical sales prices that have been achieved; • testing a sample of inputs into the Management prepared model by reference to internal site specific information such as the costs incurred to date and the estimation of costs required to complete the sites; • obtaining evidence to support the current status of a sample of sites, including agreeing to planning consent and assessing whether the site specific developments are reflected in the valuation; • for sites where the value has been written back we have obtained the specific calculation prepared by Management, corroborated the specific developments at the site that have led to the write-back and recalculated the value that should have been recorded as income; and • we engage with internal specialists who are quantity surveyors to assess the costs to complete of a sample of sites within the Management prepared model and whether, based on this specialist, the assumptions used by Management are reasonable. We have considered the adequacy of the Group's disclosures regarding the carrying value of land, work in progress and the write-back to inventory.
Defined benefit pension scheme accounting *Refer to page 67 (Audit Committee report), page 107 (Critical Accounting judgements and key sources of estimation uncertainty) and page 123 (financial statement disclosures).* The total value of the defined benefit pension scheme at the balance sheet date is a liability of £177.1 million (2014: £182.4 million) and the liabilities specifically are valued at £2,066.2 million (2014: £2,186.2 million). Accounting for a defined benefit pension scheme and the value of liabilities is dependent on significant assumptions, including an assessment of the discount rate, price inflation and key demographic figures including life expectancy and mortality rates. A change in any of these assumptions could cause a material change in the value of the liabilities overall and the net pension position on the Group's balance sheet.	We assessed the competence and objectivity of the qualified actuary engaged by the Group to value the scheme's defined benefits pension position under IAS 19 'Employee benefits'. We engaged our internal actuarial specialists to assess the appropriateness of the methodology and assumptions used to account for the defined benefit scheme. This included comparison of key data with market benchmarks and to challenge the methodology used by the scheme actuary. We considered whether each of the key assumptions was reasonable in isolation and collectively in determining the pension liability at the balance sheet date. These accounting judgements are inherently complex; requiring a high level of Management judgement and specialist actuarial input.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Independent Auditor's Report continued

Our assessment of risks of material misstatement continued

Risk	How the scope of our audit responded to the risk
Revenue recognition *Refer to page 67 (Audit Committee report), page 107 (Critical Accounting judgements and key sources of estimation uncertainty) and page 108 (financial statement disclosures).* We consider there to be a risk in the revenue accounted for under IAS 11 'Construction contracts' which primarily relates to the accounting for affordable housing. This revenue stream is an area of increased judgement. Key Management judgements include: • estimating the expected costs to complete each site; • the future profitability of the site; and • the percentage of completion at the balance sheet date. Changes in these judgments can lead to a material change in the value of revenue recognised.	We conducted testing in relation to the revenue recognised under IAS 11 'Construction contracts'. This testing involved both tests of detail and analytical procedures. In performing our tests of detail the following procedures were performed: • we assessed the judgements in relation to the future profitability of the site with reference to the site budget; and • we recalculated the value that should be recognised at the balance sheet date. This was based on the percentage of completion and was determined with reference to a sample of costs agreed to works certification and the total sales value as agreed to contracts. At the analytical level we developed an expectation of the income that should be recognised in the year from this revenue stream, with reference to the level of completion. We assessed the competence and objectivity of the qualified surveyors employed by the Group and the use of these experts to estimate the level of completion. We visited a sample of sites in order to verify how surveyors measure the degree of build completion of the developments. We have considered the adequacy of the Group's disclosures regarding this revenue stream and whether they are in accordance with IAS 11 'Construction contracts'.

The description of the risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 67.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £29.0 million (2014: £22.5 million), which is calculated based on 5% (2014: 5%) of pre-tax profit for the year, excluding exceptional items, of £603.8 million (2014: £450.1 million) as described on page 98. The increase in materiality is directly attributable to the increased underlying pre-tax profit for the Group. Pre-tax profit, excluding exceptional items, has been chosen for the basis for materiality as this is the measure by which stakeholders and the market assess the wider performance of the entity. The exceptional expense is excluded as this does not represent part of the underlying trading performance of the business.

We use performance materiality to detect misstatements at a lower level of precision; for the current year this is set at £20.30 million (2014: £15.75 million). This is lower than materiality and is used to determine the size of the samples that are selected for audit work and in forming the conclusions that we make during the course of our procedures.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.58 million (2014: £0.45 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatements at the Group level. Based on that assessment, we focused our Group audit scope primarily on the UK Housing division (excluding joint ventures) which represents the principal segment within the Group and accounts for 98% (2014: 98%) of the Group's net operating assets, 98% (2014: 99%) of the Group's revenue and 98% (2014: 99%) of the Group's pre-tax profit before exceptional expense.

We audit all of the Group's UK subsidiaries, which are subject to audit at a statutory materiality level, which in most cases is substantially lower than Group materiality. This is performed subsequent to the audit of the Group accounts.

For the Spanish operations, component auditors report to us on the risk in relation to the net realisable value of the inventory located in Spain. This was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations within Spain.

For joint ventures, specified audit procedures are conducted by the UK team. This is based on our assessment of risk within these entities.

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The audit is performed centrally and includes all of the 24 regional business units within the Group's UK Housing division. We choose to visit a sample of these business units selected on a rotational basis and with reference to size and complexity among other factors. The purpose of these visits is to conduct procedures over selected controls that are in place at each Business Unit and also to perform substantive testing of certain balances. In the current year we performed regional visits to five locations (2014: four).

In addition we also visit other Business Units throughout the entity which are chosen on a random basis and where we perform substantive testing. This was performed at four locations (2014: five).

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 part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In 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 Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

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). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

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.

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 Group's and the Parent 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Edward Hanson, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
29 February 2016

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Consolidated Income Statement
for the year to 31 December 2015

£ million	Note	Before exceptional items 2015	Exceptional items 2015 (Note 6, 9 and 15)	Total 2015	Before exceptional items 2014	Exceptional items 2014 (Note 6 and 15)	Total 2014
Continuing operations							
Revenue	4	3,139.8	–	3,139.8	2,686.1	–	2,686.1
Cost of sales		(2,351.8)	(0.6)	(2,352.4)	(2,065.2)	18.7	(2,046.5)
Gross profit before positive contribution		779.1	(0.6)	778.5	605.0	18.7	623.7
Positive contribution from written down inventory		8.9	–	8.9	15.9	–	15.9
Gross profit		788.0	(0.6)	787.4	620.9	18.7	639.6
Net operating expenses	6	(155.9)	–	(155.9)	(142.8)	–	(142.8)
Profit on ordinary activities before finance costs		632.1	(0.6)	631.5	478.1	18.7	496.8
Interest receivable	8	0.7	–	0.7	0.6	–	0.6
Finance costs	8	(33.9)	–	(33.9)	(31.2)	–	(31.2)
Share of results of joint ventures	13	4.9	–	4.9	2.6	–	2.6
Profit on ordinary activities before taxation		603.8	(0.6)	603.2	450.1	18.7	468.8
Taxation (charge) / credit	9	(121.5)	8.1	(113.4)	(90.4)	(4.0)	(94.4)
Profit for the year		482.3	7.5	489.8	359.7	14.7	374.4
Attributable to:							
Equity holders of the parent				490.1			374.4
Non-controlling interests				(0.3)			–
				489.8			374.4

	Note	2015	2014
Basic earnings per share	10	15.1p	11.6p
Diluted earnings per share	10	14.9p	11.5p
Adjusted basic earnings per share	10	14.9p	11.2p
Adjusted diluted earnings per share	10	14.7p	11.1p

Consolidated Statement of Comprehensive Income
for the year to 31 December 2015

£ million	Note	2015	2014
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	24	(1.5)	(1.8)
Movement in fair value of hedging derivatives and loans	24	1.5	1.8
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on defined benefit pension schemes	20	(8.6)	(25.9)
Tax (charge)/ credit on items taken directly to other comprehensive income	14	(0.7)	5.2
Other comprehensive expense for the year net of tax		(9.3)	(20.7)
Profit for the year		489.8	374.4
Total comprehensive income for the year		480.5	353.7
Attributable to:			
Equity holders of the parent		480.8	353.7
Non-controlling interests		(0.3)	–
		480.5	353.7

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Consolidated Balance Sheet
at 31 December 2015

£ million	Note	2015	2014
Non-current assets			
Intangible assets	11	2.7	2.5
Property, plant and equipment	12	20.0	16.8
Interests in joint ventures	13	27.1	38.6
Trade and other receivables	16	95.4	111.1
Deferred tax assets	14	55.7	157.5
		200.9	326.5
Current assets			
Inventories	15	3,891.2	3,490.1
Trade and other receivables	16	114.0	102.6
Tax receivables		1.7	7.8
Cash and cash equivalents	16	323.3	212.8
		4,330.2	3,813.3
Total assets		4,531.1	4,139.8
Current liabilities			
Trade and other payables	18	(1,093.4)	(910.0)
Tax payables		–	(7.8)
Provisions	21	(31.1)	(40.4)
		(1,124.5)	(958.2)
Net current assets		3,205.7	2,855.1
Non-current liabilities			
Trade and other payables	18	(402.0)	(361.5)
Bank and other loans	17	(100.0)	(100.0)
Retirement benefit obligations	20	(178.4)	(183.8)
Provisions	21	(2.9)	(1.0)
		(683.3)	(646.3)
Total liabilities		(1,807.8)	(1,604.5)
Net assets		2,723.3	2,535.3
Equity			
Share capital	22	288.3	288.3
Share premium account	23	762.9	762.9
Own shares	25	(3.2)	(10.8)
Other reserves	24	41.9	41.9
Retained earnings	24	1,632.7	1,451.9
Equity attributable to parent		2,722.6	2,534.2
Non-controlling interests		0.7	1.1
Total equity		2,723.3	2,535.3

The financial statements of Taylor Wimpey plc (registered number: 296805) were approved by the Board of Directors and authorised for issue on 29 February 2016. They were signed on its behalf by:

P Redfern
Director

R Mangold
Director

Consolidated Statement of Changes in Equity
for the year to 31 December 2015

For the year to 31 December 2015 £ million	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2015	288.3	762.9	(10.8)	41.9	1,451.9	2,534.2
Exchange differences on translation of foreign operations	–	–	–	(1.5)	–	(1.5)
Movement in fair value of hedging derivatives and loans	–	–	–	1.5	–	1.5
Actuarial loss on defined benefit pension schemes	–	–	–	–	(8.6)	(8.6)
Deferred tax charge	–	–	–	–	(0.7)	(0.7)
Other comprehensive expense for the year net of tax	–	–	–	–	(9.3)	(9.3)
Profit for the year	–	–	–	–	490.1	490.1
Total comprehensive income for the year	–	–	–	–	480.8	480.8
New share capital subscribed	–	–	–	–	–	–
Own shares acquired	–	–	(2.0)	–	–	(2.0)
Utilisation of own shares	–	–	9.6	–	–	9.6
Cash cost of satisfying share options	–	–	–	–	(7.2)	(7.2)
Share-based payment credit	–	–	–	–	7.3	7.3
Tax credit on items taken directly to statement of changes in equity	–	–	–	–	8.3	8.3
Dividends approved and paid	–	–	–	–	(308.4)	(308.4)
Equity attributable to parent	288.3	762.9	(3.2)	41.9	1,632.7	2,722.6
Non-controlling interests						0.7
Total equity						2,723.3

For the year to 31 December 2014 £ million	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2014	288.1	760.2	(18.9)	43.8	1,177.5	2,250.7
Exchange differences on translation of foreign operations	–	–	–	(1.8)	–	(1.8)
Movement in fair value of hedging derivatives and loans	–	–	–	1.8	–	1.8
Actuarial loss on defined benefit pension schemes	–	–	–	–	(25.9)	(25.9)
Deferred tax credit	–	–	–	–	5.2	5.2
Other comprehensive income for the year net of tax	–	–	–	–	(20.7)	(20.7)
Profit for the year	–	–	–	–	374.4	374.4
Total comprehensive income for the year	–	–	–	–	353.7	353.7
New share capital subscribed	0.2	2.7	–	–	–	2.9
Own shares acquired	–	–	(10.0)	–	–	(10.0)
Utilisation of own shares	–	–	18.1	–	–	18.1
Cash cost of satisfying share options	–	–	–	–	(14.7)	(14.7)
Share-based payment credit	–	–	–	–	6.2	6.2
Transfer to retained earnings	–	–	–	(1.9)	1.9	–
Dividends approved and paid	–	–	–	–	(72.7)	(72.7)
Equity attributable to parent	288.3	762.9	(10.8)	41.9	1,451.9	2,534.2
Non-controlling interests						1.1
Total equity						2,535.3

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Consolidated Cash Flow Statement
for the year to 31 December 2015

£ million	Note	2015	2014
Net cash from operating activities	26	**406.9**	192.7
Investing activities			
Interest received		**0.6**	0.4
Dividends received from joint ventures		**0.8**	2.5
Proceeds on disposal of property, plant and equipment		**0.7**	0.4
Purchases of property, plant and equipment	12	**(5.6)**	(9.7)
Purchases of software	11	**(1.5)**	–
Amounts repaid by/(invested in) joint ventures		**15.6**	(3.8)
Net cash generated from/(used in) investing activities		**10.6**	(10.2)
Financing activities			
Proceeds from sale of own shares		**–**	2.9
Cash received on exercise of share options		**2.4**	3.4
Purchase of own shares		**(2.0)**	(10.0)
Dividends paid		**(308.4)**	(72.7)
Net cash used in financing activities		**(308.0)**	(76.4)
Net increase in cash and cash equivalents		**109.5**	106.1
Cash and cash equivalents at beginning of year		**212.8**	105.4
Effect of foreign exchange rate changes		**1.0**	1.3
Cash and cash equivalents at end of year	26	**323.3**	212.8

Notes to the Consolidated Financial Statements

1. Significant accounting policies

Basis of preparation
The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention except as otherwise stated below.

The principal accounting policies adopted, which have been applied consistently, except as otherwise stated, are set out below.

Going concern
The Group has prepared forecasts, including certain sensitivities taking into account the principal risks identified on pages 34 to 37. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months.

Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Basis of accounting
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRS as endorsed by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to direct the relevant activities of an investee entity and obtain variable returns from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair value of the assets and liabilities recognised. Subsequently, all comprehensive income is attributed to the owners and the non-controlling interests, which may result in the non-controlling interest having a debit balance.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where a subsidiary is disposed of which constituted a major line of business, it is disclosed as a discontinued operation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Joint ventures
Undertakings are deemed to be a joint venture when the Group has joint control of the rights and assets of the undertaking via either voting rights or a formal agreement which includes that unanimous consent is required for strategic, financial and operating decisions. Joint ventures are consolidated under the equity accounting method. On transfer of land and/or work in progress to joint ventures, the Group recognises only its share of any profits or losses.

Joint operations arise where the Group has joint control of an operation, but has rights to only its own assets and obligations related to the operation. These assets and obligations, and the Group's share of revenues and costs, are included in the Group's results.

Segmental reporting
The Group operates in two countries, being the United Kingdom and Spain, both of which were previously reported as operating segments. During 2015, following a review of the operational structure of the business, the previous South Division of the UK Housing business was separated into the Central and South West Division, and the London and South East Division, while the North Division remained unchanged. The Chairmen of the two new Divisions joined the Group Management Team alongside the Chairman of the North Division as well as the Managing Director of the Central London regional business (which sits within the London and South East Division), who also has responsibility for the Group's integrated London strategy. The information on segment performance presented to the Group's chief operating decision maker was also revised to reflect the new operating structure.

In response to these changes management has updated its identification of the Group's operating segments, determining that in the United Kingdom, for management reporting and control purposes, there are now four geographical operating segments, as well as an additional operating segment covering the corporate functions, Major Developments and Strategic Land. However management has determined that it is appropriate for the London and South East Division and the Central London regional business to be aggregated as one operating segment due to the fact that they share similar economic characteristics. In making this judgement management has taken into consideration the fact that the Group's developments within the Greater London area are undertaken by several regional businesses within the London and South East Division as well as the Central London regional business and as such the Group's exposure to the London market extends beyond the Central London regional business. Management has also assessed that both segments have similar long term financial performance, as demonstrated by similar average gross margins and similar production processes, types of customers, sales channels and regulatory environments.

As such the segmental reporting for 2015 (with the prior year restated) is:

- Housing United Kingdom:
  - North
  - Central and South West
  - London and South East (including Central London)
  - Corporate
- Housing Spain

Revenue
Revenue comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Group. Revenue and profit are recognised as follows:

(a) Private housing development properties and land sales
Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the purchaser. Revenue in respect of the sale of residential properties is recognised at the fair value of the consideration received or receivable on legal completion.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

1. Significant accounting policies continued

(b) 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. The original sale is recorded in the normal way, with the fair value of the exchanged property replacing cash receipts.

(c) Cash incentives
Cash incentives are considered to be a discount from the purchase price offered to the acquirer and are therefore accounted for as a reduction to revenue.

(d) Contracting work and social housing contracts
Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Cost of sales
The Group determines the value of inventory charged to cost of sales based on the total budgeted cost of developing a site. Once the total expected costs of development are established they are allocated to individual plots to achieve a standard build cost per plot.

To the extent that additional costs or savings are identified as the site progresses, these are recognised over the remaining plots unless they are specific to a particular plot, in which case they are recognised in the income statement at the point of sale.

Positive contribution
The positive contribution presented on the face of the income statement represents the net amount of previous impairments allocated to inventory on a plot that has subsequently resulted in a gross profit on completion. This is due to the combination of selling prices and costs, or product mix improvements exceeding our market assumptions in the previous net realisable value (NRV) exercise. These amounts are stated before the allocation of overheads which are excluded from the Group's NRV exercise.

Exceptional items
Exceptional items are defined as items of income or expenditure which, in the opinion of the Directors, are material and unusual in nature or of such significance that they require separate disclosure on the face of the income statement in accordance with IAS 1 'Presentation of Financial Statements'.

Interest receivable
Interest income on bank deposits is recognised on an accruals basis. Also included in interest receivable are interest and interest-related payments the Group receives on other receivables.

Borrowing costs
Borrowing costs are recognised on an accruals basis and are payable on the Group's borrowings. Also included in borrowing costs is the amortisation of fees associated with the arrangement of the financing.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Capitalised finance costs are held in other receivables and amortised over the period of the facility.

Foreign currencies
The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing at the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period.

On consolidation, the assets and liabilities of the Group's overseas operation are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at an appropriate average rate for the year. Exchange differences arising are recognised within other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or expenses in the income statement in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group enters into forward contracts in order to hedge its exposure to certain foreign exchange transaction risks relating to the functional currency in accordance with Group policy. It also uses foreign currency borrowings and derivatives to hedge its net investment exposure to certain overseas subsidiaries (see page 105 for details of the Group's accounting policies in respect of such derivative financial instruments).

Operating leases
Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable (and costs paid and payable) as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Intangible assets
Brands
Internally generated brands are not capitalised. Acquired brands are capitalised. Their values are calculated based on the Group's valuation methodology, which is based on valuations of discounted cash flows. Brands are stated at cost, less accumulated amortisation and any accumulated impairment losses.

1. Significant accounting policies continued

Software development costs
Costs that are directly associated with the production of identifiable and unique software controlled by the Group, and that generate economic benefits beyond one year, are recognised as intangible assets. Computer software development costs recognised as assets are amortised on a straight-line basis over three to five years from the time of implementation, and are stated at cost less accumulated amortisation and any accumulated impairment losses.

Property, plant and equipment
Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated. Buildings are depreciated over 50 years.

Plant and equipment is stated at cost less depreciation.

Depreciation is charged so as to expense the cost or valuation of assets over their estimated useful lives. Other assets are depreciated using the straight-line method, on the following bases:

- Plant and equipment 20-25% per annum;
- Computer equipment 33% per annum; and
- Leasehold improvements over the term of the lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds, less any selling expenses, and the carrying amount of the asset. This difference is recognised in the income statement.

Impairment of tangible and intangible assets
At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, impairment losses are allocated first to the intangible assets in the cash-generating unit.

If the full impairment of intangible assets is not sufficient to reduce the carrying value of the cash-generating unit to its recoverable amount, tangible fixed assets must then be impaired. If the recoverable amount of tangible fixed assets exceeds their carrying value, no further impairment is required. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent that previous revaluations have increased the value of the asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments
Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables and other receivables
Trade receivables on normal terms excluding derivative financial instruments do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated unrecoverable amounts. Trade receivables on extended terms, particularly in respect of land, are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate. Derivative financial instruments are measured at fair value.

Mortgage receivables
Mortgage receivables relate to sales incentives including shared equity loans. The receivable is recorded at amortised cost.

Shared equity loans are separated into a loan receivable and a non-closely related embedded derivative asset for accounting purposes as allowed under IAS 39 'Financial instruments'. The loan is measured at amortised cost and the embedded derivative is measured at fair value through profit or loss with any subsequent impairment charged through profit and loss. The fair value of the derivative is based on a national house price index.

Financial liabilities and equity instruments
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Parent Company are recorded as the proceeds are received, net of direct issue costs.

Borrowings
Interest-bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs.

Trade payables
Trade payables on normal terms are not interest-bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs.

Derivative financial instruments and hedge accounting
The Group uses forward exchange contracts to hedge transactions denominated in foreign currencies. The Group also uses foreign currency borrowings and derivatives to hedge its net investment exposure to movements in exchange rates on translation of certain individual financial statements denominated in foreign currencies other than Sterling which is the functional currency of the Parent Company.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

1. Significant accounting policies continued

Interest rate derivatives are used to manage interest rate risk in respect of borrowings. The Group does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of net investments in foreign operations are recognised directly in other comprehensive income and the ineffective portion, if any, is recognised immediately in the consolidated income statement.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in the consolidated income statement. Gains or losses from remeasuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are also recognised in the consolidated income statement.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained in accumulated other comprehensive income until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in accumulated other comprehensive income is transferred to the income statement for the period. If a derivative financial instrument does not meet the specific criteria of IAS 39 'Financial instruments' for hedge accounting it is presented as a held for trading asset or liability.

Customer deposits

Customer deposits are recorded as a liability within 'other payables' on receipt and released to the income statement as revenue upon legal completion.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Inventories

Inventories are initially stated at cost or at the fair value at acquisition date when acquired as part of a business combination and then held at the lower of this initial amount 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 Group.

Non-refundable land option payments are initially recognised in inventory. They are reviewed regularly and written off to the income statement when it is probable that the option will not be exercised.

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 as reported in the income statement 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have then been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Share-based payments

The Group has applied the requirements of IFRS 2 'Share-based payments'. The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest after adjusting for the effect of non-market vesting conditions.

Employee benefits

The Group accounts for pensions and similar benefits under IAS 19 'Employee benefits' (amended 2011). In respect of defined benefit plans, a finance charge is determined on the net defined benefit pension liability. The operating and financing costs of such plans are recognised separately in the income statement; service costs are spread systematically over the lives of employees; and certain liability management costs and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

Payments to defined contribution schemes are charged as an expense as they fall due.

2. Key sources of estimation uncertainty and critical accounting judgements

Estimation of revenue recognised

In order to determine the profit that the Group is able to recognise on the proportion of completions in respect of social housing and other long term contracts for the period, internal site valuations are carried out for each development at regular intervals throughout the year. This is to ensure any funding advances are only recognised as revenue when the work has been completed, including the appropriate allocation of infrastructure.

The valuations include an estimation of the costs to complete and remaining revenues which may differ from the actual costs incurred and revenues received on completion.

Carrying value of inventory and cost allocation

In order to assess the appropriateness of the carrying value of inventory, the Group is required to make estimations of sales prices, costs and margins expected on sites in order to determine whether any write-downs or reversals are required to ensure inventory is stated at the lower of cost and net realisable value.

Following previous significant impairments of inventories, the Group has again undertaken a detailed review on a site-by-site basis of the net realisable value of its land and work in progress. The net realisable value exercise is highly sensitive to the assumptions used and we therefore also consider when the inventory is likely to be realised, whether or not there has been a sustained change in market conditions that previously caused the inventory to be impaired and the wider economic environment existing at the balance sheet date.

The Group has a net addition of £0.6 million (2014: £18.7 million reversal) of inventory impairments in the year. This consists of a UK reversal of £6.6 million (2014: £27.0 million) and further write-downs of £7.2 million (2014: £8.3 million). See Note 6.

Identification of costs which should be capitalised into inventory and the allocation of these across sites, phases and plots is an area of judgement. In order to ensure correct allocation and phasing, regular reviews of the components of the inventory balance are undertaken, along with central controls around cost allocation across developments.

Employee benefits

The value of the defined benefit plan assets and liabilities is determined on various long term actuarial assumptions, including future rates of inflation, growth, yields, returns on investments and mortality rates. Changes in these assumptions over time and differences to the actual outcome will be reflected in the statement of comprehensive income. Note 20 details the main assumptions in accounting for the Group's defined benefit pension schemes.

Tax and deferred tax

Aspects of tax accounting require management judgement and interpretation of tax legislation across many jurisdictions, in some cases relating to items which may not be resolved with the relevant tax authority for many years.

In determining the carrying amounts of deferred tax assets, management is required to assess the timing of the utilisation of provisions for tax purposes and whether it is probable that sufficient taxable profits will be available to enable the asset to be recovered.

Adoption of new and revised standards and interpretations

The following new standards, amendments to standards or interpretations have been adopted by the European Union and are mandatory for the first time for years beginning on or after 1 January 2015.

The following new and revised standards and interpretations have also been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements, though disclosure has been amended to reflect the new requirements. Accounting for future transactions may be affected in the future.

- Amendments to IAS 19 'Defined Benefit Plans: Employee Contributions;
- Annual improvements to IFRS 2010 – 2012 cycle; and
- Annual improvements to IFRS 2011 – 2013 cycle.

Standards and interpretations in issue but not yet effective or requiring mandatory adoption

At the date of publishing these financial statements the following new and revised standards and interpretations were in issue but were not yet effective or requiring mandatory adoption (and in some cases had not yet been adopted by the EU).

None of these new and revised standards and interpretations have been adopted early by the Group:

- Annual improvements to IFRS 2012-2014 cycle;
- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation;
- Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' on depreciation and amortisation;
- Amendments to IAS 27 'Separate financial statements' on the equity method;
- Amendments to IAS 1 'Presentation of financial statements' and
- Amendments to IFRS 10 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 28 'Investments in associates and joint ventures' on applying the consolidation exemption.

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

IFRS 15 'Revenue from contracts with customers' is effective for annual periods beginning on or after 1 January 2018 (subject to EU endorsement). IFRS 9 'Financial instruments', with associated amendments, is effective for annual periods beginning on or after 1 January 2018 (subject to EU endorsement). IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019. The Group has begun, but not yet completed, its assessment of the potential impact of these three standards. This assessment will be completed well ahead of the EU endorsed implementation dates so any impact can be understood prior to adoption.

3. General information

Taylor Wimpey plc is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 157. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 4 to 41.

These financial statements are presented in pounds Sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policy set out on page 104.

Notes to the Consolidated Financial Statements continued

4. Revenue

An analysis of the Group's continuing revenue is as follows:

£ million	2015	2014
Housing:		
Private sales	2,780.9	2,398.8
Partnership housing	311.7	251.0
Other	11.3	17.7
Total housing	3,103.9	2,667.5
Land sales	35.9	18.6
Revenue for the year	3,139.8	2,686.1

Housing revenue includes £50.1 million (2014: £96.1 million) in respect of the value of properties accepted in part exchange by the Group.

5. Operating segments

The Group operates in two countries, being the United Kingdom and Spain, both of which were previously reported as operating segments. During 2015, following a review of the operational structure of the business, the previous South Division of the UK Housing business was separated into the Central and South West Division, and the London and South East Division, while the North Division remained unchanged. The Chairmen of the two new Divisions joined the Group Management Team alongside the Chairman of the North Division as well as the Managing Director of the Central London regional business (which sits within the London and South East Division), who also has responsibility for the Group's integrated London strategy. The information on segment performance presented to the Group's chief operating decision maker was also revised to reflect the new operating structure.

In response to these changes management has updated its identification of the Group's operating segments, determining that in the United Kingdom, for management reporting and control purposes, there are now four geographical operating segments, as well as an additional operating segment covering the corporate functions, Major Developments and Strategic Land. However management has determined that it is appropriate for the London and South East Division and the Central London regional business to be aggregated as one operating segment due to the fact that they share similar economic characteristics. In making this judgement management has taken into consideration the fact that the Group's developments within the Greater London area are undertaken by several regional businesses within the London and South East Division as well as the Central London regional business and as such the Group's exposure to the London market extends beyond the Central London regional business. Management has also assessed that both segments have similar long term financial performance, as demonstrated by similar average gross margins, as well as similar production processes, types of customers, sales channels and regulatory environments.

Segment information about these businesses is presented below:

For the year to 31 December 2015 £ million	North Division	Central & South West Division	London & South East Division	Corporate	Spain	Total
Revenue						
External sales	1,093.8	1,075.4	911.6	0.9	58.1	3,139.8
Result						
Profit/(loss) on ordinary activities before joint ventures, finance costs and exceptional items	251.1	243.2	198.2	(70.4)	10.0	632.1
Share of results of joint ventures	(0.1)	–	5.0	–	–	4.9
Profit/(loss) on ordinary activities before finance costs, exceptional items and after share of results of joint ventures	251.0	243.2	203.2	(70.4)	10.0	637.0
Exceptional items (Note 6)						(0.6)
Profit on ordinary activities before finance costs, after share of results of joint ventures and exceptional items						636.4
Net finance costs						(33.2)
Profit on ordinary activities before taxation						603.2
Taxation (including exceptional tax)						(113.4)
Profit for the year						489.8

5. Operating segments continued

For the year to 31 December 2015 £ million	North Division	Central & South West Division	London & South East Division	Corporate	Spain	Total
Assets and liabilities						
At 31 December 2015						
Segment operating assets	1,198.0	1,273.8	1,417.0	148.0	86.5	4,123.3
Joint ventures	2.2	3.0	21.4	0.3	0.2	27.1
Segment operating liabilities	(387.2)	(571.7)	(444.2)	(260.6)	(44.1)	(1,707.8)
Group net operating assets	813.0	705.1	994.2	(112.3)	42.6	2,442.6
Net current taxation						1.7
Net deferred taxation						55.7
Net cash						223.3
Net assets						2,723.3

For the year to 31 December 2015 £ million	North Division	Central & South West Division	London & South East Division	Corporate	Spain	Total
Other information						
Property, plant and equipment additions	0.1	2.8	–	2.6	0.1	5.6
Software development additions	–	–	–	1.5	–	1.5
Property, plant and equipment depreciation	(0.1)	(0.5)	(0.3)	(1.0)	(0.1)	(2.0)
Software amortisation	–	–	–	(1.3)	–	(1.3)

For the year to 31 December 2014 £ million	North Division	Central & South West Division	London & South East Division	Corporate	Spain	Total
Revenue						
External sales	931.8	890.4	825.7	4.5	33.7	2,686.1
Result						
Profit/(loss) on ordinary activities before joint ventures, finance costs and exceptional items	202.7	179.5	153.0	(61.3)	4.2	478.1
Share of results of joint ventures	0.8	–	1.8	–	–	2.6
Profit on ordinary activities before finance costs, exceptional items and after share of results of joint ventures	203.5	179.5	154.8	(61.3)	4.2	480.7
Exceptional items (Note 6)						18.7
Profit on ordinary activities before finance costs, after share of results of joint ventures and exceptional items						499.4
Net finance costs						(30.6)
Profit on ordinary activities before taxation						468.8
Taxation (including exceptional tax)						(94.4)
Profit for the year						374.4
Assets and liabilities						
At 31 December 2014						
Segment operating assets	1,110.9	1,242.4	1,124.9	158.9	86.0	3,723.1
Joint ventures	2.5	–	35.4	0.5	0.2	38.6
Segment operating liabilities	(341.7)	(515.5)	(341.7)	(261.3)	(36.5)	(1,496.7)
Group net operating assets	771.7	726.9	818.6	(101.9)	49.7	2,265.0
Net current taxation						–
Net deferred taxation						157.5
Net cash						112.8
Net assets						2,535.3

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

5. Operating segments continued

For the year to 31 December 2014 £ million	North Division	Central & South West Division	London & South East Division	Corporate	Spain	Total
Other information						
Property, plant and equipment additions	2.3	6.1	0.8	0.4	0.1	9.7
Software development additions	–	–	–	–	–	–
Property, plant and equipment depreciation	(0.2)	(0.2)	(0.1)	(0.6)	(0.1)	(1.2)
Software amortisation	–	–	–	(1.7)	–	(1.7)

6. Net operating expenses and profit on ordinary activities before finance costs

Profit on ordinary activities before financing costs for continuing operations has been arrived at after charging/(crediting):

£ million	2015	2014
Administration expenses	172.1	158.6
Net other income	(16.2)	(15.8)
Exceptional items	0.6	(18.7)

Net other income includes profits on the sale of property, plant and equipment, revaluation of certain shared equity mortgage receivables, and ground rents receivable.

Exceptional items: £ million	2015	2014
Net addition/(reversal) of inventory impairments (Note 15)	0.6	(18.7)
Exceptional items debited/(credited) to cost of sales	0.6	(18.7)

The Group has seen a sustained improvement in the UK housing market and improvement in confidence in the wider economy, driven by continued low interest rates, improved mortgage availability and Government incentives, including the 'Help to Buy' scheme.

Whilst the UK housing market has continued to improve, specific factors on certain impaired sites has resulted in a net addition of £0.6 million to the provision (2014: £18.7 million reversal). This consisted of £6.6 million (2014: £27.0 million) of releases and £7.2 million (2014: £8.3 million) of additional NRV requirements in the UK. No further write-downs have been booked in Spain (2014: £nil).

Profit on ordinary activities before financing costs for continuing operations has been arrived at after charging/(crediting):

£ million	2015	2014
Cost of inventories recognised as expense in cost of sales, before write-downs of inventories	2,261.8	1,985.0
Impairment of inventories	7.2	8.3
Reversal of inventory impairment provisions	(6.6)	(27.0)
Property, plant and equipment depreciation	2.0	1.2
Payments under operating leases	2.0	3.8

The remuneration paid to Deloitte LLP, the Group's external auditor, is as follows:

£ million	2015	2014
Fees payable to the Company's auditor for the audit of the Company's annual accounts and consolidated financial statements	0.1	0.1
Fees payable to the Company's auditor and its associates for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	0.3	0.3
Total audit fees	0.4	0.4
Other services pursuant to legislation	0.1	0.1
Tax services	–	0.1
Other assurance services	–	–
Other services	0.1	–
Total non-audit fees	0.2	0.2
Total fees	0.6	0.6

Non-audit services in 2015 and 2014 predominantly relate to work undertaken as a result of Deloitte LLP's role as auditor, or work resulting from knowledge and experience gained as part of the role. Other services relate to advisory services relating to pension liability management consultation and real estate advisory work. The work was either the subject of a competitive tender or was best performed by the Group's auditor because of its knowledge of the Group.

Tax services include advisory services for Taylor Wimpey plc and subsidiaries. See page 65 for details of the Group's policies in respect of non-audit services and approval by the Audit Committee.

7. Staff costs

	2015 Number	2014 Number
Average number employed		
United Kingdom	4,177	3,784
Spain	83	73
	4,260	3,857

£ million	2015	2014
Remuneration		
Wages and salaries	185.4	164.6
Redundancy costs	0.4	2.1
Social security costs	25.0	22.1
Other pension costs	10.0	9.0
	220.8	197.8

The information required by the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority is contained in Note 30 and pages 68 to 85 in the Directors' Remuneration Report.

8. Finance costs and interest receivable

£ million	2015	2014
External interest receivable	0.7	0.6
	0.7	0.6

Finance costs are analysed as follows:

£ million	2015	2014
Interest on overdrafts, bank and other loans	11.6	14.4
Movement on interest rate derivatives and foreign exchange movements	0.7	0.2
	12.3	14.6
Unwinding of discount on land creditors and other items	15.6	9.1
Net notional interest on pension liability (Note 20)	6.0	7.5
	33.9	31.2

Notes to the Consolidated Financial Statements continued

9. Taxation

Tax (charged)/credited in the income statement for continuing operations is analysed as follows:

£ million		2015	2014
Current tax:			
UK corporation tax:	Current year	(11.2)	(1.0)
	Prior years	(0.8)	0.1
Foreign tax:	Current year	(0.7)	(0.2)
	Prior years	–	–
		(12.7)	(1.1)
Deferred tax:			
UK:	Current year	(107.8)	(91.4)
	Prior year	(0.9)	(1.9)
Foreign tax:	Current year	8.0	–
	Prior year	–	–
		(100.7)	(93.3)
		(113.4)	(94.4)

Corporation tax is calculated at 20.25% (2014: 21.5%) of the estimated assessable profit for the year in the UK. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions.

The tax charge for the year includes a credit in respect of exceptional items of £8.1 million (2014: £4.0 million charge). £8.0 million of this amount relates to the recognition of Spanish temporary differences (2014: £nil), with the balance related to movements to the exceptional impairment provision (2014: £4.0 million charge).

The income statement charge for 2015 includes a charge of £0.6 million relating to the impact on the deferred tax asset of the 2% reduction in UK corporation tax from 20% to 18%.

The charge for the year can be reconciled to the profit per the income statement as follows:

£ million	2015	2014
Profit before tax	603.2	468.8
Tax at the UK corporation tax rate of 20.25% (2014: 21.5%)	(122.1)	(100.8)
Net over/(under) provision in respect of prior years	0.5	(1.8)
Tax effect of expenses that are not deductible in determining taxable profit	0.3	4.0
Unrecognised temporary differences utilised	2.0	1.0
Recognition of deferred tax asset relating to non-trading losses	–	3.3
Impact of 2% rate reduction on deferred tax	(0.6)	–
Recognition of deferred tax asset relating to Spanish business	8.0	–
Other rate impacting adjustments	(1.5)	(0.1)
Tax charge for the year	(113.4)	(94.4)

10. Earnings per share

	2015	2014
Basic earnings per share	15.1p	11.6p
Diluted earnings per share	14.9p	11.5p
Adjusted basic earnings per share	14.9p	11.2p
Adjusted diluted earnings per share	14.7p	11.1p
Weighted average number of shares for basic/adjusted earnings per share – million	3,247.3	3,224.4
Weighted average number of shares for diluted basic/adjusted earnings per share – million	3,278.8	3,253.1

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and any associated net tax charges, are presented to provide a better measure of the underlying performance of the Group. A reconciliation of earnings attributable to equity shareholders used for basic and diluted earnings per share to that used for adjusted earnings per share is shown below.

£ million	2015	2014
Earnings for basic and diluted earnings per share	490.1	374.4
Adjust for exceptional net addition/(reversal) of inventory write-downs (Note 15)	0.6	(18.7)
Adjust for tax on exceptional items (Note 9)	(0.1)	4.0
Adjust for exceptional deferred tax credit (Note 9)	(8.0)	–
Earnings for adjusted basic and adjusted diluted earnings per share	482.6	359.7

11. Intangible assets

£ million	Brands	Software development costs	Total
Cost			
At 1 January 2014	140.2	6.5	146.7
Additions	–	–	–
At 31 December 2014	140.2	6.5	146.7
Additions	–	1.5	1.5
At 31 December 2015	140.2	8.0	148.2
Amortisation/impairment			
At 1 January 2014	(140.2)	(2.3)	(142.5)
Charge for the year	–	(1.7)	(1.7)
At 31 December 2014	(140.2)	(4.0)	(144.2)
Charge for the year	–	(1.3)	(1.3)
At 31 December 2015	(140.2)	(5.3)	(145.5)
Carrying amount			
31 December 2015	–	2.7	2.7
31 December 2014	–	2.5	2.5

The Group has assessed its brands and their associated values and has concluded that given the majority of the legacy brands are currently not used, it would not be appropriate to reverse any of the previously recognised impairment charges.

The amortisation of software development costs is recognised within administration expenses in the income statement.

Notes to the Consolidated Financial Statements continued

12. Property, plant and equipment

£ million	Freehold land and buildings	Plant, equipment and leasehold improvements	Total
Cost			
At 1 January 2014	3.4	14.1	17.5
Additions	7.6	2.1	9.7
Disposals	–	(1.7)	(1.7)
At 31 December 2014	11.0	14.5	25.5
Additions	4.0	1.6	5.6
Disposals	(0.2)	(0.7)	(0.9)
At 31 December 2015	14.8	15.4	30.2
Accumulated depreciation			
At 1 January 2014	(0.1)	(9.1)	(9.2)
Disposals	–	1.7	1.7
Charge for the year	(0.1)	(1.1)	(1.2)
At 31 December 2014	(0.2)	(8.5)	(8.7)
Disposals	–	0.5	0.5
Charge for the year	(0.5)	(1.5)	(2.0)
At 31 December 2015	(0.7)	(9.5)	(10.2)
Carrying amount			
At 31 December 2015	14.1	5.9	20.0
At 31 December 2014	10.8	6.0	16.8

13. Interests in joint ventures

£ million	2015	2014
Aggregated amounts relating to share of joint ventures:		
Current assets	52.9	68.1
Total assets	52.9	68.1
Current liabilities	(28.8)	(29.6)
Non-current liabilities	(15.6)	(28.6)
Total liabilities	(44.4)	(58.2)
Carrying amount	8.5	9.9
Loans to joint ventures	18.6	28.7
Total interests in joint ventures	27.1	38.6

£ million	2015	2014
Group share of:		
Revenue	38.3	23.4
Cost of sales	(30.7)	(19.5)
Gross profit	7.6	3.9
Net operating expenses	(1.0)	(0.7)
Profit on ordinary activities before finance costs	6.6	3.2
Finance costs	(0.5)	(0.1)
Profit on ordinary activities before tax	6.1	3.1
Taxation	(1.2)	(0.5)
Share of joint ventures' post-tax results for the year	4.9	2.6

13. Interests in joint ventures continued

The Group has four material (2014: four) joint ventures whose principal activity is residential house building. The Group considers a joint venture to be material when it is either financially or strategically important to the Group.

The particulars of the material joint ventures are as follows:

Country of incorporation	Name of joint venture equity accounted in the consolidated accounts	Taylor Wimpey plc interest in the issued ordinary share capital
United Kingdom	Strada Developments Limited[a]	50%
United Kingdom	Greenwich Millennium Village Limited[a]	50%
United Kingdom	Chobham Manor Limited Liability Partnership[a]	50%
United Kingdom	Academy Central Limited Liability Partnership[a]	62%

(a) Interest held by subsidiary undertakings.

Whilst the percentage holding in Academy Central Limited Liability Partnership is over 50% the Partnership Agreement splits control equally between the two partners.

The following two tables show summary financial information for these four material joint ventures. Unless specifically indicated, this information represents 100% of the joint venture before intercompany eliminations.

£ million	Strada 2015	Greenwich Millennium Village 2015	Chobham Manor 2015	Academy Central 2015	Total 2015
Percentage ownership interest	50%	50%	50%	62%	
Current assets (including cash and cash equivalents)	4.3	49.1	40.8	1.9	96.1
Current financial liabilities	–	(11.3)	(39.3)	–	(50.6)
Current other liabilities	(0.5)	(1.3)	–	–	(1.8)
Non-current financial liabilities	(0.5)	(22.2)	(7.7)	(0.7)	(31.1)
Net assets (100%)	3.3	14.3	(6.2)	1.2	12.6
Group share of net assets/(liabilities)	1.7	7.1	(3.1)	0.8	6.5
Revenue	–	50.2	6.7	15.6	72.5
Interest income	–	–	–	–	–
Income tax expense	–	(2.6)	–	–	(2.6)
(Loss)/profit for the year	(0.2)	9.8	(1.6)	1.1	9.1
Group share of (loss)/profit for the year	(0.1)	4.9	(0.8)	0.7	4.7
Dividends received from the joint venture during the year	0.8	–	–	5.5	6.3

During the year, no entity charged depreciation, amortisation or interest expense. No entity had discontinued operations or items of other comprehensive income.

£ million	Strada 2014	Greenwich Millennium Village 2014	Chobham Manor 2014	Academy Central 2014	Total 2014
Percentage ownership interest	50%	50%	50%	62%	
Current assets (including cash and cash equivalents)	6.7	76.4	15.9	23.9	122.9
Current financial liabilities	–	(47.5)	(2.3)	(2.2)	(52.0)
Current other liabilities	(1.7)	(3.6)	(0.6)	–	(5.9)
Non-current financial liabilities	–	(20.8)	(17.6)	(12.6)	(51.0)
Net assets (100%)	5.0	4.5	(4.6)	9.1	14.0
Group share of net assets/(liabilities)	2.5	2.2	(2.3)	5.6	8.0
Revenue	8.5	7.5	1.2	23.7	40.9
Interest income	0.1	–	–	–	0.1
Income tax expense	(0.5)	(0.4)	–	–	(0.9)
Profit/(loss) for the year	1.6	1.2	(2.5)	3.4	3.7
Group share of profit/(loss) for the year	0.8	0.6	(1.2)	2.1	2.3
Dividends received from the joint venture during the year	2.5	–	–	–	2.5

During the year, no entity charged depreciation, amortisation or interest expense. No entity had discontinued operations or items of other comprehensive income.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

13. Interests in joint ventures continued

£ million	2015	2014
Aggregated amounts relating to share of individually immaterial joint ventures		
Current assets	4.6	3.8
Total assets	4.6	3.8
Current liabilities	(2.6)	(0.3)
Non-current liabilities	–	(1.6)
Total liabilities	(2.6)	(1.9)
Carrying amount	2.0	1.9
Loans to individually immaterial joint ventures	3.6	1.7
Total interests in individually immaterial joint ventures	5.6	3.6

£ million	2015	2014
Group share of:		
Revenue	0.2	0.7
Cost of sales	–	(0.1)
Gross profit	0.2	0.6
Net operating expenses	–	(0.1)
Profit on ordinary activities before finance costs	0.2	0.5
Finance costs	–	(0.1)
Profit on ordinary activities before tax	0.2	0.4
Taxation	–	(0.1)
Share of individually immaterial joint ventures post-tax results for the year	0.2	0.3

14. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting year.

£ million	Share-based payments	Capital allowances	Losses	Retirement benefit obligations	Other temporary differences	Total
At 1 January 2014	8.9	5.8	195.7	36.4	(0.2)	246.6
Charge to income	(0.3)	(1.3)	(85.5)	(6.1)	(0.1)	(93.3)
(Charge)/credit to equity	(1.0)	–	–	5.2	–	4.2
At 31 December 2014	7.6	4.5	110.2	35.5	(0.3)	157.5
(Charge)/credit to income	–	(0.5)	(98.8)	(2.8)	1.4	(100.7)
Charge to equity	(0.4)	–	–	(0.7)	–	(1.1)
At 31 December 2015	7.2	4.0	11.4	32.0	1.1	55.7

Closing deferred tax on UK temporary differences has been calculated at the tax rates that are expected to apply for the period when the asset is realised or the liability is settled. Accordingly, the temporary differences have been calculated at rates between 20% and 18% (2014: 20%). The effect of the reduction in the UK corporation tax rate from 20% to 18% is £0.6 million in the income statement and £2.5 million in the statement of comprehensive income and statement of changes in equity (2014: nil).

14. Deferred tax continued

The net deferred tax balance is analysed into assets and liabilities as follows:

£ million	2015	2014
Deferred tax assets	57.1	159.4
Deferred tax liabilities	(1.4)	(1.9)
	55.7	157.5

The Group has not recognised temporary differences relating to tax losses carried forward and other temporary differences amounting to £3.5 million (2014: £1.0 million) in the UK and £68.4 million (2014: £104.2 million) in Spain. The UK losses have not been recognised as they are predominantly non-trading in nature and insufficient certainty exists as to their future utilisation. The losses in Spain have not been recognised due to uncertainty of sufficient taxable profits in the future against which to utilise the losses.

At the balance sheet date, the Group has unused UK capital losses of £264.3 million (2014: £255.4 million). No deferred tax asset has been recognised in respect of the capital losses at 31 December 2015 because the Group does not believe that it is probable that these capital losses will be utilised in the foreseeable future.

15. Inventories

£ million	2015	2014
Raw materials and consumables	–	–
Finished goods and goods for resale	17.1	22.1
Residential developments:		
Land[a]	2,743.7	2,582.4
Development and construction costs	1,128.3	882.7
Commercial, industrial and mixed development properties	2.1	2.9
	3,891.2	3,490.1

(a) Details of land creditors are in Note 18.

In 2015 we saw the continued positive benefit of the improved environment in all of our regional markets. This is underpinned by solid consumer confidence and good mortgage availability.

Whilst the UK housing market has continued to improve, specific issues on certain impaired sites have resulted in the Group recording a net addition to impairment write-downs in the year of £0.6 million (2014: £18.7 million reversal).

The net addition in the UK consists of a reversal of previous write-downs of £6.6 million (2014: £27.0 million) and additional write-downs to the lower of cost and net realisable value of £7.2 million (2014: £8.3 million) on previously impaired sites.

In the year 6% (2014: 14%) of the Group's UK completions were from pre-2009 impaired sites.

At the balance sheet date the Group held inventory in the UK that had been written down to net realisable value of £115.2 million (2014: £269.6 million) with associated impairments of £124.2 million (2014: £158.1 million).

The UK net realisable value assessment of inventory is highly sensitive to small changes in judgements and the table below provides an indication of the impact to the inventory held on the balance sheet of 1% movements in selling prices and build costs.

£ million	+1% selling price	-1% selling price	+1% build cost	-1% build cost
31 December 2015	10.9	(11.4)	(11.1)	9.2
31 December 2014	12.4	(14.2)	(12.9)	10.9

There has been continued improvement in the Spanish housing market during the year. However, this improvement has been on newer sites which have been acquired in better locations. Sales rates and prices on sites which have been previously impaired remain low. In the year, 53 plots (2014: 50) were completed in Spain that had previously been impaired. In Spain, there was inventory written down to net realisable value of £24.3 million as at 31 December 2015 (2014: £27.0 million), with associated impairments of £43.5 million (2014: £48.1 million).

Notes to the Consolidated Financial Statements continued

15. Inventories continued

The table below details the movements recorded on the write-downs on impaired inventory recorded through the income statement in the year.

Inventory write-downs £ million	2015	2014
1 January	206.2	265.1
Utilised	(35.6)	(36.0)
Net addition/(reversal)	0.6	(18.7)
Foreign exchange	(3.5)	(4.2)
31 December	167.7	206.2

16. Other financial assets

Trade and other receivables

	Current		Non-current	
£ million	2015	2014	2015	2014
Trade receivables	80.6	45.1	94.4	109.9
Other receivables	33.4	57.5	1.0	1.2
	114.0	102.6	95.4	111.1

The average credit period taken on sales is 11 days (2014: eight days). An allowance has been made for estimated irrecoverable amounts from trade receivables of £1.2 million (2014: £2.5 million). This allowance has been determined by reference to past default experience and relates mainly to provisions against mortgage debtors.

Included within trade receivables are mortgage receivables of £94.6 million (2014: £104.8 million) including shared equity loans. Shared equity loans are provided to certain customers to facilitate their house purchase. They are accounted for as a host contract representing a loan receivable and a non-closely related embedded derivative asset, as allowed under IAS 39 'Financial instruments'. The loan is measured at amortised cost and the embedded derivative is measured at fair value through profit or loss.

The embedded derivative fair value movement is established by reference to a published national house price index. The fair value of the derivative is £7.2 million (2014: £9.4 million) and is included in the amount above.

Cash and cash equivalents

£ million	2015	2014
Cash and cash equivalents (see Note 19)	323.3	212.8

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value in both years.

17. Bank and other loans

£ million	2015	2014
Bank overdrafts repayable on demand	–	–
Bank loans	–	–
Other loans	100.0	100.0
	100.0	100.0

Other loans were borrowed at variable rates of interest, from 1.7% to 5.0% (2014: 2.8% to 5.8%) during the year, and comprise a £100.0 million (2014: £100.0 million) variable rate term loan with an investment fund.

£ million	2015	2014
Amount due for settlement after one year	100.0	100.0
Total borrowings	100.0	100.0

£ million	Bank overdraft	Bank and other loans
Analysis of borrowings by currency:		
31 December 2015 and 31 December 2014		
Sterling	–	100.0
	–	100.0

18. Trade and other payables

	Current		Non-current	
£ million	2015	2014	2015	2014
Trade payables	598.1	505.7	291.7	261.0
Other payables	495.3	404.3	110.3	100.5
	1,093.4	910.0	402.0	361.5

Other payables include customer deposits for reserving plots of £118.9 million (2014: £65.8 million), £151.0 million (2014: £147.8 million) relating to certain accruals associated with completed sites, and £83.8 million (2014: £86.7 million) of repayable grants.

Land creditors (included within trade payables) are due as follows: £ million	2015	2014
Due within one year	342.7	228.4
Due in more than one year	287.1	259.3
	629.8	487.7

Land creditors are denominated as follows: £ million	2015	2014
Sterling	622.5	480.8
Euros	7.3	6.9
	629.8	487.7

Land creditors of £334.8 million (2014: £304.0 million) are secured against land acquired for development, or supported by bond or guarantee.

19. Financial instruments and fair value disclosures

Capital management

The Group's policy is to maintain a strong credit rating for the business and to have an appropriate funding structure. Shareholders' equity and long term debt are used to finance property, plant and equipment and the medium to long term landbank. Revolving credit facilities are used to fund net current assets including development and construction costs. The Group's financing facilities contain the usual financial covenants including minimum interest cover and maximum gearing. The Group met these requirements throughout the year.

Financial assets and financial liabilities

Categories of financial assets and financial liabilities are as follows:

		Carrying value		Fair value	
Financial assets £ million	Fair value hierarchy	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Cash and cash equivalents	b	323.3	212.8	323.3	212.8
Land receivables	b	17.8	13.3	17.8	13.3
Trade and other receivables	b	64.8	44.9	64.8	44.9
Mortgage receivables	a	94.6	104.8	94.6	104.8
		500.5	375.8	500.5	375.8

(a) Mortgage receivables relate to sales incentives including shared equity loans which are separated into a loan receivable and a non-closely related embedded derivative asset. The embedded derivative is measured at fair value through profit and loss. The fair value of the derivative is established based on a publicly available national house price index, being significant other observable inputs (level 2).

(b) The Directors consider the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

Land receivables and trade and other receivables are included in the balance sheet as trade and other receivables for current and non-current amounts.

Current and non-current trade and other receivables, as disclosed in Note 16, include £32.2 million (2014: £50.7 million) of non-financial assets.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

19. Financial instruments and fair value disclosures continued

Financial liabilities £ million	Fair value hierarchy	Carrying value 31 December 2015	Carrying value 31 December 2014	Fair value 31 December 2015	Fair value 31 December 2014
Overdrafts, bank and other loans	b	100.0	100.0	100.0	100.0
Land creditors	b	629.8	487.7	629.8	487.7
Trade and other payables	b	711.1	670.9	711.1	670.9
		1,440.9	1,258.6	1,440.9	1,258.6

Land creditors are included in the balance sheet as trade and other payables for current and non-current amounts. Current and non-current trade and other payables, as disclosed in Note 18, include £154.5 million (2014: £112.9 million) of non-financial liabilities.

The Group has designated the carrying value of €34.0 million (2014: €34.0 million) foreign currency forward contracts as a net investment hedge. The fair value of the forward contract is based on observable forward exchange rates at the end of the period taking into account any adjustment required for credit risk (level 2). At the year end the fair value of the derivative is negligible.

The Group has no financial instruments with fair values that are determined by reference to significant unobservable inputs (level 3), nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

The Group has the following types of derivatives:

	2015 Notional amount	2015 Weighted average fixed	2014 Notional amount	2014 Weighted average fixed
Designated as hedging instruments:				
Currency forward contract to sell € against £	€34.0m	n/a	€34.0m	n/a

In addition, forward contracts have been entered into to hedge transaction risks on intra-Group loans to buy/(sell) against Sterling: €5.3 million and C$(0.6) million (2014: €26.0 million and C$(0.6) million). The fair value of the forward contracts are not materially different to their book value as they were entered into on or near 31 December in each year and mature less than one month later, hence the value of the derivative is negligible.

Market risk

The Group's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Group aims to manage the exposure to these risks by the use of fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

(a) Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at variable interest rates. The exposure to variable rate borrowings fluctuates during the year due to the seasonal nature of cash flows relating to housing sales and the less certain timing of land payments. Group policy is to manage the volatility risk by a combination of fixed rate borrowings and interest rate swaps such that the sensitivity to potential changes in variable rates is within acceptable levels. Group policy does not allow the use of derivatives to speculate against changes to future interest rates and they are only used to manage exposure to volatility. This policy has not changed during the year.

In order to measure the risk, variable rate borrowings and the expected interest cost for the year are forecast on a monthly basis and compared to budget using management's expectations of a reasonably possible change in interest rates. Interest expense volatility remained within acceptable limits throughout the year. The Group does not currently have any outstanding fixed rate borrowings or interest rate swaps.

19. Financial instruments and fair value disclosures continued

Interest rate sensitivity

The effect on both income and equity, based on exposure to non-derivative floating rate instruments at the balance sheet date, is shown in the table below. The Group does not have any outstanding interest rate derivatives.

The table assumes all other variables remain constant in accordance with IFRS 7.

0.25% increase in interest rates £ million	Sensitivity income 2015	Sensitivity equity 2015	Sensitivity income 2014	Sensitivity equity 2014
Derivatives	–	–	–	–
Non-derivatives	0.6	0.6	0.3	0.3
	0.6	0.6	0.3	0.3

0.25% decrease in interest rates £ million	Sensitivity income 2015	Sensitivity equity 2015	Sensitivity income 2014	Sensitivity equity 2014
Derivatives	–	–	–	–
Non-derivatives	(0.6)	(0.6)	(0.3)	(0.3)
	(0.6)	(0.6)	(0.3)	(0.3)

(b) Foreign currency risk management

The Group's overseas activities expose it to the financial risks of changes in foreign currency exchange rates. Our Spanish subsidiary is the only foreign operation of the Group.

The Group is not materially exposed to transaction risks as all Group companies conduct their business in their respective functional currencies. Group policy requires that transaction risks are hedged to the functional currency of the subsidiary using foreign currency borrowings or derivatives where appropriate.

The Group is also exposed to the translation risk from accounting for both the income and the net investment held in a functional currency other than Sterling. The net investment risk is hedged using foreign currency borrowings and derivatives. Assets and liabilities denominated in non-functional currencies are retranslated each month using the latest exchange rates. Income is also measured monthly using the latest exchange rates and compared to a budget held at historical exchange rates. Other than the natural hedge provided by foreign currency borrowings, the translation risk of income is not hedged using derivatives. The policy is kept under periodic review.

The Group's exposure to, and the way in which it manages, exchange rate risk has not changed from the previous year.

Hedge accounting

Hedging activities are evaluated periodically to ensure that they are in line with Group policy. Forward contracts are currently being used to hedge the net investment risk in the Spanish operations.

The Group has designated the carrying value of €34.0 million (2014: €34.0 million) foreign currency forward contracts held at the balance sheet date as a net investment hedge of part of the Group's investment in Euro denominated assets.

The change in the carrying amount of the derivatives which were effective hedging instruments and the change in the carrying value of the borrowings offset the exchange movement on the foreign currency net investments and are presented in the translation reserve.

Foreign currency sensitivity

The Group is exposed to the Euro due to its Spanish operations only. The following table details how the Group's income and equity would increase/(decrease) on a before tax basis to a 10% change in the currency's value against Sterling, and in accordance with IFRS 7, all other variables remaining constant.

The 10% change represents a reasonably possible change in the specified Euro exchange rates in relation to Sterling.

£ million	Income sensitivity 2015	Equity sensitivity 2015	Income sensitivity 2014	Equity sensitivity 2014
Euro weakens against Sterling	0.7	(1.8)	0.5	(2.1)
Euro strengthens against Sterling	(0.7)	1.8	(0.5)	2.1

Notes to the Consolidated Financial Statements continued

19. Financial instruments and fair value disclosures continued

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations.

Group policy is that surplus cash, when not used to repay borrowings, is placed on deposit with the Group's main relationship banks and with other banks or money market funds based on a minimum credit rating and maximum exposure.

Land receivables arise from sales of surplus land on deferred terms. A policy is in place such that, if the credit risk is not acceptable, then the deferred payment must have adequate security, either by the use of an appropriate guarantee or a charge over the land. The fair value of any land held as security is considered by management to be sufficient in relation to the carrying amount of the receivable to which it relates.

Trade and other receivables comprise mainly amounts receivable from various housing associations and other housebuilders. Management consider that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low. There is no significant concentration of risk.

Mortgage receivables, including shared equity loans, are in connection with the various historical promotion schemes to support sales on a selective basis. The mortgages are secured by a second charge over the property and are held at amortised cost. The non closely related embedded derivative related to shared equity is held at fair value.

The carrying amount of financial assets, as detailed above, represents the Group's maximum exposure to credit risk at the reporting date assuming that any security held has no value. Details of guarantees and bonds are given in Note 27.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources available to meet its obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the expected cash flow timings of financial assets and liabilities with the use of cash and cash equivalents, borrowings, overdrafts and committed revolving credit facilities with a minimum of 12 months to maturity. Future borrowing requirements are forecast on a monthly basis and funding headroom is maintained above forecast peak requirements to meet unforeseen events. The Group has a range of maturities with an average life of four years (2014: 3.7 years). On 12 February 2015, the term of the revolving credit facility was extended to February 2020.

In addition to fixed term borrowings, the Group has access to committed revolving credit facilities and cash balances. At the balance sheet date, the total unused committed amount was £550.0 million (2014: £550.0 million) and cash and cash equivalents were £323.3 million (2014: £212.8 million).

The £100.0 million term loan matures in November 2020, with repayments commencing in November 2017.

The maturity profile of the anticipated future cash flows, including interest using the latest applicable relevant rate based on the earliest date on which the Group can be required to pay financial liabilities on an undiscounted basis, is as follows:

Financial liabilities £ million	Overdrafts, bank and other loans	Land creditors	Trade and other payables*	Currency forward contracts	Total
On demand	–	–	–	–	–
Within one year	5.0	355.7	625.8	28.6	1,015.1
More than one year and less than two years	29.8	166.0	42.7	–	238.5
More than two years and less than five years	82.0	126.7	33.7	–	242.4
In more than five years	–	12.2	9.0	–	21.2
31 December 2015	116.8	660.6	711.2	28.6	1,517.2

* Excludes land creditors.

Financial liabilities £ million	Overdrafts, bank and other loans	Land creditors	Trade and other payables*	Currency forward contracts	Total
On demand	–	–	–	–	–
Within one year	4.9	237.5	600.3	46.5	889.2
More than one year and less than two years	4.9	162.9	37.7	–	205.5
More than two years and less than five years	85.7	90.0	30.3	–	206.0
In more than five years	26.1	23.7	2.6	–	52.4
31 December 2014	121.6	514.1	670.9	46.5	1,353.1

* Excludes land creditors.

Lease commitments are disclosed in Note 28.

20. Retirement benefit obligations

Retirement benefit obligations comprise a defined benefit pension liability of £177.1 million (2014: £182.4 million) and a post-retirement healthcare liability of £1.3 million (2014: £1.4 million).

The Group operates the Taylor Wimpey Pension Scheme (TWPS), a defined benefit pension scheme, which is closed to new members and future accrual. The Group also operates defined contribution pension arrangements in the UK, which are available to new and existing UK employees.

Defined contribution pension plan

A defined contribution plan is a pension plan under which the Group pays contributions to an independently administered fund – such contributions are based upon a fixed percentage of employees' pay. The Group has no legal or constructive obligations to pay further contributions to the fund once the contributions have been paid. Members' benefits are determined by the amount of contributions paid by the Group and the member, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the member chooses to buy at retirement. As a result, actuarial risk (that benefits will be lower than expected) and investment risk (that assets invested in will not perform in line with expectations) fall on the employee.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's defined contribution plan, the Taylor Wimpey Personal Choice Plan (TWPCP), is offered to all new and existing monthly paid employees. The People's Pension is used for auto enrolment purposes for weekly and monthly employees not participating in the TWPCP. The People's Pension is provided by B&CE, one of the UK's largest providers of financial benefits to construction industry employers and individuals.

The Group made contributions to its defined contribution arrangements of £10.0 million in 2015 (2014: £9.0 million), which is included in the income statement charge. The Group expects to make contributions of around £10.0 million in 2016.

Defined benefit pension schemes

The Group's defined benefit pension scheme in the UK is the TWPS. The TWPS is a funded defined benefit pension scheme which provides benefits to beneficiaries in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement or date of ceasing active accrual if earlier. Pension payments are generally increased in line with inflation.

The Group operates the TWPS under the UK regulatory framework. Benefits are paid to members from a Trustee-administered fund and the Trustees are responsible for ensuring that the scheme is sufficiently funded to meet current and future benefit payments. Scheme assets are held in trust.

The TWPS Trustees' other duties include managing the investment of scheme assets, administration of scheme benefits and exercising of discretionary powers. The Group works closely with the Trustees to manage the TWPS. The Trustees of the TWPS owe fiduciary duties to the TWPS' beneficiaries. The appointment of the Trustees is determined by the TWPS trust documentation.

The Trustees must agree a funding plan with the Group such that any funding shortfall is expected to be met by additional contributions and investment outperformance. In order to assess the level of contributions required, triennial valuations are carried out using prudent assumptions. The first funding valuation of the TWPS was performed during 2014, with a reference date of 31 December 2013. Subsequently, the Group agreed to make contributions of £18.0 million in 2016. This includes £2.0 million in respect of administrative costs of the scheme.

In 2013, the Group introduced a £100.0 million Pension Funding Partnership utilising show homes, as well as five offices which are owned, in a sale and leaseback structure. This provides an additional £5.1 million of annual funding for the TWPS. The assets held within this scheme do not affect the IAS 19 figures as they remain assets of the Group, and are not assets of the TWPS. As at 31 December 2015, there was £91.1 million of property and £19.9 million of cash held within the structure (2014: £93.8 million of property and £17.2 million of cash).

The Group continues to work closely with the Trustees in managing the pension exposure.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

20. Retirement benefit obligations continued

The table below sets out the details of the funding valuations for the TWPS, carried out in September 2014, with reference to the position at 31 December 2013.

Assumptions	TWPS
RPI inflation	3.40%
Discount rate – pre/post-retirement	6.05%/4.05%
General pay inflation	n/a
Real pension increases	0.00%

Valuation results	TWPS
Market value of assets	£1,921m
Past service liabilities	£2,112m
Scheme funding levels	91%
Deficit repair contributions (per annum)	£16.0m
Period of payment	Until November 2018

The defined benefit obligation is measured using the projected unit actuarial cost method.

The duration, or average term to payment for the benefits due, weighted by liability, is approximately 15 years for the TWPS.

Accounting assumptions

The assumptions used in calculating the accounting costs and obligations of the TWPS, as detailed below, are set by the Directors after consultation with independent, professionally qualified actuaries. The basis for these assumptions is prescribed by IAS 19 and they do not reflect the assumptions that may be used in future funding valuations of the TWPS.

The discount rate used to determine the present value of the obligations is set by reference to market yields on high-quality corporate bonds with regard for the duration of the TWPS. The assumption for RPI inflation is set by reference to the Bank of England's implied inflation curve with regard for the duration of the TWPS, with appropriate adjustments to reflect distortions due to supply and demand for inflation-linked securities. CPI inflation is set by reference to RPI inflation as no CPI-linked bonds exist to render implied CPI inflation directly observable.

The life expectancies have been derived using mortality assumptions that were based on the results of a recent investigation into the mortality experience of the scheme. The base tables used are the S2NXA tables with CMI_2013 improvements and 1.25% trend rate.

	TWPS	
Accounting valuation assumptions	2015	2014
As at 31 December		
Discount rate for scheme liabilities	3.70%	3.50%
General pay inflation	n/a	n/a
Deferred pension increases	1.95%	1.70%
Pension increases	2.05%-3.55%	2.05%-3.55%

20. Retirement benefit obligations continued

The current life expectancies (in years) underlying the value of the accrued liabilities for the TWPS are:

	2015		2014	
Life expectancy	Male	Female	Male	Female
Member currently aged 65	88	90	88	90
Member currently aged 45	89	92	89	92

The pension liability is the difference between the scheme assets and liabilities. The liability is sensitive to the assumptions used. The table below shows the impact to the liability of movement in key assumptions, measured using the same method as the defined benefit scheme.

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on defined benefit obligation (%)
Discount rate	Decrease by 0.1% p.a.	Increase by £32m	1.5
Rate of inflation*	Increase by 0.1% p.a.	Increase by £28m	1.4
Life expectancy	Members live 1 year longer	Increase by £63m	3.0

* Assumed to affect deferred revaluation and pensioner increases in payment.

The sensitivity of increasing life expectancy has been reduced by a medically underwritten buy-in. See the section on additional areas of risk management at the end of this note.

The fair value of the assets of the TWPS is set out below:

	£ million	Percentage of total scheme assets held
At 31 December 2015		
Assets:		
Equities	753.0	39.9%
Corporate bonds	470.3	24.9%
Fixed-index Government bonds	467.8	24.8%
Index-linked Government bonds	542.0	28.6%
Hedge funds	118.4	6.2%
Property	45.6	2.4%
Other assets[a]	(820.4)	(43.4)%
Cash	76.8	4.1%
Insurance policies in respect of certain members	235.6	12.5%
	1,889.1	100.0%
At 31 December 2014		
Assets:	793.6	39.6%
Equities	484.6	24.1%
Corporate bonds	261.9	13.1%
Fixed-index Government bonds	547.1	27.3%
Index-linked Government bonds	107.4	5.4%
Property	23.2	1.2%
Other assets[a]	(544.4)	(27.2%)
Cash	88.0	4.4%
Insurance policies in respect of certain members	242.4	12.1%
	2,003.8	100.0%

(a) Consists of repurchase agreements and other financial derivatives (swaps, futures and forwards on equities and bonds).

There are no investments in respect of the Group's own securities.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

20. Retirement benefit obligations continued

The table below details the movements in the pension liability and assets recorded through the income statement and other comprehensive income.

£ million	Present value of obligation	Fair value of scheme assets	Asset/(liability) recognised on balance sheet
At 1 January 2015	(2,186.2)	2,003.8	(182.4)
Current service cost	–	–	–
Administration expenses	–	(3.2)	(3.2)
Past service cost/settlements	–	–	–
Interest (expense)/income	(74.3)	68.3	(6.0)
Total amount recognised in income statement	(74.3)	65.1	(9.2)
Return on scheme assets not included in income statement	–	(72.5)	(72.5)
Change in demographic assumptions	–	–	–
Change in financial assumptions	49.2	–	49.2
Experience gains	14.7	–	14.7
Total remeasurements in other comprehensive income	63.9	(72.5)	(8.6)
Employer contributions	–	23.1	23.1
Employee contributions	–	–	–
Benefit payments	130.4	(130.4)	–
At 31 December 2015	(2,066.2)	1,889.1	(177.1)

£ million	Present value of obligation	Fair value of scheme assets	Asset/(liability) recognised on balance sheet
At 1 January 2014	(2,035.2)	1,853.0	(182.2)
Current service cost	–	–	–
Administration expenses	–	(3.1)	(3.1)
Past service cost/settlements	–	–	–
Interest (expense)/income	(91.1)	83.6	(7.5)
Total amount recognised in income statement	(91.1)	80.5	(10.6)
Return on scheme assets not included in income statement	–	144.4	144.4
Change in demographic assumptions	75.7	–	75.7
Change in financial assumptions	(251.2)	–	(251.2)
Experience gains	5.2	–	5.2
Total remeasurements in other comprehensive income	(170.3)	144.4	(25.9)
Employer contributions	–	36.3	36.3
Employee contributions	–	–	–
Benefit payments	110.4	(110.4)	–
At 31 December 2014	(2,186.2)	2,003.8	(182.4)

Risks and risk management

The TWPS, in common with the majority of such defined benefit pension schemes in the UK, has a number of areas of risk. These areas of risk, and the ways in which the Group has sought to manage them, are set out in the table on page 127.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's financial statements.

Although investment decisions in the UK are the responsibility of the Trustees, the Group takes an active interest to ensure that pension scheme risks are managed efficiently. The Group has regular meetings with the Trustees to discuss investment performance, regulatory changes and proposals to actively manage the deficit.

20. Retirement benefit obligations continued

The key risks of the defined benefit pension scheme are detailed below along with the Group's approach to them.

Risk	Description
Asset volatility	The funding liabilities are calculated using a discount rate set with reference to government bond yields, with allowance for additional return to be generated from the investment portfolio. The defined benefit obligation is calculated using a discount rate set with reference to corporate bond yields. The TWPS holds a large proportion of its assets in equities and other return-seeking assets. The returns on such assets tend to be volatile and are not correlated to government bonds or corporate bonds. This means that the funding level is likely to be volatile in the short-term, potentially resulting in short-term cash requirements and an increase in the net defined benefit liability recorded on the balance sheet. However, the Group believes that equities offer the best returns over the long term with an acceptable level of risk. The TWPS' assets are well-diversified by investing in a range of asset classes, including property, government bonds and corporate bonds. There are a number of hedging strategies in place (these are mentioned below). A summary of the target asset allocations of the TWPS, excluding hedging and insurance policies, is shown below:

	TWPS
Liability matching assets	45.4%
Equity	6.8%
Alternative return-seeking assets	47.8%

These target allocations were revised in September 2015.

Risk	Description
Changes in bond yields	Falling bond yields tend to increase the funding and accounting liabilities. However, the investment in corporate and government bonds offers a degree of matching, i.e. the movement in assets arising from changes in bond yields partially matches the movement in the funding or accounting liabilities. In this way, the exposure to movements in bond yields is reduced.
Investing in foreign currency	In order to maintain appropriate diversification of investments within the TWPS' assets and to take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies while having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.
Asset/liability mismatch	In order to maintain (and increase) the TWPS' economic exposure to interest rates and inflation rates, a liability hedging programme has been put in place. Repurchase agreements are being used to achieve the TWPS' agreed target level of liability hedging in an unfunded way and hence to reduce the investment risk of the TWPS' assets relative to the liabilities.
Illiquidity	Insurance policies and real estate make up £281.2 million (15%) of the asset portfolio of TWPS. Excluding these amounts approximately 75% of assets are managed either in segregated accounts or daily/weekly dealt pooled funds and can therefore be realised within a few business days under normal market conditions. Of the remaining investments a further 20% are in pooled funds with monthly redemption dates. The remainder could be redeemed within approximately three months of notification in normal market conditions.
Life expectancy	The majority of the TWPS' obligations are to provide a pension for the life of the member, so increases in life expectancy will result in an increase in the TWPS' liabilities. The inflation-linked nature of the benefit payments from the TWPS result increases the sensitivity of the liabilities to changes in life expectancy.

Additional areas of risk management

During the last quarter of 2014, the Group reached agreement with Partnership Life Assurance Company Limited to insure the benefits of certain members through a medically underwritten buy-in. These members represent the 10% of members with the greatest anticipated liability of the scheme. By insuring these members, the Group has removed more than 10% of risk from the scheme by significantly reducing the longevity of a large proportion of the liabilities. The Group remains ultimately liable for the payments, and as such the obligation is unchanged; however the medically underwritten insurance policy has been recognised as a scheme insured asset.

During 2014, scheme deferred members were offered flexible retirement options under the scheme rules, which allowed participants to realise part of their pension at an earlier date than previously anticipated. By discharging some liabilities at an earlier date, the actuarial risk attached to the scheme has reduced.

Notes to the Consolidated Financial Statements continued

21. Provisions

£ million	Housing maintenance	Restructuring	North America disposal	Other	Total
At 1 January 2014	0.6	3.5	11.8	18.4	34.3
Additional provision in the year	0.3	0.1	–	12.4	12.8
Utilisation of provision	(0.1)	(2.5)	–	(2.8)	(5.4)
Released	–	(0.1)	–	(0.2)	(0.3)
At 31 December 2014	0.8	1.0	11.8	27.8	41.4
Additional provision in the year	0.4	–	–	3.8	4.2
Utilisation of provision	(0.3)	(0.4)	–	(8.2)	(8.9)
Released	–	(0.3)	–	(2.4)	(2.7)
At 31 December 2015	**0.9**	**0.3**	**11.8**	**21.0**	**34.0**

£ million	2015	2014
Current	31.1	40.4
Non-current	2.9	1.0
31 December	**34.0**	**41.4**

Other provisions consist of a remedial work provision, provisions for legal claims, onerous leases and other contract-related costs. The remedial work provision covers various obligations, including aftercare of Springfield Environmental Limited and our Oxley Woods development. Also included in other provisions are amounts for legal claims and contract-related costs associated with various matters arising across the Group, the majority of which are anticipated to be settled within a three year period. Onerous leases and vacant property costs included in this provision are expected to be utilised within approximately five years.

22. Share capital

£ million	2015	2014
Authorised:		
22,200,819,176 (2014: 22,200,819,176) ordinary shares of 1p each	222.0	222.0
1,158,299,201 (2014: 1,158,299,201) deferred ordinary shares of 24p each	278.0	278.0
	500.0	500.0

	Number of shares	£ million
Issued and fully paid:		
31 December 2014	3,253,461,531	288.3
Ordinary shares issued in the year	5,171,899	–
31 December 2015	**3,258,633,430**	**288.3**

During the year the company issued an additional 5.2 million ordinary shares in order to satisfy option exercises.

During the year, options were exercised over 16,064,888 ordinary shares (2014: 24,463,017) the majority of which were met from our holding of shares in our ESOTs at varying prices from nil pence to 90.0 pence per share. Under the Group's executive share option plans, employees held options at 31 December 2015 to purchase up to 153,600 shares, subject to achievement of performance tests (2014: 455,865) at a price of 39.34 pence per share nominally exercisable up to 7 August 2022. Under the Group's performance share plan, employees held conditional awards at 31 December 2015 in respect of up to 17,119,676 shares, subject to achievement of performance tests (2014: 16,706,261) at nil pence per share nominally exercisable up to 3 September 2018.

Under the Group's savings-related share option schemes, employees held options at 31 December 2015 to purchase 22,590,040 shares (2014: 27,313,874) at prices between 22.88 pence and 159.12 pence per share exercisable up to 31 May 2021. Under the Group's share purchase plan, employees held conditional awards at 31 December 2015 in respect of 5,830,072 shares (2014: 6,356,595) at nil pence per share.

Under a financing agreement signed in April 2009, the Company agreed to issue 57.9 million warrants giving the holders the right to subscribe to an equivalent number of ordinary shares in Taylor Wimpey plc. The warrants were priced at 17.4473p per share. In May 2014 these warrants expired meaning the remaining unexercised warrants (1.1 million) lapsed.

23. Share premium account

£ million	2015	2014
At 1 January	762.9	760.2
Share warrants exercised	–	2.7
At 31 December	**762.9**	**762.9**

24. Reserves

£ million	Retained earnings	Capital redemption reserve	Translation reserve	Other	Total other reserves
Balance at 1 January 2014	1,177.5	31.5	5.5	6.8	43.8
Share-based payment credit	6.2	–	–	–	–
Cash cost of satisfying share options	(14.7)	–	–	–	–
Actuarial loss on defined benefit pension schemes	(25.9)	–	–	–	–
Deferred tax credit on defined benefit movement	5.2	–	–	–	–
Exchange differences on translation of foreign operations	–	–	(1.8)	–	(1.8)
Movement in fair value of hedging derivatives and loans	–	–	1.8	–	1.8
Transfer to retained earnings	1.9	–	–	(1.9)	(1.9)
Dividends approved and paid	(72.7)	–	–	–	–
Profit for the year	374.4	–	–	–	–
Balance at 31 December 2014	1,451.9	31.5	5.5	4.9	41.9
Share-based payment credit	7.3	–	–	–	–
Tax credit on items taken directly to statement of changes in equity	8.3	–	–	–	–
Cash cost of satisfying share options	(7.2)	–	–	–	–
Actuarial loss on defined benefit pension schemes	(8.6)	–	–	–	–
Deferred tax charge on defined benefit movement	(0.7)	–	–	–	–
Exchange differences on translation of foreign operations	–	–	(1.5)	–	(1.5)
Movement in fair value of hedging derivatives and loans	–	–	1.5	–	1.5
Dividends approved and paid	(308.4)	–	–	–	–
Profit for the year	490.1	–	–	–	–
Balance at 31 December 2015	**1,632.7**	**31.5**	**5.5**	**4.9**	**41.9**

Other reserves

Capital redemption reserve
The capital redemption reserve arose on the historical redemption of Parent Company shares, and is not distributable.

Translation reserve
The translation reserve consists of exchange differences arising on the translation of overseas operations. It also includes changes in fair values of hedging derivatives where such instruments are designated and effective as hedges of investment in overseas operations.

Other reserve
The Group issued 57.9 million of warrants with a fair value of £5.5 million in 2009 as part of its debt refinancing agreement. The full cost of the warrants was recognised in the other reserve on their issuance.

Notes to the Consolidated Financial Statements continued

25. Own shares

£ million	
Balance at 1 January 2014	18.9
Shares acquired	10.0
Disposed of on exercise of options	(18.1)
Balance at 31 December 2014	10.8
Shares acquired	2.0
Disposed of on exercise of options	(9.6)
Balance at 31 December 2015	3.2

The own shares reserve represents the cost of shares in Taylor Wimpey plc purchased in the market, those held as treasury shares and those held by the Taylor Wimpey Employee Share Ownership Trusts to satisfy options and conditional share awards under the Group's share plans.

	2015 Number	2014 Number
Ordinary shares held in trust for bonus, option and performance award plans	4.3m	14.3m

Employee Share Ownership Trusts (ESOTs) are used to hold the Company's shares which have been acquired on the market. These shares are used to meet the valid exercise of options and/or vesting of conditional awards and/or award of shares under the Executive Incentive Scheme, Bonus Deferral Plan, Performance Share Plan, Executive Share Option Scheme, Savings-Related Share Option Scheme and the matching award of shares under the Share Purchase Plan.

During the year, Taylor Wimpey plc purchased £2.0 million of its own shares which are held in the ESOTs (2014: £10.0 million).

The ESOTs' entire holding of shares at 31 December 2015, aggregating 4.3 million shares (2014: 14.3 million), was covered by outstanding options and conditional awards over shares at that date.

26. Notes to the cash flow statement

£ million	2015	2014
Profit on ordinary activities before finance costs	631.5	496.8
Adjustments for:		
Depreciation of buildings, plant and equipment	2.0	1.2
Net addition/(reversal) of inventory write-downs	0.6	(18.7)
Amortisation of software development	1.3	1.7
Pension contributions in excess of charge to the income statement	(19.9)	(33.2)
Share-based payment charge	7.3	6.2
Profit on disposal of property and plant	(0.5)	(0.4)
(Decrease)/increase in provisions	(7.4)	7.1
Operating cash flows before movements in working capital	614.9	460.7
Increase in inventories	(269.1)	(409.1)
Decrease in receivables	13.0	20.6
Increase in payables	68.1	135.0
Cash generated by operations	426.9	207.2
Income taxes (paid)/received	(5.5)	0.1
Interest paid	(14.5)	(14.6)
Net cash from operating activities	406.9	192.7

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

Movement in net cash/(debt)

£ million	Cash and cash equivalents	Overdrafts, banks and other loans	Debenture loans (debt)/cash	Total net
Balance 1 January 2014	105.4	(100.0)	–	5.4
Cash flow	106.1	–	–	106.1
Foreign exchange	1.3	–	–	1.3
Balance 31 December 2014	212.8	(100.0)	–	112.8
Cash flow	109.5	–	–	109.5
Foreign exchange	1.0	–	–	1.0
Balance 31 December 2015	323.3	(100.0)	–	223.3

27. Contingent liabilities and capital commitments

General

The Group in the normal course of business has given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts and given guarantees in respect of the Group's share of certain contractual obligations of joint ventures.

The Group has entered into counter-indemnities in the normal course of business in respect of performance bonds.

Provision is made for the Directors' best estimate of all known legal claims and all legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed or a sufficiently reliable estimate of the potential obligation cannot be made.

The Group has no material capital commitments as at 31 December 2015 (2014: none).

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

28. Operating lease arrangements

The Group as lessee

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases for offices and equipment, which fall due as follows:

£ million	2015	2014
Within one year	5.6	7.6
In more than one year but not more than five years	9.6	12.6
After five years	0.8	1.3
	16.0	21.5

29.Share-based payments

Equity-settled share option plan

Details of all equity-settled share-based payment arrangements in existence during the year are set out in the Remuneration Report on pages 68 to 85.

	2015		2014	
Schemes requiring consideration from participants:	Options	Weighted average exercise price (in £)	Options	Weighted average exercise price (in £)
Outstanding at beginning of year	34,126,334	0.46	40,984,508	0.38
Granted during the year	5,310,398	1.59	8,106,951	0.80
Lapsed during the year	(1,455,884)	0.23	(1,539,724)	0.53
Exercised during the year	(8,928,412)	0.30	(13,425,401)	0.23
Cancellations during the year	(478,724)	0.87	–	–
Outstanding at the end of the year	28,573,712	0.76	34,126,334	0.46
Exercisable at the end of the year	5,405,996	0.37	6,308,736	0.12

The table above includes shares which are granted to employees on a matching basis. When the employee joins the scheme, purchased shares are matched on a 1:1 basis. 5,830,072 of these awards, which do not expire, were in issue at 31 December 2015 (2014: 6,356,595). The remaining options outstanding at 31 December 2015 had a range of exercise prices from £0.23 to £1.59 (2014: £0.23 to £0.90) and a weighted average remaining contractual life of 1.14 years (2014: 1.3 years).

	2015		2014	
Schemes not requiring consideration from participants:	Options	Weighted average exercise price (in £)	Options	Weighted average exercise price (in £)
Outstanding at beginning of year	16,706,261	–	25,183,282	–
Granted during the year	8,112,869	–	4,329,016	–
Lapsed during the year	(562,978)	–	(1,768,421)	–
Exercised during the year	(7,136,476)	–	(11,037,616)	–
Cancellations during the year	–	–	–	–
Outstanding at the end of the year	17,119,676	–	16,706,261	–
Exercisable at the end of the year	–	–	–	–

These conditional awards outstanding at 31 December 2015 had a weighted average remaining contractual life of 1.9 years (2014: 1.5 years).

The weighted average share price at the date of exercise across all options exercised during the period was £1.53 (2014: £1.20).

29.Share-based payments continued

For share plans with no market conditions granted during the current and preceding year, the fair value of the awards at the grant date was determined using the Binomial model. The inputs into that model were as follows:

	2015	2014
Weighted average share price	£1.74	£1.17
Weighted average exercise price	£0.83	£0.67
Expected volatility	28%	34%
Expected life	3/5 years	3/5 years
Risk free rate	0.9%	1.5%
Expected dividend yield	6.0%	5.7%

The weighted average fair value of share awards granted during the year is £0.27 (2014: £0.52).

Expected volatility was determined by calculating the historical volatility of the Group's share price over the expected term.

For share awards with market conditions granted during the current year, the fair value of the awards was determined using the Monte Carlo simulation model. The inputs into that model were as follows:

	2015	2014
Weighted average share price	£1.48	£1.25
Weighted average exercise price	Nil	Nil
Expected volatility	32%	34%
Expected life	0.8/3 years	3 years
Risk free rate	0.9%	0.8%
Expected dividend yield	0.0%	0.0%

The weighted average fair value of share options granted during the year is £0.91 (2014: £0.79).

Expected volatility was determined by calculating the historical volatility of the Group's share price over the expected term. The expected life used in the model is based on historical exercise patterns.

The Group recognised a total expense of £7.3 million related to equity-settled share-based payment transactions in 2015 (2014: £6.2 million).

30. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The pension schemes of the Group are related parties. Arrangements between the Group and its pension schemes are disclosed in Note 20. Transactions between the Group and its joint ventures are disclosed below. The Group has loans with joint ventures that are detailed in Note 13.

On 1 November 2014, the Chief Executive was appointed as a non executive director of Travis Perkins plc. During the year, the Group directly purchased from Travis Perkins plc goods to the value of £17.6 million (2014: £14.7 million). In addition, indirect purchases through sub-contractors amounted to £17.3 million (2014: £10.4 million). Any residual purchases made at a local level are not material to either party. All transactions were completed on an arms-length basis.

The Chief Executive purchased a property for €484,500 on one of the Group's Spanish developments under the staff discount scheme. The property was sold on the same terms available to all employees pursuant to the Companies Staff House purchase scheme and the transaction was approved by Shareholders at the Company's 2015 Annual General Meeting, in accordance with S.190 and S.191 of the Companies Act 2006 which relate to substantial property transactions between directors and companies.

Trading transactions

During the year, Group companies' purchases from joint ventures totalled £nil (2014: £nil) and sales to joint ventures totalled £19.8 million (2014: £12.2 million).

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Consolidated Financial Statements continued

30. Related party transactions continued

Remuneration of key management personnel

The key management personnel of the Group are the members of the Group Management Team (GMT) as presented on page 14. The remuneration information for the three Executive Directors is set out in the Remuneration Report on page 79. The aggregate compensation for the other seven (2014: five) members of the GMT is as follows:

£000	2015	2014
Short term employee benefits	3,744	2,697
Post-employment benefits	330	249
Other long term benefits	–	–
Termination benefits	221	153
Total (excluding share based payments charge)	4,295	3,099

During the year Jennie Daly replaced Peter Andrew as Land Director, Nigel Holland and Chris Carney were appointed as Divisional Chairmen of the Central and South West division and the London and South East division respectively. Peter Truscott, former South Divisional Chairman left the Group to join Galliford Try as their Chief Executive. A final, additional appointment to the GMT was Lee Bishop as Director of our Major Developments division.

In addition to the amounts above, a share-based payments charge of £851,900 (2014: £349,000) related to share options held by members of the GMT.

31. Dividends

£ million	2015	2014
Proposed		
Interim dividend 2015 0.49p (2014: 0.24p) per ordinary share of 1p each	15.9	7.8
Final dividend 2015 1.18p (2014: 1.32p) per ordinary share of 1p each	38.6	42.9
	54.5	50.7
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2014 1.32p (2013: 0.47p) per ordinary share of 1p each	42.9	15.2
Interim dividend 2015 0.49p (2014: 0.24p) per ordinary share of 1p each	15.9	7.8
Special dividend 2015 7.68p (2014: 1.54p) per ordinary share of 1p each	249.6	49.7
	308.4	72.7

The Directors recommend a final dividend for the year ended 31 December 2015 of 1.18 pence per share subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of £38.6 million (2014: £42.9 million). The final dividend will be paid on 20 May 2016 to all shareholders registered at the close of business on 8 April 2016.

The Directors additionally recommend a special dividend of c.£300.0 million (2014: c.£250.0 million) subject to shareholder approval at the Annual General Meeting. The special dividend will be paid on 15 July 2016 to all shareholders registered at the close of business on 3 June 2016.

In accordance with IAS 10 ‘Events after the balance sheet date’ the proposed final or special dividends have not been accrued as a liability as at 31 December 2015.

Company Balance Sheet
at 31 December 2015

£ million	Note	2015	Restated 2014
Non-current assets			
Investments in Group undertakings	4	2,447.4	2,440.1
Trade and other receivables	5	4.6	4.3
Deferred tax		1.0	2.7
		2,453.0	2,447.1
Current assets			
Trade and other receivables	5	2,621.8	2,595.9
Cash and cash equivalents		306.1	192.6
		2,927.9	2,788.5
Current liabilities			
Trade and other payables	6	(1,684.9)	(1,676.8)
		(1,684.9)	(1,676.8)
Net current assets		1,243.0	1,111.7
Total assets less current liabilities		3,696.0	3,558.8
Non-current liabilities			
Bank and other loans	7	(100.0)	(100.0)
Provisions		(0.7)	(1.3)
Net assets		3,595.3	3,457.5
Equity			
Share capital	8	288.3	288.3
Share premium account	9	762.9	762.9
Own shares	10	(3.2)	(10.8)
Other reserves	11	36.0	34.5
Retained earnings	12	2,511.3	2,382.6
Total Equity		3,595.3	3,457.5

As permitted by Section 408 of the Companies Act 2006, Taylor Wimpey plc has not presented its own income statement. The profit of the Company for the financial year was £436.6 million (2014: £1,123.5 million).

The financial statements were approved by the Board of Directors and authorised for issue on 29 February 2016. They were signed on its behalf by:

P Redfern
Director

R Mangold
Director

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Company Statement of Changes in Equity
for the year to 31 December 2015

For the year to 31 December 2015 £ million	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2015	288.3	762.9	(10.8)	34.5	2,382.6	3,457.5
Movement in fair value of hedging derivatives and loans	–	–	–	1.5	–	1.5
Other comprehensive income for the year net of tax	–	–	–	1.5	–	1.5
Profit for the year	–	–	–	–	436.6	436.6
Total comprehensive income for the year	–	–	–	1.5	436.6	438.1
New share capital subscribed	–	–	–	–	–	–
Own shares acquired	–	–	(2.0)	–	–	(2.0)
Utilisation of own shares	–	–	9.6	–	–	9.6
Cash cost of satisfying share options	–	–	–	–	(6.8)	(6.8)
Capital contribution on share-based payments	–	–	–	–	7.3	7.3
Dividends approved and paid	–	–	–	–	(308.4)	(308.4)
Total equity	288.3	762.9	(3.2)	36.0	2,511.3	3,595.3

For the year to 31 December 2014 (restated) £ million	Share capital	Share premium	Own shares	Other reserves	Retained earnings	Total
Balance as at 1 January 2014	288.1	760.2	(18.9)	32.7	1,339.5	2,401.6
Movement in fair value of hedging derivatives and loans	–	–	–	1.8	–	1.8
Other comprehensive income for the year net of tax	–	–	–	1.8	–	1.8
Profit for the year	–	–	–	–	1,123.5	1,123.5
Total comprehensive income for the year	–	–	–	1.8	1,123.5	1,125.3
New share capital subscribed	0.2	2.7	–	–	–	2.9
Own shares acquired	–	–	(10.0)	–	–	(10.0)
Utilisation of own shares	–	–	18.1	–	–	18.1
Cash cost of satisfying share options	–	–	–	–	(13.9)	(13.9)
Capital contribution on share-based payments	–	–	–	–	6.2	6.2
Dividends approved and paid	–	–	–	–	(72.7)	(72.7)
Total equity	288.3	762.9	(10.8)	34.5	2,382.6	3,457.5

Notes to the Company Financial Statements
for the year to 31 December 2015

1. Significant accounting policies
The following accounting policies have been used consistently, unless otherwise stated, in dealing with items which are considered material.

Basis of preparation
The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from the pre-2015 UK GAAP to FRS 101 and has, in doing so, applied the requirements of IFRS 1.6.33 and related appendices. These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The prior year financial statements were restated for adoption of FRS 101 in the current year. There were no material adjustments to Total Comprehensive Income or Equity on restatement.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. As the Company is a qualifying entity it has also applied the exemption from the requirement of IFRS 1 to present an opening statement of financial position.

The principal accounting policies adopted are set out below.

Going concern
The Group has prepared forecasts, including certain sensitivities taking into account the principal risks identified on pages 34 to 37. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months.

Accordingly, the Company financial statements have been prepared on a going concern basis.

Investments in Group undertakings
Investments are included in the balance sheet at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount of the investment. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is expensed immediately; if the impairment is not considered to be a permanent diminution in value, it may reverse in a future period to the extent it is no longer considered necessary.

The Company values its investments in subsidiary holding companies based on a comparison between the net assets recoverable by the subsidiary company and the investment held. Where the net assets are lower than the investment an impairment is recorded. For trading subsidiaries, the investment carrying value in the Company is assessed against the net present value of the discounted cash flows from the subsidiary.

Borrowing costs
Capitalised finance costs are held in other receivables and amortised over the period of the facility.

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.

Deferred tax
Deferred tax is provided in full on temporary 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.

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

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Foreign currencies
Transactions denominated in foreign currencies are recorded in Sterling at actual rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in profit and loss. Unrealised exchange differences on intercompany long term loans and foreign currency borrowings, to the extent that they hedge the Company's investment in overseas investments, are taken to the translation reserve.

Derivative financial instruments and hedge accounting
The Company uses foreign currency borrowings and currency swaps to hedge its investment in overseas operations. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of investment in overseas operations are recognised directly in other comprehensive income and the ineffective portion, if any, is recognised immediately in the income statement. The hedged items are adjusted for changes in exchange rates, with gains or losses from remeasuring the carrying amount being recognised directly in other comprehensive income.

Share-based payments
The Company issues equity-settled share-based payments to certain employees of its subsidiaries. Equity-settled share-based payments are measured at fair value at the grant date. The fair value is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. The cost of equity-settled share-based payments granted to employees of subsidiary companies is borne by the employing company, without recharge. As such the Company's investment in the subsidiary is increased by an equivalent amount.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Company Financial Statements continued

1. Significant accounting policies continued

Provisions

Provisions are recognised at the Directors' best estimate when the Company has a present obligation as a result of a past event and it is probable that the Company will have to settle the obligation.

Own shares

The cost of the Company's investment in its own shares, which comprise shares held in treasury by the Company and shares held by employee benefit trusts for the purpose of funding certain of the Company's share option plans, is shown as a reduction in shareholders' equity.

Dividends paid

Dividends are charged to the Company's retained earnings reserve in the period of payment in respect of an interim dividend, and in the period in which shareholders' approval is obtained in respect of the Company's final dividend.

2. Particulars of employees

	2015 Number	2014 Number
Directors	3	3

The Executive Directors received all of their remuneration, as disclosed in the Remuneration Report on pages 68 to 85, from Taylor Wimpey UK Limited. This remuneration is reflective of the Directors' service to the Company and all its subsidiaries.

3. Auditor's remuneration

£ million	2015	2014
Total audit fees	0.1	0.1
Other services	–	–
Tax services	–	–
Total non-audit fees	–	–
	0.1	0.1

A description of other services is included in Note 6 on page 110 to the Group financial statements.

4. Investments in Group undertakings

£ million	Shares	Loans	Total
Cost			
1 January 2015	5,251.4	–	5,251.4
Capital contribution relating to share based payments	7.3	–	7.3
31 December 2015	5,258.7	–	5,258.7
Provision for impairment			
1 January 2015	2,811.3	–	2,811.3
Release for the year	–	–	–
31 December 2015	2,811.3	–	2,811.3
Carrying amount			
31 December 2015	2,447.4	–	2,447.4
31 December 2014	2,440.1	–	2,440.1

All investments are unlisted and information about all subsidiaries is listed on pages 142 to 145.

5. Trade and other receivables

£ million	2015	2014
Amounts falling due within one year:		
Due from Group undertakings	2,620.4	2,594.2
Other receivables	1.4	1.7
	2,621.8	2,595.9
Amounts falling due in over one year:		
Other receivables	4.6	4.3
Deferred tax	1.0	2.7
	5.6	7.0

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

£ million	2015	2014
Due to Group undertakings	1,682.8	1,674.9
Other payables	1.7	1.5
Corporation tax creditor	0.4	0.4
	1,684.9	1,676.8

7. Bank and other loans: amounts falling due after one year

£ million	2015	2014
Other loans	100.0	100.0
	100.0	100.0
Other loans are repayable as follows:		
Amounts due for settlement after one year	100.0	100.0
	100.0	100.0

Other loans comprise a £100.0 million (2014: £100.0 million) variable rate term loan with an investment fund.

8. Share capital

£ million	2015	2014
Authorised:		
22,200,819,176 (2014: 22,200,819,176) ordinary shares of 1p each	222.0	222.0
1,158,299,201 (2014: 1,158,299,201) deferred ordinary shares of 24p each	278.0	278.0
	500.0	500.0

	Number of shares	£ million
Issued and fully paid:		
31 December 2014	3,253,461,531	288.3
Ordinary shares issued in the year	5,171,899	–
31 December 2015	3,258,633,430	288.3

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Notes to the Company Financial Statements continued

8. Share capital continued

During the year, options were exercised over 16,064,888 ordinary shares (2014: 24,463,017) all of which were met from our holding of shares in our ESOTs at varying prices from nil pence to 90.0 pence per share. Under the Group's executive share option plans, employees held options at 31 December 2015 to purchase up to 153,600 shares, subject to achievement of performance tests (2014: 455,865) at a price of 39.34 pence per share nominally exercisable up to 7 August 2022. Under the Group's performance share plan, employees held conditional awards at 31 December 2015 in respect of up to 17,119,676 shares, subject to achievement of performance tests (2014: 16,706,261) at nil pence per share nominally exercisable up to 3 September 2018.

Under the Group's savings-related share option schemes, employees held options at 31 December 2015 to purchase 22,590,040 shares (2014: 27,313,874) at prices between 22.88 pence and 159.12 pence per share exercisable up to 31 May 2021. Under the Group's share purchase plan, employees held conditional awards at 31 December 2015 in respect of 5,830,072 shares (2014: 6,356,595) at nil pence per share.

Under a financing agreement signed in April 2009, the Company agreed to issue 57.9 million warrants giving the holders the right to subscribe to an equivalent number of ordinary shares in Taylor Wimpey plc. The warrants were priced at 17.4473p per share. In May 2014 these warrants expired meaning the remaining unexercised warrants (1.1 million) lapsed.

9. Share premium account

£ million	2015	2014
At 1 January	762.9	760.2
Share warrants exercised	–	2.7
At 31 December	762.9	762.9

10. Own shares

£ million	2015	2014
Own shares	3.2	10.8

These comprise ordinary shares of the Company:	Number	Number
Shares held in trust for bonus, options and performance award plans	4.3m	14.3m

The market value of the shares at 31 December 2015 was £8.7 million (2014: £19.7 million) and their nominal value was £0.04 million (2014: £0.14 million).

Dividends on these shares have been waived except for 0.01p per share in respect of the shares held in trust.

Employee Share Ownership Trusts (ESOTs) are used to hold the Company's shares which have been acquired on the market. These shares are used to meet the valid exercise of options and/or vesting of conditional awards and/or award of shares under the Executive Incentive Scheme Bonus Deferral Plan, Performance Share Plan, Executive Share Option Scheme, Savings-Related Share Option Scheme and the matching award of shares under the Share Purchase Plan.

During the year, Taylor Wimpey plc purchased £2.0 million of its own shares which are held in the ESOTs (2014: £10.0 million).

The ESOTs' entire holding of shares at 31 December 2015, aggregating 4.3 million shares (2014: 14.3 million), was covered by outstanding options and conditional awards over shares at that date.

11. Other reserves

£ million	2015	(Restated) 2014
At 31 December	36.0	34.5

Other reserves includes £31.5 million (2014: £31.5 million) in respect of the historical redemption of Parent Company shares which is non distributable and £4.5 million in respect of fair value gains on forward exchange contracts (2014: £3.0 million).

12. Retained earnings

Retained earnings of £2,511.3 million (restated 2014: £2,382.6 million) includes profit for the year, dividends received from subsidiaries of £350.0 million (2014: £250.0 million) and reversal of previous impairments of £nil (2014: £810.4 million). Included in retained earnings is £563.1 million (2014: £499.6 million) which is not distributable.

13. Share-based payments

Details of share awards granted by the Company to employees of subsidiaries, and that remain outstanding at the year-end over the Company's shares, are set out in Note 29 to the Group financial statements. The Company did not recognise any expense related to equity-settled share-based payment transactions in the current or preceding year.

14. Contingent liabilities

The Company has, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts.

Provision is made for the Directors' best estimate of known legal claims and legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, the action is unlikely to succeed or a sufficiently reliable estimate of the potential obligation cannot be made.

The Company issued a guarantee in respect of the TWPS, which had a deficit under IAS 19 of £177.1 million at 31 December 2015. The guarantee commits the Company to ensure that the participating subsidiaries make deficit repair contributions in accordance with a schedule agreed with the Trustees during the year of £16.0 million per annum.

15. Dividend

£ million	2015	2014
Proposed		
Interim dividend 2015 0.49p (2014: 0.24p) per ordinary share of 1p each	15.9	7.8
Final dividend 2015 1.18p (2014: 1.32p) per ordinary share of 1p each	38.6	42.9
	54.5	50.7
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2014 1.32p (2013: 0.47p) per ordinary share of 1p each	42.9	15.2
Interim dividend 2015 0.49p (2014: 0.24p) per ordinary share of 1p each	15.9	7.8
Special dividend 2015 7.68p (2014: 1.54p) per ordinary share of 1p each	249.6	49.7
	308.4	72.7

The Directors recommend a final dividend for the year ended 31 December 2015 of 1.18 pence per share (2014: 1.32 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of £38.6 million (2014: £42.9 million). The final dividend will be paid on 20 May 2016 to all shareholders registered at the close of business on 8 April 2016.

The Directors additionally recommend a special dividend of c.£300.0 million (2014: c.£250.0 million) subject to shareholder approval at the Annual General Meeting. The special dividend will be paid on 15 July 2016 to all shareholders registered at the close of business on 3 June 2016.

In accordance with IAS 10 'Events after the balance sheet date', the proposed final or special dividends have not been accrued as a liability as at 31 December 2015.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Particulars of Subsidiaries, Associates and Joint Ventures

Country of incorporation and principal operations	Taylor Wimpey plc interest is 100% in the issued ordinary share capital of these undertakings included in the consolidated accounts	Activity	Registered office
United Kingdom	Taylor Wimpey Holdings Limited	Holding company	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
United Kingdom	George Wimpey Limited	Holding company	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
United Kingdom	Taylor Wimpey UK Limited[(a)]	United Kingdom housebuilder	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
United Kingdom	Taylor Wimpey Developments Limited[(a)]	Holding company	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
Spain	Taylor Wimpey de España S.A.U.[(a)(b)]	Spanish housebuilder	Aragon, 223 223A, 07008, Palma de Mallorca, Baleares, Spain

(a) Interests held by subsidiary undertakings.

(b) 9% cumulative, redeemable preference shares are additionally held.

The entries listed below are companies incorporated in the United Kingdom and registered in England & Wales and the registered office is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR unless otherwise stated. All of the below are 100% subsidiaries of Group companies and only have ordinary share capital unless otherwise stated.

Admiral Developments Limited
Admiral Homes (Eastern) Limited
Admiral Homes Limited
Ashfield Investments Limited
Ashton Park Limited
Banorgrove Limited
BGS (Pentian Green) Holdings Limited
Bracken Homes Limited
Bryad Developments Limited
Bryant Country Homes Limited
Bryant Group Services Limited
Bryant Homes Central Limited
Bryant Homes East Midlands Limited
Bryant Homes Limited
Bryant Homes North East Limited
Bryant Homes Northern Limited
Bryant Homes South West Limited
Bryant Homes Southern Limited
Bryant Properties Developments Limited
Bryant Properties Limited
Canberra (Southern) Limited
Canberra Investment Co. Limited
Candlemakers (TW) Limited
Clipper Investments Limited
Compine Developments (Wootton) Limited
Corney Reach Limited
Cross Point Land Limited
Dormant Nominees One Limited
Dormant Nominees Two Limited
Egerton Construction Co. Limited
Egerton Contracts Limited
Ettingshall Developments Limited
Farrods Water Engineers Limited
Flyover House Limited
Foray Properties Limited
George Wimpey Bristol Limited
George Wimpey City 2 Limited
George Wimpey City Limited
George Wimpey East Anglia Limited
George Wimpey East London Limited
George Wimpey East Midlands Limited
George Wimpey Manchester Limited
George Wimpey Midland Limited
George Wimpey North East Limited
George Wimpey North London Limited
George Wimpey North Midlands Limited
George Wimpey North West Limited
George Wimpey North Yorkshire Limited
George Wimpey Pension Trustees Limited
George Wimpey South East Limited
George Wimpey South Midlands Limited
George Wimpey South West Limited
George Wimpey South Yorkshire Limited
George Wimpey Southern Counties Limited
George Wimpey West London Limited
George Wimpey West Midlands Limited
George Wimpey West Yorkshire Limited
Globe Road Limited
Gotheridge & Sanders Limited
Grand Union Vision Limited
Groveside Homes Limited
Hamme Construction Limited
Hanger Lane Holdings Limited
Harrock Limited
Hassall Homes (Cheshire) Limited
Hassall Homes (Mercia) Limited
Hassall Homes (Southern) Limited
Hassall Homes (Wessex) Limited
IVA (Midlands) Limited
Jim 1 Limited
Jim 2 Limited
Jim 3 Limited
Jim 4 Limited
Jim 5 Limited
L. & A. Freeman Limited
Laing Homes Limited
Laing Land Limited
Land Trust Developments Limited
Leawood (Management) Company Limited
MCA Developments Limited
MCA East Limited
MCA Holdings Limited
MCA Land Limited
MCA Leicester Limited
MCA London Limited
MCA North East Limited
MCA Northumbria Limited
MCA Partnership Housing Limited
MCA South West Limited
MCA Thames Valley Limited
MCA West Limited
MCA West Midlands Limited
MCA Yorkshire Limited
McLean Homes Bristol & West Limited
McLean Homes Holdings Limited
McLean Homes Limited
McLean Homes Southern Limited
Melbourne Investments Limited
Pangbourne Developments Limited
Pennant Investments Limited
Prestoplan Limited
River Farm Developments Limited
Showpine Limited
South Bristol (Ashton Park) Limited
Spinks & Denning Limited
St Anne's Village Limited
St. Katharine By The Tower Limited
St. Katharine Haven Limited
Tawnywood Developments Limited
Taylor Insurance Brokers Limited
Taylor Wimpey 2007 Limited
Taylor Wimpey Capital Developments Limited
Taylor Wimpey Commercial Properties Limited
Taylor Wimpey Europe
Taylor Wimpey Garage Nominees No 1 Limited
Taylor Wimpey Garage Nominees No 2 Limited
Taylor Wimpey International Limited
Taylor Wimpey IP (Holdings) 2005 Limited
Taylor Wimpey Property Company Limited
Taylor Wimpey Property Management Limited
Taylor Wimpey SH Capital Limited
Thameswey Homes Limited
The Garden Village Partnership Limited
The Lifebuilding Company Limited
The Wilson Connolly Employee Benefit Trust Limited
This is G2 Limited
Thomas Lowe and Sons, Limited
Thomas Lowe Homes Limited
TW NCA Limited
Wain Estates Limited
Wainhomes (Chester) Limited
Wainhomes (Northern) Limited
Wainhomes (Southern) Limited
Wainhomes (Yorkshire) Limited
Wainhomes Group Limited
Wainhomes Holdings Limited
Wainhomes Limited
Whelmar (Chester) Limited
Whelmar (Lancashire) Limited
Whelmar (North Wales) Limited
Whelmar Developments Limited
White House Land Limited
Wilcon Construction Limited
Wilcon Homes Anglia Limited
Wilcon Homes Eastern Limited
Wilcon Homes Midlands Limited
Wilcon Homes Northern Limited
Wilcon Homes Southern Limited
Wilcon Homes Western Limited
Wilcon Lifestyle Homes Limited
Wilfred Homes Limited
Wilson Connolly Holdings Limited
Wilson Connolly Investments Limited
Wilson Connolly Limited
Wilson Connolly Logistics Limited
Wilson Connolly Properties Limited
Wilson Connolly Quest Limited
Wimgrove Developments Limited
Wimgrove Property Trading Limited
Wimpey Construction Developments Limited
Wimpey Construction Iran Limited
Wimpey Corporate Services Limited
Wimpey Dormant Investments Limited
Wimpey Finance Plc
Wimpey Geotech Limited
Wimpey Group Services Limited
Wimpey Gulf Holdings Limited
Wimpey Overseas Holdings Limited
Woranes Investments Limited

Particulars of Subsidiaries, Associates and Joint Ventures continued

Company Name	% Owned	Registered Office
Academy Central LLP	62%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Bishops Park Limited	50%	The Manor House, North Ash Road, New Ash Green, Longfield, Kent, DA3 8HQ, United Kingdom
Bishop's Stortford North Consortium Limited	33.33%	The Manor House, North Ash Road, New Ash Green, Longfield, Kent, DA3 8HQ, United Kingdom
Bromley Park (Holdings) Limited	50%	Kent House, 14-17 Market Place, London, W1W 8AJ, United Kingdom
Bromley Park Limited	50%	Kent House, 14-17 Market Place, London, W1W 8AJ, United Kingdom
Bryant Homes Scotland Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Canberra Developments (Southern) Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Capital Court Property Management Limited	17.17%	4 Capital Court, Bittern Road, Sowton Industrial Estate, Exeter, Devon, EX2 7FW, United Kingdom
Chobham Manor LLP	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Compine Developments (Mundford) Limited	50%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Compine Developments Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Countryside 27 Limited	50%	Countryside House, The Drive Great Warley, Brentwood, Essex, CM13 3AT, United Kingdom
DFE TW Residential Limited	50%	7 Whiteladies Road, Clifton, Bristol, BS8 1NN, United Kingdom
Emersons Green Urban Village Limited	54.44%	135 Aztec West, Almondsbury, Bristol, Avon, BS32 4UB, United Kingdom
Falcon Wharf Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Gallagher Bathgate Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
George Wimpey East Scotland Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
George Wimpey West Scotland Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
GN Tower Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Greenwich Millennium Village Limited	50%	Countryside House, The Drive Great Warley, Brentwood, Essex, CM13 3AT, United Kingdom
Grove Consultants Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
GW City Ventures Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
GWNW City Developments Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Haydon Development Company Limited	19.27%	6 Drakes Meadow, Penny Lane, Swindon, Wiltshire, SN3 3LL, United Kingdom
Laing Retirement Homes Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Laing Wimpey Alireza Limited	33.33%	PO Box 2059, Jeddah, CR9483, Saudi Arabia
London and Clydeside Estates Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
London and Clydeside Holdings Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Los Arqueros Gulf and Country Club S.A.	74.67%	Carretera de Ronda A-397; Km. 44,5, Benahavis, Málaga, Spain
Lynmouth Management Company Limited	20%	2 Hills Road, Cambridge, Cambridgeshire, CB2 1JP, United Kingdom
MacKenzie Developments (Linlithgow) Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
MCA (Alsager) Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
McHawk Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Morrison Land Development Inc	100%	9366, 49St NW, Edmonton, AB T6B 2L7, Canada
North Swindon Development Company Limited	16.79%	6 Drakes Meadow, Penny Lane, Swindon, Wiltshire, SN3 3LL, United Kingdom
Notepath Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Padyear Limited	50%	Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ, United Kingdom
Paycause Limited	66.67%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Phoenix Birmingham Latitude Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Quedgeley Urban Village Limited	50%	135 Aztec West, Almondsbury, Bristol, Avon, BS32 4UB, United Kingdom
Robert Hobbs Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Rockhold Land Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Shire Business Park Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Springfield Environmental Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom

Company Name	% Owned	Registered Office
Springfield Ventures Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
St George Little Britain (No.1) Limited	50%	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG, United Kingdom
St George Little Britain (No.2) Limited	50%	Berkeley House, 19 Portsmouth Road, Cobham, Surrey, KT11 1JG, United Kingdom
Strada Developments Limited	50%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Taylor Wimpey (General Partner) Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Taylor Wimpey (Initial LP) Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Taylor Wimpey Pension Trustees Limited	99%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Taylor Wimpey Scottish Limited Partnership	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Taylor Woodrow (Gibraltar) Holdings 2004 Limited	100%	10 / 8 International Commercial Centre, Casemates Square, Gibraltar, United Kingdom
Taylor Woodrow (Gibraltar) Limited	100%	17 Bayside Road, Gibraltar, United Kingdom
The Trafalgar Company Limited	100%	3rd Floor, One the Esplanade, St. Helier, Jersey, JE2 3QA, Channel Islands
Triumphdeal Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
TW Cavendish Holdings Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
UX Central Freehold Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Vantage West Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Vigobridge Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Vumpine Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Wainhomes (Central) Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Wainhomes (Lancashire) Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Waxlow Properties Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Weaver Developments (Woodfield Plantation) Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Whatco England Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Whitehill & Bordon Regeneration Company Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Wilcon Homes North West Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Wilcon Homes Scotland Limited	100%	Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ, United Kingdom
Wimpey Aggregates Limited	100%	BDO LLP, 125 Colmore Row, Birmingham, B3 3SD, United Kingdom
Wimpey Engineering Limited	100%	Two Snowhill, Birmingham, B4 6GA, United Kingdom
Wimpey Laing Iran Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Wimpey Laing Limited	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR, United Kingdom
Wimpey Saudi Company Limited	75%	PO Box 90, Alkhobar, 31952, Saudi Arabia

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Five Year Review

£ million	2015	2014	2013	2012[c]	2011
Revenue – continuing operations	**3,139.8**	2,686.1	2,295.5	2,019.0	1,808.0
Profit on ordinary activities before exceptional items, finance costs and tax	**632.1**	478.1	309.7	223.7	158.3
Share of results of joint ventures	**4.9**	2.6	3.2	2.4	1.2
Exceptional items	**(0.6)**	18.7	45.6	–	(5.8)
Net finance costs, including exceptional finance costs	**(33.2)**	(30.6)	(52.3)	(21.9)	(75.1)
Profit for the financial year before taxation	**603.2**	468.8	306.2	204.2	78.6
Taxation (charge)/credit	**(113.4)**	(94.4)	(66.4)	24.4	(22.7)
Profit for the year from discontinued operations	**–**	–	31.3	–	43.1
Profit for the financial year	**489.8**	374.4	271.1	228.6	99.0
Profit for the financial year before taxation and exceptional items	**603.8**	450.1	268.4	181.8	89.9
Balance sheet					
Intangible assets	**2.7**	2.5	4.2	5.2	5.1
Property, plant and equipment	**20.0**	16.8	8.3	7.1	5.0
Interests in joint ventures	**27.1**	38.6	34.7	31.5	31.9
Non-current trade and other receivables	**95.4**	111.1	110.8	102.0	70.3
Non-current assets (excluding tax)	**145.2**	169.0	158.0	145.8	112.3
Inventories	**3,891.2**	3,490.1	2,928.8	2,788.8	2,686.6
Other current assets (excluding tax and cash)	**114.0**	102.6	118.5	96.0	72.5
Trade and other payables	**(1,093.4)**	(910.0)	(793.9)	(772.6)	(697.8)
Provisions	**(31.1)**	(40.4)	(28.3)	(84.4)	(76.6)
Net-current assets (excluding tax and cash)	**2,880.7**	2,642.3	2,225.1	2,027.8	1,984.7
Trade and other payables	**(402.0)**	(361.5)	(193.7)	(190.8)	(199.7)
Retirement benefit obligations	**(178.4)**	(183.8)	(183.8)	(244.2)	(210.2)
Provisions	**(2.9)**	(1.0)	(6.0)	(10.7)	(18.5)
Non-current liabilities (excluding debt)	**(583.3)**	(546.3)	(383.5)	(445.7)	(428.4)
Net cash/(debt)	**223.3**	112.8	5.4	(59.0)	(116.9)
Tax balances	**57.4**	157.5	246.8	320.6	283.3
Net assets	**2,723.3**	2,535.3	2,251.8	1,989.5	1,835.0
Capital employed	**2,497.3**	2,420.0	2,242.2	2,043.3	1,946.8
Add back intangibles	**2.7**	2.5	4.2	5.2	5.1
Less tax balances	**(57.4)**	(157.5)	(246.8)	(320.6)	(283.3)
Net operating assets	**2,442.6**	2,265.0	1,999.6	1,727.9	1,668.6
Statistics					
Adjusted basic earnings per share – continuing Group	**14.9p**	11.2p	6.7p	4.6p	2.1p
Tangible net assets per share	**83.5p**	77.9p	69.6p	61.5p	57.3p
Number of shares in issue at year end (millions)	**3,258.6**	3,253.5	3,237.0	3,228.3	3,201.4
Return on capital employed[a]	**25.9%**	20.6%	14.6%	11.3%	8.3%
Operating margin	**20.3%**	17.9%	13.6%	11.2%	8.8%
Return on net operating assets	**27.1%**	22.5%	16.8%	13.3%	9.8%
Growth in net assets	**7.4%**	12.6%	13.2%	8.4%	0.7%
UK short term landbank (plots)[b]	**75,710**	75,136	70,628	65,409	65,264
UK ASP £000	**230**	213	191	181	171
UK Completions (homes)	**13,341**	12,454	11,696	10,886	10,180

(a) Return on capital employed is calculated as profit on ordinary activities before amortisation of brands, exceptional items, finance costs and tax but including share of results of joint ventures, divided by the average of opening and closing capital employed.

(b) The total number of plots that we either own or control, with some form of planning consent (including joint ventures from 2013).

(c) The results for 2012 have been restated to reflect the adoption of IAS 19 'Employee benefits' (amended 2011).

Shareholder Information
Notice of Annual General Meeting

This notice of meeting is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, bank manager, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Taylor Wimpey plc (the 'Company'), please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or transferred part only of your holding of shares in the Company, please consult the person who arranged the sale or transfer.

Notice is hereby given of the eighty first Annual General Meeting of the Company to be held on 28 April 2016 at 11:00 am at The British Medical Association, BMA House, Tavistock Square, London, WC1H 9JP for the following purposes:

Ordinary Business

Ordinary Resolutions:

1. To receive the Directors' Report, Directors' Remuneration Report, Strategic Report, the Auditor's Report and the Financial Statements for the year ended 31 December 2015.
2. To declare due and payable on 20 May 2016 a final dividend of 1.18 pence per ordinary share of the Company for the year ended 31 December 2015 to shareholders on the register at close of business on 8 April 2016.
3. To declare due and payable on 15 July 2016 a special dividend of 9.20 pence per ordinary share of the Company to shareholders on the register at close of business on 3 June 2016.
4. To re-elect as a Director, Kevin Beeston.
5. To re-elect as a Director, Pete Redfern.
6. To re-elect as a Director, Ryan Mangold.
7. To re-elect as a Director, James Jordan.
8. To re-elect as a Director, Kate Barker DBE.
9. To re-elect as a Director, Baroness Ford of Cunninghame.
10. To re-elect as a Director, Mike Hussey.
11. To re-elect as a Director, Robert Rowley.
12. To elect as a Director, Humphrey Singer.
13. To re-appoint Deloitte LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
14. Subject to the passing of resolution 13, to authorise the Audit Committee to determine the remuneration of the auditor on behalf of the Board.
15. That the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:

    (A) up to a nominal amount of £10,881,077 (such amount to be reduced by any allotments or grants made under paragraph (B) below, in excess of £10,881,077); and

    (B) comprising equity securities (as defined in the Companies Act 2006) up to a nominal amount of £21,762,155 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:

    (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

    (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

    and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of the Annual General Meeting of the Company in 2017 (or, if earlier, until the close of business on 27 July 2017) but, in each case, so that the Company may make offers and enter into agreements during this period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends; and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Special Resolutions:

16. That, if resolution 15 is passed, the Board be given the power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, free of the restriction in Section 561 of the Companies Act 2006, such power to be limited:

    (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of or invitation to apply for equity securities (but in the case of the authority granted under paragraph (B) of resolution 15, by way of a rights issue only):

    (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

    (ii) to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

    and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

    (B) in the case of the authority granted under paragraph (A) of resolution 15 and/or in the case of any sale of treasury shares for cash, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph (A) above) up to a nominal amount of £1,632,161, such power to apply until the conclusion of the Annual General Meeting of the Company in 2017 (or, if earlier, until the close of business on 27 July 2017), but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends; and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

Shareholder Information
Notice of Annual General Meeting continued

17. That the Company be authorised for the purposes of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of the ordinary shares of 1 pence each of the Company (ordinary shares), provided that:

    (A) the maximum number of ordinary shares hereby authorised to be purchased shall be 326,432,300;

    (B) the minimum price (exclusive of expenses) which may be paid for ordinary shares is 1 pence per ordinary share;

    (C) the maximum price (exclusive of expenses) which may be paid for an ordinary share is the highest of:

    (i) an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which such ordinary share is purchased; and

    (ii) the higher of the price of the last independent trade and the highest independent bid on the trading venues where the purchase is carried out;

    (D) the authority hereby conferred shall expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2017 and 27 October 2017 unless such authority is renewed prior to such time; and

    (E) the Company may make contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may purchase ordinary shares in pursuance of any such contracts, as if the authority conferred by this resolution had not expired.

Special Business
Ordinary Resolutions:

18. To approve the Directors' Remuneration Report on pages 68 to 85 for the financial year ended 31 December 2015.

19. That in accordance with Sections 366 and 367 of the Companies Act 2006, the Company and all companies which are its subsidiaries when this resolution is passed are authorised to:

    (A) make political donations to political parties and/or independent election candidates not exceeding £250,000 in aggregate;

    (B) make political donations to political organisations other than political parties not exceeding £250,000 in aggregate; and

    (C) incur political expenditure not exceeding £250,000 in aggregate, during the period beginning with the date of passing this resolution and the conclusion of the Annual General Meeting of the Company in 2017. For the purposes of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisation' and 'political expenditure' have the meanings given by Sections 363 to 365 of the Companies Act 2006.

20. That the sale of a first floor, two bedroom apartment no. 3-1-2 at the Costa Beach development in Port Vell, Son Servera, Mallorca, by Taylor Wimpey de España S.A.U., for the sum of €278,000, to Mr Pete Redfern, a Director of the Company, be hereby approved.

21. That the sale of a top floor, two bedroom apartment no. 2-2-6 at the Costa Beach development in Port Vell, Son Servera, Mallorca, by Taylor Wimpey de España S.A.U., for the sum of €356,250, to Mr Pete Redfern, a Director of the Company, be hereby approved.

22. That the sale of Plot 90 at the Radius development, Osiers Road, Wandsworth, London, SW18, by Taylor Wimpey UK Limited, for the sum of £648,964, to Mr Ryan Mangold, a Director of the Company, be hereby approved.

Special Resolution:

23. That a general meeting other than an Annual General Meeting of the Company may continue to be called on not less than 14 clear days' notice.

Explanatory notes relating to each of the above resolutions are set out on pages 150 to 155.

Action to be taken

If you wish to attend and vote at the Annual General Meeting in person, please bring with you the attendance card accompanying this document. It will help to authenticate your right to attend, speak and vote, and will help us to register your attendance without delay. Registration will be available from 9:30 am on the day of the meeting. For the safety and comfort of those attending the meeting, large bags, cameras, recording equipment and similar items will not be allowed into the building and in the interests of security, by attending the meeting, upon request, you hereby agree to be searched together with any bags and other possessions. The meeting will commence at 11:00 am and light refreshments will be available from 9:30 am and also after the conclusion of the meeting. There is wheelchair access to the venue for shareholders who require it or those with reduced mobility. However, where required, attendees are strongly advised to bring their own carers to assist with their general mobility around the venue. An induction loop system operates in the meeting room. Directions to the venue can be found on the reverse of your attendance card.

If you would like to vote on the resolutions but cannot come to the Annual General Meeting, please complete the proxy form sent to you with this notice and return it to our registrar as soon as possible. In order for it to count, the registrar must receive it by no later than 11:00 am on 26 April 2016. If you prefer, you can submit your proxy electronically either via the internet at www.capitashareportal.com or, if you are a CREST member, through the CREST system by completing and transmitting a CREST proxy instruction as described in the procedural notes below.

Recommendation

Your Directors are of the opinion that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole and recommend you to vote in favour of them. Each Director will be doing so in respect of all of his or her own beneficial shareholding.

Inspection of documents

The following documents will be available for inspection at the Company's registered office, Gate House, Turnpike Road, High Wycombe, Buckinghamshire HP12 3NR, during normal business hours from the date of this notice of meeting until the date of the Annual General Meeting and at The British Medical Association, BMA House, Tavistock Square, London, WC1H 9JP from 15 minutes before the Annual General Meeting until it ends:

- copies of the Executive Directors' service contracts;
- copies of the letters of appointment of the Chairman and the Independent Non Executive Directors; and
- a copy of the full Annual Report and Financial Statements of the Company for the year ended 31 December 2015, including the Directors' Remuneration Report referred to in resolution 18, is also available on our website www.taylorwimpey.co.uk/corporate

By Order of the Board

James Jordan

James Jordan
Group Legal Director and Company Secretary

Taylor Wimpey plc
Registered Office:
Gate House
Turnpike Road
High Wycombe
Buckinghamshire HP12 3NR

(Registered in England and Wales under number 296805)

10 March 2016

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Shareholder Information
Notes to the Notice of Meeting

Procedural notes

1. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes which shareholders may cast), shareholders must be registered in the Register of Members of the Company at 6:00 pm on 26 April 2016 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting). Shareholders then on the Register of Members shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the relevant Register of Members after that deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.
2. As at 8 March 2016 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 3,264,323,375 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 8 March 2016 were 3,264,323,375.
3. If you are a shareholder of the Company at the time and date set out in Note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend and to speak and vote on your behalf at the meeting. Shareholders may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company but must attend the Annual General Meeting to represent you. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Asset Services as soon as possible on +44 (0)371 664 0300 (calls cost 12p per minute plus your phone company's access charge; from overseas +44 (0)20 8639 3399 (calls outside the United Kingdom will be charged at the applicable international rate). Capita Asset Services is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holdings (the first-named being the most senior).
4. To be valid, any proxy form or other instrument appointing a proxy must be received by Capita Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, or, if you want to use an envelope the address to use is simply FREEPOST CAPITA PXS, or, if you prefer, electronically via the internet at www.capitashareportal.com or, if you are a member of CREST, via the service provided by Euroclear UK and Ireland Limited at the electronic address provided in Note 9, in each case no later than 11:00 am on 26 April 2016. Please note that all forms of proxy received after this time will be void. A form of proxy sent electronically at any time that is found to contain any virus will not be accepted.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as further described in Notes 8 and 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Such persons should direct any communications and enquiries to the registered holder of the shares by whom they were nominated and not to the Company or its registrar.
7. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 3 and 4 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, it must be properly authenticated in accordance with Euroclear UK and Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 11:00 am on 26 April 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK and Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. Under Section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

    (i) the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or

    (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
14. Any member attending the meeting has the right to ask questions and participate in the meeting. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
15. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found at www.taylorwimpey.co.uk/corporate
16. Voting on all resolutions at this year's Annual General Meeting will be conducted by way of a poll, rather than on a show of hands. The Board believes that a poll is more representative of shareholders' voting intentions because it gives as many shareholders as possible the opportunity to have their votes counted (whether their votes are tendered by proxy in advance of, or in person at, the Annual General Meeting). The results of the poll will be announced via a Regulatory Information Service and made available at www.taylorwimpey.co.uk/corporate as soon as practicable after the Annual General Meeting.

Explanatory notes to the resolutions

Ordinary Business

Ordinary Resolutions

Ordinary resolutions require more than half of the votes cast to be in favour.

Resolution 1: To receive the annual report and financial statements

English company law requires the Directors to lay the Financial Statements of the Company for the year ended 31 December 2015 and the reports of the Directors, namely the Strategic Report, Directors' Report and the Directors' Remuneration Report, and the Auditor's Report; before a general meeting of the Company (the Annual Report).

Resolution 2: To declare a final dividend

The Directors recommend the payment of a final dividend of 1.18 pence per share in respect of the year ended 31 December 2015. If approved at the Annual General Meeting, the dividend will be paid on 20 May 2016 to shareholders who are on the Register of Members at the close of business on 8 April 2016.

Resolution 3: To declare a special dividend

The Company has announced its intention to return cash to its shareholders, through the payment of annual special dividends, always subject to market and performance fluctuations. Due to the size of these dividends, the Company believes it is appropriate to seek prior shareholder approval for its payment, as it did at last year's AGM.

Further details on the rationale for paying special dividends and the link to the Company's current strategy, can be found on page 12.

The aggregate cost of the special dividend for 2016 will be around £300 million and will be met from profits and surplus cash generated during 2016. If approved, it will be paid on 15 July 2016 to shareholders on the register at the close of business on 3 June 2016.

Dividend Re-Investment Plan

Subject to shareholders approving either or both of the dividends as set out in Resolutions 2 and 3 at the Annual General Meeting scheduled for 28 April 2016, the Company will be offering a Dividend Re-Investment Plan (DRIP) on each one. The DRIP is provided and administered by the DRIP plan administrator, Capita IRG Trustees Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). The DRIP offers shareholders the opportunity to elect to invest cash dividends received on their ordinary shares, in purchasing further ordinary shares of the Company. These shares would be bought in the market, on competitive dealing terms.

The DRIP will operate automatically in respect of the Final Dividend for 2015 (unless varied beforehand by shareholders) and all future dividends, including special dividends, until such time as you withdraw from the DRIP or the DRIP is suspended or terminated in accordance with the Terms and Conditions.

Shareholders are again reminded to check the position with regard to any dividend mandates that are in place, should you either wish to participate in the DRIP or discontinue or vary any participation, as existing mandates will apply to all dividend payments (including special dividends) unless or until revoked.

Shareholder Information
Notes to the Notice of Meeting continued

CREST

For shares held in uncertificated form (CREST), please note that elections continue to apply only to one dividend and a fresh election must be made, via CREST, for each dividend.

Full details of the terms and conditions of the DRIP and the actions required to make or revoke an election, both in respect of maintenance dividends (i.e. in this case, the 2015 final dividend) and any special dividends, are available at www.capitashareportal.com or on request from the Registrar, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, email: shares@capita.co.uk or call +44 (0)371 664 0381. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registar is open between 9:00 am and 5:30 pm, Monday to Friday excluding public holidays in England and Wales.

Resolutions 4 to 12: Election of Directors

In accordance with the UK Corporate Governance Code (the 'Code') which states that all directors of FTSE 350 companies should be subject to annual election by shareholders, the Board has resolved that all Directors of the Company will retire and, being eligible, offer themselves for re-election or election, as appropriate, by shareholders at the Annual General Meeting.

Details of the Directors' service contracts, remuneration and interests in the Company's shares and other securities are given in the Directors' Remuneration Report to shareholders on pages 68 to 85 of the Report and Accounts. Full biographical information concerning each Director can be found on pages 44 and 45 of the Report and Accounts.

The following summary information is given in support of the Board's proposal for the re-election of the Directors of the Company:

Kevin Beeston – offers himself for re-election.

Kevin has been Chairman of the Board since July 2010. The Board is satisfied that he continues to carry out his duties to a very high standard including at meetings of the Board and of the Nomination Committee (which he Chairs) and the Remuneration Committee, and that his other commitments do not detract from the extent or quality of time which he is able to devote to the Company. His biography appears on page 44 and there is additional information on page 52.

Pete Redfern – offers himself for re-election.

Pete has been Chief Executive since July 2007 and was previously Group Chief Executive of George Wimpey Plc. His biography appears on page 44 and there is additional information on page 53.

Ryan Mangold – offers himself for re-election.

Ryan has been Group Finance Director since November 2010. His biography appears on page 44 and there is additional information on page 53.

James Jordan – offers himself for re-election.

James has been Group Legal Director since July 2011 and is also the Group Company Secretary, a position he has held since 2007. His biography appears on page 44 and there is additional information on page 53.

Kate Barker DBE – offers herself for re-election.

Kate has been an Independent Non Executive Director since April 2011. The Board is satisfied that she continues to be independent in character and judgement in applying her expertise at meetings of the Board and of the Audit, Nomination and Remuneration Committees, and that her other commitments do not detract from the extent or quality of time which she is able to devote to the Company. Her biography appears on page 45 and there is additional information on page 53.

Baroness Ford of Cunninghame – offers herself for re-election.

Margaret has been an Independent Non Executive Director since April 2013. The Board is satisfied that she continues to be independent in character and judgement in applying her expertise at meetings of the Board and of the Remuneration Committee (which she Chairs) and Nomination Committee. The Board has also reviewed her other commitments in the light of her Chairmanship of Grainger plc and has determined that they do not detract from the extent or quality of time which she is able to devote to the Company. Her biography appears on page 45 and there is additional information on page 53.

Mike Hussey – offers himself for re-election.

Mike has been an Independent Non Executive Director since July 2011. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board and of the Audit and Nomination Committees, and that his other commitments do not detract from the extent or quality of time which he is able to devote to the Company. His biography appears on page 45 and there is additional information on page 53.

Robert Rowley – offers himself for re-election.

Rob has been an Independent Non Executive Director since January 2010 and the Senior Independent Director since April 2010. The Board is satisfied that he continues to be independent in character and judgement in applying his expertise at meetings of the Board and of the Audit Committee (which he Chairs) and the Nomination and Remuneration Committees, and that his other commitments do not detract from the extent or quality of time which he is able to devote to the Company. His biography appears on page 45 and there is additional information on page 53.

Humphrey Singer – offers himself for election.

Humphrey has been an Independent Non Executive Director since 9 December 2015, having been appointed by the Board since the last AGM. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board and of the Audit and Nomination Committees, and that his other commitments do not detract from the extent or quality of time which he is able to devote to the Company. His biography appears on page 45 and there is additional information on page 53.

The Board confirms that each of the above Directors has recently been subject to formal performance evaluation, details of which are set out in the Corporate Governance Report in the Report and Accounts on pages 46 to 57, and that each continues to demonstrate commitment and to be an effective member of the Board. In compliance with provision B.7.2 of the Code, the Chairman hereby confirms that, following the formal performance evaluation referred to above, the performance of each of the Non Executive Directors continues to be effective and that each continues to demonstrate commitment to the role.

Resolution 13: Re-appointment of Deloitte LLP (Deloitte) as auditor of the Company

The Company is required to appoint auditors at each general meeting at which accounts are laid before the shareholders. It is therefore proposed that the auditor is appointed from the conclusion of the 2016 Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before shareholders. Following an annual review of Deloitte's performance, details of which are set out on page 64, the Board recommends the re-appointment of Deloitte as the Company's auditor.

Resolution 14: Authorisation of the Audit Committee to agree on behalf of the Board the remuneration of Deloitte as auditor

The Board seeks shareholders' authority for the Audit Committee to determine on behalf of the Board the remuneration of Deloitte for their services. The Board has adopted a procedure governing the appointment of Deloitte to carry out non-audit services, details of which are given in the Audit Committee Report. Details of non-audit services performed by Deloitte in 2015 are given in Note 6 on page 110 of the Report and Accounts.

Resolution 15: Authority to allot shares

The Directors wish to renew the existing authority to allot unissued shares in the Company, which was granted at the Company's last Annual General Meeting held on 23 April 2015 and is due to expire at the conclusion of this Annual General Meeting. Accordingly, Paragraph (A) of resolution 15 would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £10,881,077 (representing 1,088,107,700 ordinary shares). This amount represents approximately one-third of the issued ordinary share capital of the Company as at 8 March 2016, the latest practicable date prior to publication of this notice of meeting.

In line with guidance issued by The Investment Association (formerly the Association of British Insurers) (TIA), paragraph (B) of resolution 15 would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £21,762,155 (representing 2,176,215,500 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of resolution 15. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 8 March 2016, the latest practicable date prior to publication of this notice of meeting.

The Company does not hold any shares in treasury.

The authorities sought under paragraphs (A) and (B) of resolution 15 will expire at the earlier of 27 July 2017 and the conclusion of the Annual General Meeting of the Company to be held in 2017.

The Directors have no present intention to exercise either of the authorities sought under this resolution. However, if they do exercise the authorities, the Directors intend to follow TIA recommendations concerning their use (including as regards the Directors standing for re-election in certain cases).

Special Resolutions

Special resolutions require at least a 75% majority of votes cast to be cast in favour.

Resolution 16: Authority to dis-apply pre-emption rights

The Board wishes to renew the existing authority from shareholders to allot shares or sell any shares held in treasury for cash otherwise than to existing shareholders pro rata to their holdings. Resolution 16, which will be proposed as a special resolution and therefore requires a 75% majority of votes to be cast in favour, would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be limited to (a) allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or (b) otherwise up to an aggregate nominal amount of £1,632,161 (representing 163,216,100 ordinary shares). This aggregate nominal amount represents approximately 10% of the issued ordinary share capital of the Company as at 8 March 2016, the latest practicable date prior to publication of this notice. The Board confirms that it will only allot shares representing more than 5% of the issued ordinary share capital of the Company (excluding treasury shares), for cash pursuant to the authority referred to in (b), where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles) which is announced contemporaneously with the allotment, or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment. In respect of the authority referred to in (b), the Directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders, except in connection with an acquisition or specified capital investment as referred to above.

The authority will expire at the earlier of 27 July 2017 and the conclusion of the Annual General Meeting of the Company held in 2017.

Resolution 17: Authority to make market purchases of shares

Any purchases under this authority would be made in one or more tranches and would be limited in aggregate to 10% of the ordinary shares of the Company in issue at the close of business on 8 March 2016.

The maximum price to be paid on any exercise of the authority would not exceed the highest of (i) 105% of the average of the middle market quotations for the Company's ordinary shares for the five business days immediately preceding the date of the purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out. Shares purchased pursuant to these authorities could be held as treasury shares, which the Company can re-issue quickly and cost-effectively, and provides the Company with additional flexibility in the management of its capital base. The total number of shares held as treasury shall not at any one time exceed 10% of the Company's issued share capital. Accordingly, any shares bought back over the 10% limit will be cancelled. The Company currently holds no shares in treasury.

This is a standard resolution, sought by the majority of public listed companies at Annual General Meetings. The Board's current intention of utilising this authority is generally limited to acquiring shares for the various share scheme arrangements. The Board would only consider a more formal share purchase programme if it would result in an increase in earnings per share and was in the best interests of shareholders generally, having regard to all relevant circumstances.

The total number of options and conditional share awards to subscribe for ordinary shares outstanding as at the close of business on 8 March 2016 was 38,600,693, representing approximately 1.2% of the issued ordinary share capital of the Company as at that date and approximately 1.3% of the Company's issued ordinary share capital following any exercise in full of this authority to make market purchases.

This authority will last until the earlier of 27 October 2017 and the conclusion of the Company's Annual General Meeting in 2017.

Strategic Report pages 2-41
Governance pages 42-91
Financial Statements pages 92-146
Shareholder Information pages 147-157

Shareholder Information
Notes to the Notice of Meeting continued

Special Business
Ordinary Resolutions
Resolution 18: Approval of the Directors' Remuneration Report for the year ended 31 December 2015

The Directors are required to prepare an annual report detailing the remuneration of the Directors and a statement by the Chairman of the Remuneration Committee (together the 'Directors' Remuneration Report'). The Company is required to seek shareholders' approval in respect of the contents of this report on an annual basis. The vote is an advisory one.

The Company's Remuneration Policy was approved by shareholders at the Company's 2014 AGM and remains unchanged. In such circumstances, the Policy need not be re-submitted to shareholders for three years (unless amendments are proposed to it) and accordingly, there is no equivalent resolution at this year's AGM.

The Directors' Remuneration Report is set out on pages 68 to 85 of the Annual Report and Accounts.

The Company's current Remuneration Policy is available on the Company's website at: www.taylorwimpey.co.uk/corporate/investor-relations/corporate-governance

Resolution 19: Authority to make political donations

In order to comply with its obligations under the Companies Act 2006 and to avoid any inadvertent infringement of that Act, the Board wishes to renew its existing authority for a general level of political donation and/or expenditure. Resolution 19 seeks to renew the existing authority for the Company to make political donations and incur political expenditure. The Companies Act 2006 requires this authority to be divided into three heads (as set out in Resolution 19) with a separate amount specified as permitted for each. An amount not exceeding £250,000 for each head of the authority has been proposed. In accordance with the Companies Act 2006, Resolution 19 extends approval to all of the Company's subsidiaries.

This authority will expire at the conclusion of the Annual General Meeting of the Company in 2017, unless renewal is sought at that meeting.

The Company and the Group do not make any donations to political parties or organisations and do not intend to going forward, but do support certain industry-wide bodies such as the Home Builders Federation in the UK. Whilst the Board does not regard this as political in nature, in certain circumstances such support together with donations made for charitable or similar purposes could possibly be treated as a donation to a political organisation under the relevant provisions of the Companies Act 2006. For example, a donation to a humanitarian charity which may also operate as a political lobby, sponsorship, subscriptions, paid leave to employees fulfilling public duties and payments to industry representative bodies could constitute a donation to a political organisation within the current definitions in the Companies Act 2006.

Details of the Company's and the Group's charitable donations appear on page 90 of the Report and Accounts.

Resolutions 20 to 22: Substantial property transactions

Pete Redfern, a Director of the Company, is proposing to purchase, subject to shareholder approval, two properties from Taylor Wimpey de España S.A.U., a wholly owned subsidiary of the Company, at its Costa Beach development in Port Vell, Son Servera, Mallorca.

Ryan Mangold, a Director of the Company, is proposing to purchase, subject to shareholder approval, a property from Taylor Wimpey UK Limited, a wholly owned subsidiary of the Company, at its Radius development in Osiers Road, Wandsworth, London, SW18.

As each transaction is in excess of £100,000, it constitutes a substantial property transaction with a Director of the Company under sections 190 and 191 of the Companies Act 2006 and therefore requires the approval of shareholders, which is being sought at this Annual General Meeting.

The first property proposed to be acquired by Pete Redfern is a first floor, two bedroom apartment (no. 3-1-2 on the Costa Beach development in Mallorca) for the sum of €278,000 representing full market value. A contract for the purchase will be entered into prior to the Annual General Meeting, which will be conditional on receiving approval for the transaction from the Company's shareholders at the Annual General Meeting. The purchase price will be paid in full by Pete Redfern prior to the Annual General Meeting and, in the event that shareholder approval is not forthcoming, these monies would then be repaid to him.

The calculation of the price paid by Pete Redfern (excluding VAT or any other taxes) is as follows:

Price paid by Pete Redfern including reservation fee of €6,000 paid on 8 March 2016 (and sum to be repaid in the event that shareholder approval is not forthcoming at the AGM):	€278,000

The price of €278,000 represents £215,504 at the exchange rate of £1 = €1.29 on 8 March 2016, being the latest practicable date prior to the completion of this Notice of Meeting.

The second property proposed to be acquired by Pete Redfern is a top floor, two bedroom apartment (no. 2-2-6 on the Costa Beach development in Mallorca) for the sum of €375,000 representing full market value, from which a standard employee discount of 5% is to be deducted. A contract for the purchase will be entered into following the Annual General Meeting, should shareholder approval be obtained at that meeting.

The calculation of the price payable by Pete Redfern (excluding VAT or any other taxes) is as follows:

Price upon reservation (8 March 2016):	€375,000
Standard employee discount (5%) available to all Taylor Wimpey employees:	€18,750
Price payable by Pete Redfern:	€356,250
Standard reservation fee paid on 8 March 2016:	€6,000
Balance to be paid by Pete Redfern (if shareholder approval is given):	€350,250

The price of €356,250 represents £276,163 at the exchange rate of £1 = €1.29 on 8 March 2016, being the latest practicable date prior to the completion of this Notice of Meeting.

The Costa Beach development comprises a residential scheme built by Taylor Wimpey de España S.A.U. All purchasers have the option of buying standard fitted extras on commercial terms comprising domestic electrical appliances for the kitchen and fixtures for the bathroom. For both properties, Pete Redfern has elected to purchase such extras in each case at a price of €8,000 that represents £6,202 at the exchange rate of £1 = €1.29 on 8 March 2016, being the latest practicable date prior to completion of this Notice of Meeting, and will receive no discount on these items.

Each purchase price was agreed following a rigorous review of the prices already obtained in the open market for similar properties, less a discount of 5% for the second property only, pursuant to the Company's standard employee discount scheme which is open to all employees following an initial period of employment. Other than the standard employee discount which applies to the second property only, the price being paid by Pete Redfern in each case assumes that the transaction is an arm's length sale. The agreements between Taylor Wimpey de España S.A.U. and Pete Redfern will in each case, be a standard form sale and purchase agreement used by Taylor Wimpey de España S.A.U. for the Costa Beach development, save the contract for the first property will be conditional upon the approval of the Company's shareholders.

The property proposed to be acquired by Ryan Mangold is an apartment (Plot 90) for the sum of £648,964 on the Radius development in Osiers Road, Wandsworth, London, SW18. A contract for the purchase will be entered into prior to the Annual General Meeting conditional on receiving approval for the transaction from the Company's shareholders at the Annual General Meeting. The purchase price will be paid in full by Ryan Mangold prior to the Annual General Meeting and in the event that shareholder approval is not forthcoming at the Annual General Meeting, then these monies would be repaid to him.

The calculation of the price payable by Ryan Mangold is as follows:

Price upon reservation:	£710,000
Average discount available to third party buyers:	£26,880
Price payable by third party buyer:	£683,120
Standard employee discount (5%) available to all Taylor Wimpey employees:	£34,156
Price payable by Ryan Mangold:	£648,964
Amount paid by Ryan Mangold (including reservation fee of £1,000 paid on 5 March 2016) prior to the AGM (and sum to be repaid in the event that shareholder approval is not forthcoming at the AGM):	£648,964

The Radius development in Wandsworth, London comprises a residential scheme built by Taylor Wimpey UK Limited. The purchase includes the supply of standard optional fitted extras, available routinely to independent purchasers on similar commercial terms. The purchase price was agreed following a rigorous review of the prices already obtained in the open market for similar properties, less a discount of 5%, pursuant to the Company's standard employee discount scheme which is open to all employees following an initial period of employment. Other than the standard employee discount, the price being paid by Ryan Mangold assumes that the transaction is an arm's length sale. The agreement between Taylor Wimpey UK Limited and Ryan Mangold will be a standard form sale and purchase agreement used by Taylor Wimpey UK for the Radius development, save that it will be conditional upon the approval of the Company's shareholders and that in the event that shareholder approval is not forthcoming, any monies that have been paid by Ryan Mangold for the property will be repaid to him.

The terms of each proposed purchase by Pete Redfern and Ryan Mangold have been subjected to the usual level of scrutiny and review applied to all staff discount purchases and has included a review by the Company's Internal Audit function.

The Board believes the terms of the proposed agreements will be fair and reasonable and that the prices being paid by Pete Redfern and Ryan Mangold will be the market value of each property (less the standard discount of 5% as described above on each of the second property only for Mr. Redfern and the property for Mr Mangold) as at the date of exchange of contracts. Under the standard employee house purchase discount scheme (which offers employees a discount of 5%), employees are only entitled to purchase one property from the Company with discount in any twelve month period.

Special Resolution
Resolution 23: Notice of general meetings

Special resolutions require at least a 75% majority of votes cast to be cast in favour.

This resolution will be proposed as a special resolution and therefore requires a 75% majority of votes to be cast in favour. The Companies (Shareholders' Rights) Regulations 2009 have increased the notice period required for general meetings of the Company to 21 clear days unless shareholders agree to a shorter notice period, which cannot be less than 14 clear days. At the 2015 Annual General Meeting, a resolution was passed approving the Company's ability to call general meetings (other than Annual General Meetings, which will continue to be held on at least 21 clear days' notice) on not less than 14 clear days' notice. As this approval will expire at the conclusion of this Annual General Meeting, Resolution 23 proposes its renewal. The shorter notice period of 14 clear days would not be used as a matter of routine for any general meeting, but only where the flexibility is merited by the business of a particular meeting and is thought to be to the advantage of shareholders as a whole. The renewed approval will be effective until the Company's Annual General Meeting in 2017, when it is intended that a similar resolution will be proposed.

Note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must in respect of that meeting make available electronic voting to all shareholders.

Shareholder Facilities

Shareholders' services

Web communications

Shareholders have previously passed a resolution enabling the Company to make documents and information available to shareholders by electronic means and via a website, rather than by sending hard copies. This way of communicating is enabled in accordance with the Companies Act 2006, Rule 6 of the Disclosure and Transparency Rules and the Company's Articles of Association.

Making documents and information available electronically:

- Enables the Company to reduce printing and postage costs.
- Allows faster access to information and enables shareholders to access documents on the day they are published on the Company's website.
- Reduces the amount of resources consumed, such as paper, and lessens the impact of printing and mailing activities on the environment.

The Company provides hard copy documentation to those shareholders who have requested this and is, of course, happy to provide hard copies to any shareholders upon request.

The Company's website url is www.taylorwimpey.co.uk and shareholder documentation made available electronically is generally accessible at www.taylorwimpey.co.uk/corporate/shareholder-information

Electronic communications

The Company also encourages shareholders to elect to receive notification of the availability of Company documentation by means of an email. Shareholders can sign up for this facility by logging onto our website at www.taylorwimpey.co.uk/corporate/shareholder-information/electronic-communications

Online facilities for shareholders

You can access our Annual and Interim Reports and copies of recent shareholder communications online at: www.taylorwimpey.co.uk/corporate/investor-relations/reporting-centre

To register for online access, go to www.taylorwimpey.co.uk/corporate/shareholder-information and click on the service you require. To access some of these services you will first be required to apply online.

Once you have registered for access, you can make online enquiries about your shareholding and advise the Company of changes in personal details.

Dividend Re-Investment Plan

You can choose to invest your cash dividends, including any special dividend, in purchasing Taylor Wimpey shares on the market under the terms of the Dividend Re-Investment Plan. For further information on the Plan and how to join, contact Capita Asset Services.

Shareholders are again reminded to check the position with regard to any dividend mandates that are in place, should you either wish to participate in the DRIP or discontinue or vary any participation, as existing mandates will apply to all dividend payments (including special dividends) unless or until revoked.

CREST

The Company offers shareholders who hold their Taylor Wimpey shares in CREST a facility for the receipt of dividends through the CREST system.

For shares held in uncertificated form (CREST), please note that elections continue to apply only to one dividend and a fresh election must be made, via CREST, for each dividend.

Full details of the terms and conditions of the DRIP and the actions required to make or revoke an election, both in respect of maintenance dividends (i.e. in this case, the 2015 final dividend) and any special dividends, are available at www.capitashareportal.com or on request from the Registrar, Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, email: shares@capita.co.uk tel: +44 (0)371 664 0381. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 am and 5:30 pm Monday to Friday excluding public holidays in England and Wales.

Dividend mandates

We strongly encourage all shareholders to receive their cash dividends by direct transfer to a bank or building society account. This ensures that dividends are credited promptly to shareholders without the cost and inconvenience of having to pay in dividend cheques at a bank. If you wish to use this cost-effective and simple facility, complete and return the dividend mandate form attached to your dividend cheque. Additional mandate forms may be obtained from Capita Asset Services.

Duplicate share register accounts

If you are receiving more than one copy of our Report and Accounts, it may be that your shares are registered in two or more accounts on our Register of Members. You might wish to consider merging them into one single entry. Please contact Capita Asset Services who will be pleased to carry out your instructions in this regard.

Share dealing services

We have arranged both telephone and online share dealing services. Capita Share Dealing Services allows you to buy and sell shares in a large number of companies that have Capita as their registrar. The services are operated by Capita Asset Services. To use the services either visit www.capitadeal.com or telephone +44 (0)371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 am and 5:30 pm Monday to Friday excluding public holidays in England and Wales. To deal, you will need to provide your surname, postcode, date of birth and investor code (which can be found on your share certificate or any form of proxy you have been sent). Shareholders are not in any way obliged to use this service when dealing in the Company's shares.

Taylor Wimpey and CREST
Taylor Wimpey shares can be held in CREST accounts, which do not require share certificates. This may make it quicker and easier for some shareholders to settle stock market transactions. Shareholders who deal infrequently may, however, prefer to continue to hold their shares in certificated form and this facility will remain available for the time being, pending the likely general introduction of dematerialised shareholdings in due course.

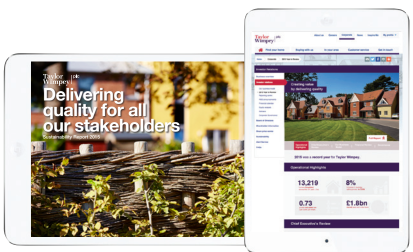
Taylor Wimpey share price
Our share price is printed in many of the UK daily newspapers and is also available on our website www.taylorwimpey.co.uk/corporate/share-price-centre. It appears on BBC Text and other digital television interactive services. It may also be obtained by telephoning the FT Cityline service on telephone +44 (0)9058 171690 and ask for 'Taylor Wimpey' on the voice activated response (calls cost 75p per minute from a BT landline, other networks may vary).

Gifting shares to charity
If you have a small holding of Taylor Wimpey plc shares, you may wish to consider gifting them to charity. You can do so through 'ShareGift', which is administered by a registered charity, Orr Mackintosh Foundation Limited. Shares gifted are re-registered in the name of the charity, combined with other donated shares and then sold through stockbrokers who charge no commission. The proceeds are distributed to a wide range of recognised charities. For further details, please contact Capita Asset Services or approach ShareGift directly on www.sharegift.org or telephone them on +44 (0)20 7930 3737.

Unsolicited approaches to shareholders and 'Boiler Room' Scams
We receive reports from time to time from Taylor Wimpey shareholders who have each received what appear to be fraudulent approaches from third parties with respect to their shareholding in the Company. In some cases these are 'cold calls' and in others correspondence. They generally purport to be from a firm of solicitors or an investment company and offer, or hold out the prospect of, large gains on Taylor Wimpey shares or other investments you may hold.

The approaches normally include the seeking of an advance payment from the shareholder, the disclosure of the shareholder's bank details or the sale of an unrelated investment. Shareholders are advised to be extremely wary of such approaches and advised to only deal with firms authorised by the UK Financial Conduct Authority (FCA). More information is available on our web site www.taylorwimpey.co.uk/corporate/shareholder-information/boiler-room-scams and you can check whether an enquirer is properly authorised and report scam approaches by contacting the FCA on www.fca.org.uk/consumers/ or by calling +44 (0)800 111 6768.

Further information online



View our Report and Accounts online:
www.taylorwimpey.co.uk/corporate/annualreport2015

More information about our sustainability activities:
Further information about our sustainability activities and policies can be found within our dedicated Sustainability Report on our website.
www.taylorwimpey.co.uk/corporate/sustainability

Annual General Meeting
11:00 am on 28 April 2016 at:

The British Medical Association, BMA House,
Tavistock Square, London, WC1H 9JP.

Latest date for receipt of proxy instructions for the 2016 Annual General Meeting: 11:00 am on 26 April 2016.

Group Legal Director and Company Secretary and Registered Office
James Jordan
Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR
Tel: +44 (0)1494 558323
Fax: +44 (0)1494 885663
E-mail: james.jordan@taylorwimpey.com

Registrar
For any enquiries concerning your shareholding or details of shareholder services, please contact:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
E-mail: shareholderenquiries@capita.co.uk
Tel: 0871 664 0300 (UK)
Tel: +44 (0)20 8639 3399 (from overseas)

Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 am and 5:30 pm Monday to Friday, excluding public holidays in England and Wales.

Auditors
Deloitte LLP

Solicitors
Slaughter and May

Stockbrokers
J.P. Morgan Cazenove
Jefferies Hoare Govett

Principal Operating Addresses

UK
Taylor Wimpey plc
Gate House, Turnpike Road
High Wycombe, Buckinghamshire
HP12 3NR

Tel: +44 (0)1494 558323
Fax: +44 (0)1494 885663

E-mail: twplc@taylorwimpey.com
Website: www.taylorwimpey.co.uk

Registered in England
and Wales number 296805

Details of all our operating locations are available on our website
www.taylorwimpey.co.uk

Taylor Wimpey UK Limited
Gate House, Turnpike Road
High Wycombe, Buckinghamshire
HP12 3NR

Tel: +44 (0)1494 558323
Fax: +44 (0)1494 885663

Spain
Taylor Wimpey de España S.A.U.
C/Aragon, 223-223A
07008 Palma de Mallorca
Mallorca
Spain

Tel: + 34 971 706570
Fax: + 34 971 706565

Taylor Wimpey plc

www.taylorwimpey.co.uk

FSC www.fsc.org MIX Paper from responsible sources FSC® C001785

CERTIFIED CARBON NEUTRAL® publication

This document is printed on UPM Finesse Silk and UPM Fine Offset; both papers containing virgin fibre sourced from well managed, responsible, FSC® certified forests.

This is a certified CarbonNeutral® publication.

Designed and produced by Black Sun Plc www.blacksunplc.com

Printed by Park Communications on FSC® certified paper.