

ACADEMY CENTRAL LLP

MEMBERS' REPORT AND ACCOUNTS

31 DECEMBER 2011

Registration: England OC319357

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ACADEMY CENTRAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Members present their report and the audited financial statements of the partnership for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activity of the partnership at present and for the foreseeable future is that of property development. There were no branches of the LLP outside the UK.

RESULTS

The profit attributable to Members of £1,808,000 (2010 loss £263,000) is reported in the profit and loss account on page 6.

MEMBERS

Members' capital is as follows,

	2011	2010
	£	£
George Wimpey East London Limited	620	620
Zest Homes Limited	380	380
	<hr/>	<hr/>
	1,000	1,000

The Members are George Wimpey East London Limited and Zest Homes Limited and their 'relevant percentage' (proportion of share capital invested) is 62% and 38% respectively. Both partners are equally represented on the Board and have equal voting rights over operational management. No Member was materially interested during the period in any contract which was significant in relation to the business of the partnership.

DRAWINGS

The overall policy for Members' drawings is to distribute the profit during the financial year in proportion to their relevant percentages, George Wimpey East London Limited 62% and Zest Homes Limited 38%.

QUALIFYING THIRD PARTY INDEMNITIES

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

ACADEMY CENTRAL LLP
MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

Statement of Members' responsibilities in respect of the financial statements

The Members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members 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 partnership and group will continue in business

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

Under the terms of the Joint Venture Agreement George Wimpey East London Limited ("GWEL") and Zest Homes Limited are contractually obliged to provide funding to the partnership to a predetermined level. Taylor Wimpey plc ("TW plc") will continue to provide the necessary support to enable its wholly owned subsidiary company George Wimpey East London Limited to meet its obligations in accordance with the Joint Venture Agreement, for a period of at least 12 months from the date of approval of these financial statements.

TW plc completed its refinancing of its debt in December 2010 and has been in full compliance with its financial covenants subsequently. Following a review of TW plc group's latest forecasts it is expected to be able to continue operations for the foreseeable future.

Zest Homes Limited has adequate resources to continue in operation for the foreseeable future as the company will continue to receive financial support from its parent undertaking London & Quadrant Housing Trust Limited.

The Members are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Partnership will be able to remain in existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

ACADEMY CENTRAL LLP
MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

Audit information

The Members confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each Member has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Registered auditor

The independent auditor, PricewaterhouseCoopers LLP, will be proposed for reappointment

On behalf of.



George Wimpey East London Limited
Member

Date 24 July 2012



Zest Homes Limited
Member

Date 24 July 2012

Registered Office

Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR

ACADEMY CENTRAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACADEMY CENTRAL LLP

We have audited the financial statements of Academy Central LLP for the year ended 31 December 2011, which comprises the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of members and auditors

As explained more fully in the Members' Responsibilities Statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the members' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

ACADEMY CENTRAL LLP
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACADEMY CENTRAL LLP
(CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Pauline Campbell (senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 July 2012

ACADEMY CENTRAL LLP
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Revenue	2	13,509	5,391
Cost of sales		(11,636)	(5,567)
Gross Profit/ (Loss)		<u>1,873</u>	<u>(176)</u>
Other income		25	-
Net operating expenses	4	(90)	(87)
Profit/ (Loss) on ordinary activities before interest		<u>1,808</u>	<u>(263)</u>
Net interest payable		-	-
Profit/ (Loss) for the year		<u>1,808</u>	<u>(263)</u>

There are no recognised gains and losses for the current or prior year other than as stated in the profit and loss account above, accordingly no statement of recognised gains and losses is presented

ACADEMY CENTRAL LLP
BALANCE SHEET AT 31 DECEMBER 2011

		2011	2010
	Notes	£'000	£'000
Current assets			
Stock	5	32,025	33,231
Debtors amounts falling due within one year	6	3,700	4,567
Debtors amounts falling due after one year	6	181	-
Cash at bank and in hand		820	662
		<u>36,726</u>	<u>38,460</u>
Creditors amounts falling due within one year	7	(1,551)	(992)
Net current assets		<u>35,175</u>	<u>37,468</u>
Creditors amounts falling due after more than one year	8	(38,805)	(42,928)
Provisions	9	(22)	-
Net liabilities		<u>(3,652)</u>	<u>(5,460)</u>
Represented by.			
Members' interests			
Profit and loss account	10	(3,653)	(5,461)
Members' capital	11	<u>1</u>	<u>1</u>
Total Members' interests		<u>(3,652)</u>	<u>(5,460)</u>

The financial statements of Academy Central LLP (registration number OC319357) were approved by the Members on 24 June 2012 and were signed on its behalf by



George Wimpey East London Limited
Member



Zest Homes Limited
Member

ACADEMY CENTRAL LLP
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
£'000	£'000	£'000
Net cash inflow/ (outflow) from operating activities (see below)	4,281	(6,511)
Financing		
(Decrease)/ increase in borrowings	(4,123)	7,081
Movement in Members' capital	-	-
	<u>(4,123)</u>	<u>7,081</u>
Net increase in cash	158	570
Net cash at start of year	662	92
Net cash at end of year	820	662

Reconciliation of operating profit/ (loss) to net cash flows from operating activities

	2011	2010
	£'000	£'000
Operating profit/ (loss)	1,808	(263)
Decrease/ (increase) in stock	1,206	(2,289)
(Increase)/ decrease in debtors	686	(4,208)
Increase in creditors	559	249
Increase/ (decrease) in provisions	22	-
Net cash inflow/ (outflow) from operating activities	4,281	(6,511)

ACADEMY CENTRAL LLP
NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention in accordance with applicable United Kingdom accounting standards. The principal accounting policies are set out below.

Going concern

Under the terms of the Joint Venture Agreement George Wimpey East London Limited ("GWEL") and Zest Homes Limited are contractually obliged to provide funding to the partnership to a predetermined level. Taylor Wimpey plc ("TW plc") will continue to provide the necessary support to enable its wholly owned subsidiary company George Wimpey East London Limited to meet its obligations in accordance with the Joint Venture Agreement, for a period of at least 12 months from the date of approval of these financial statements.

TW plc completed its refinancing of its debt in December 2010 and has been in full compliance with its financial covenants subsequently. Following a review of TW plc group's latest forecasts it is expected to be able to continue operations for the foreseeable future.

Zest Homes Limited has adequate resources to continue in operation for the foreseeable future as the company will continue to receive financial support from its parent undertaking London & Quadrant Housing Trust Limited.

The Members are of the view, at the time of approving the financial statements, that there is a reasonable expectation the Partnership will be able to remain in existence for the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

Turnover

Revenue is recognised in the profit and loss account when significant risks and rewards of ownership have been transferred to the purchaser. Revenue in the respect of the sale of residential properties is recognised at the fair value of the consideration received or receivable on legal completion.

Stock

Stock is stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those overheads which have been incurred in bringing the stock 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 and selling.

Land stock is recognised at the time a liability is recognised – generally after exchange of unconditional contracts.

Allocation of profits and drawings

Allocation of profits and distribution to Members will be set by the Members each year. Unallocated profits are included in profit and loss account reserves within Members' Interests.

Trade debtors

Trade debtors do not carry interest and are stated at their initial value reduced by appropriate allowances for estimated irrecoverable amounts.

Mortgage receivables relate to sales incentives including shared equity. Where the receivable is due in over one year it is discounted to present value.

ACADEMY CENTRAL LLP**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)****1. Accounting policies (continued)****Trade creditors**

Trade creditors on normal terms are not interest bearing and are stated at their nominal value
Trade creditors on extended terms, particularly in respect of land purchases, are recorded at their fair value

Interest receivable and payable

Interest receivable and payable on bank deposits and borrowings is credited or charged to finance costs as incurred

Transaction costs relating to the arrangement of long term borrowing facilities are capitalised and amortised over the life of the facility

2. Revenue

The partnership's revenue comprises solely residential housing sales in both 2011 and 2010

	2011	2010
	£'000	£'000
Housing	13,509	5,391
	<u>13,509</u>	<u>5,391</u>

3. Operating profit

Cost of sales reported in the profit and loss account also include development and administration fees directly attributable to future sales at the Academy Central development

Members' remuneration paid by the partnership in the year amounted to £nil (2010 £nil)

The partnership is a Limited Liability Partnership. The partners are George Wimpey East London Limited and Zest Homes Limited and their 'relevant percentage' (proportion of share capital invested) is 62% and 38% respectively. Both partners are equally represented on the Board and have equal voting rights over operational management.

4. Net operating expenses

	2011	2010
	£'000	£'000
Auditors' remuneration	10	10
Professional fees	80	77
	<u>90</u>	<u>87</u>

5. Stock

	2011	2010
	£'000	£'000
Land held for development	19,791	21,844
Construction work in progress	12,234	11,387
	<u>32,025</u>	<u>33,231</u>

ACADEMY CENTRAL LLP
NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

6. Debtors

	2011	2010
	£'000	£'000
Amounts due within one year		
Trade	3,677	4,547
Other debtors	23	20
	<u>3,700</u>	<u>4,567</u>
Amounts falling due beyond one year		
Trade	181	-
	<u>3,881</u>	<u>4,567</u>

Trade debtors due beyond one year are in respect of Shared Equity/ Deposit Match

7. Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Trade creditors	1,173	731
Other creditors	338	241
Accruals and deferred income	40	20
	<u>1,551</u>	<u>992</u>

8. Creditors: amounts falling due after more than one year

	2011	2010
	£'000	£'000
Financing from Zest Homes Limited	14,758	16,320
Financing from Taylor Wimpey UK Limited	24,047	26,608
	<u>38,805</u>	<u>42,928</u>

9. Provisions

	Rental Guarantee £'000
1 January	-
Charged to profit and loss account	22
Utilised during the year	-
31 December	<u>22</u>

During the year, the partnership provided rental yield guarantees to investor sales. A provision of £22,000 has been made for the expected costs to be incurred by the partnership over a 3 year period.

10 Profit and loss account

	2011	2010
	£'000	£'000
Opening reserves at 1 January	(5,461)	(5,198)
Retained profit/ (loss) for the year	1,808	(263)
Closing reserves at 31 December	<u>(3,653)</u>	<u>(5,461)</u>

ACADEMY CENTRAL LLP**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)****11. Members' capital**

	2011	2010
	£	£
George Wimpey East London Limited	620	620
Zest Homes Limited	380	380
	<u>1,000</u>	<u>1,000</u>

Both parties are equally represented on the Board and have equal voting rights over operational management

12. Related party transactions

Academy Central LLP has received loan financing from the LLP Members in the year. The balances of loans outstanding at the period end are detailed in note 8.

The partnership made purchases from Taylor Wimpey UK Limited (the parent company of George Wimpey East London Limited) of £8,834,000 (2010 £6,920,000) which have been recorded within construction work in progress. At the year end Academy Central LLP had a creditor of £1,034,000 (2010 £603,000) with Taylor Wimpey UK Limited. At the year end Academy Central LLP had a sales proceeds debtor of £3,642,000 (2010 £4,402,000) from Taylor Wimpey UK Limited.

The partnership paid management fees of £1,222,000 (2010 £1,315,000) to Taylor Wimpey UK Limited, in the year. At the year end Academy Central LLP had an outstanding creditor of £122,000 (2010 £129,000) with Taylor Wimpey UK Limited in respect of management fees in addition to the above creditor.