

**ACADEMY CENTRAL LLP**

**MEMBERS' REPORT AND ACCOUNTS**

**31 DECEMBER 2008**

**Registration: England OC319357**

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## ACADEMY CENTRAL LLP

### MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The Members present their report and the audited financial statements of the partnership for the year ended 31 December 2008.

### STRUCTURE

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 loss attributable to members after taxation of £1,227,000 (2007: £1,653,000) is reported in the profit and loss account on page 6.

### POST BALANCE SHEET EVENT

On 29 May 2009 the partnership sold a portion of its land held for development to Weston Homes (Refurbishment) Limited for £3,750,000. The sale did not realise a profit or loss on disposal.

### MEMBERS

Members' capital is as follows;

	2008	2007
	£	£
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%.

**ACADEMY CENTRAL LLP**  
**MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**Statement of members' responsibilities in respect of the financial statements**

The Companies Act 1985, as applied to Limited Liability Partnerships, requires the members to prepare financial statements for each financial year that give a true and fair view of the state of affairs of Academy Central LLP and of the profit or loss of the LLP for that period. In preparing those financial statements the members are required to:

- select suitable accounting policies and then apply them consistently, subject to any changes disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and enable them to ensure that the financial statements comply with the Companies Act 1985, as applied to Limited Liability Partnerships. They are also responsible for safeguarding the assets of the Limited Liability Partnership and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members confirm that they have complied with the above requirements in preparing the financial statements.

**Going concern**

The financial statements have been prepared on a going concern basis. The Partnership is dependent on financial support from its partners; George Wimpey East London Limited and Zest Homes Limited. George Wimpey East London Limited is in turn reliant on continued funding from its ultimate parent company Taylor Wimpey plc to fund its own operations. The Directors have received assurance from Taylor Wimpey plc that in so far that it is able under its financing arrangements, it will continue to provide financial support to the partnership to ensure that the partnership is able to fulfil its financial obligations when they fall due, for a period not less than 12 months from the date of approval of these accounts.

Taylor Wimpey plc is dependent upon debt financing. The external finance available to Taylor Wimpey plc matures on 3 July 2012 and is subject to certain financial covenants. The directors of Taylor Wimpey plc are of the view that the existing finance facilities are considered to be adequate in terms of both facility amounts and covenant headroom to enable the Group to operate within its terms for at least the next 12 months from the date of approval of these accounts. The directors of Taylor Wimpey plc have confirmed to the partners that this is still the case. Based on enquiries, including inquiries of the directors of Taylor Wimpey plc, the partnership has formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, these financial statements have been prepared on a going concern basis.

**Audit information**

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

This information is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

**ACADEMY CENTRAL LLP**  
**MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

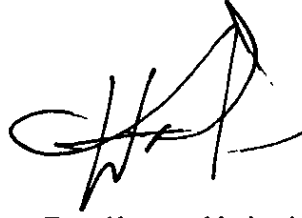
**Registered auditors**

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment.

**On behalf of:**



**George Wimpey East London Limited**  
**Member**  
**29 October 2009**



**Zest Homes Limited**  
**Member**  
**29 October 2009**

**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 2008, which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of members and auditors**

The members' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the members of the partnership in accordance with the Companies Act 1985 as applied to limited liability partnerships by the Limited Liability Partnerships Act 2000 and regulations made thereunder, and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, as applied to limited liability partnerships. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the limited liability partnership has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the partnership's affairs as at 31 December 2008 and of its loss and cash flows for the year then ended; and
- have been properly prepared in accordance with the provisions of the Limited Liability Partnerships Regulation 2001 made under the Limited Liability Partnerships Act 2000.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London *29 October 2009*

**ACADEMY CENTRAL LLP****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Year ended 31 December 2008 £'000	Year ended 31 December 2007 £'000
Cost of sales		(895)	(890)
<b>Gross loss</b>		<hr/> (895)	<hr/> (890)
Net operating expenses	3	(86)	(90)
<b>Loss on ordinary activities before interest</b>		<hr/> (981)	<hr/> (980)
Net interest payable	4	(246)	(673)
<b>Loss for the period</b>		<hr/> (1,227)	<hr/> (1,653)

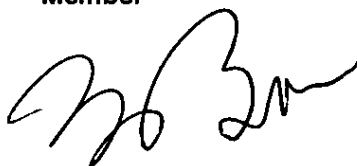
There are no recognised gains and losses for the current or prior year other than as stated in the profit and loss account.

**ACADEMY CENTRAL LLP****BALANCE SHEET AT 31 DECEMBER 2008**

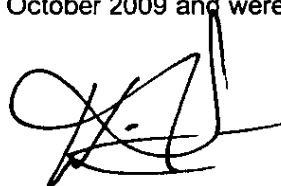
		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Current assets</b>			
Stock	5	29,424	27,675
Debtors	6	166	231
		<u>29,590</u>	<u>27,906</u>
Creditors: amounts falling due within one year	7	<u>(3,970)</u>	<u>(6,608)</u>
<b>Net current assests</b>		<u>25,620</u>	<u>21,298</u>
Creditors: amounts falling due after more than one year	8	<u>(29,793)</u>	<u>(24,244)</u>
<b>Net liabilities</b>		<u>(4,173)</u>	<u>(2,946)</u>
<b>Represented by:</b>			
<b>Members' interests</b>			
Profit and loss account	9	(4,174)	(2,947)
Members' capital	10	<u>1</u>	<u>1</u>
<b>Total members' interests</b>		<u>(4,173)</u>	<u>(2,946)</u>

The accounts on pages 6 to 12 were approved by the members on 29 October 2009 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 2008

		2008		2007
	£'000	£'000	£'000	£'000
<b>Net cash from operating activities (see below)</b>		(5,256)		(5,113)
<b>Returns on investments and servicing of finance</b>				
Interest received		4		5
<b>Financing</b>				
Decrease in borrowings	(3,808)		(6,933)	
Increase in long term finance debt	9,107		11,869	
Movement in Members' capital	-		-	
		5,299		4,936
<b>Net increase/(decrease) in cash</b>		47		(172)
Net (bank overdraft)/cash at start of period		(54)		118
<b>Net bank overdraft at end of period</b>		(7)		(54)

### Reconciliation of operating loss to net cash flows from operating activities

	2008	2007
	£'000	£'000
Operating loss	(981)	(980)
Increase in stock	(1,749)	(964)
Decrease in debtors	65	(68)
Decrease in creditors	(2,591)	(3,101)
	(5,256)	(5,113)

**ACADEMY CENTRAL LLP**  
**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008**

**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**

The financial statements have been prepared on a going concern basis. The Partnership is dependent on financial support from its partners; George Wimpey East London Limited and Zest Homes Limited. George Wimpey East London Limited is in turn reliant on continued funding from its ultimate parent company Taylor Wimpey plc to fund its own operations. The Directors have received assurance from Taylor Wimpey plc that in so far that it is able under its financing arrangements, it will continue to provide financial support to the partnership to ensure that the partnership is able to fulfil its financial obligations when they fall due, for a period not less than 12 months from the date of approval of these accounts.

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**Interest receivable and payable**

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

**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.

**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.

**ACADEMY CENTRAL LLP**  
**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**1. Accounting Policies (continued)**

**Finance income and costs**

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. Operating profit**

Cost of sales reported in the profit and loss account represent 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 (2007: £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.

**3. Net operating expenses**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Auditors' remuneration	10	12
Professional fees	76	78
	<u>86</u>	<u>90</u>

**4. Interest (payable)/receivable**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Bank interest received	4	5
Interest unwind on land creditor	(250)	(678)
	<u>(246)</u>	<u>(673)</u>

**5. Stock**

	<b>2008</b> <b>£'000</b>	<b>2007</b> <b>£'000</b>
Land held for development	26,177	26,177
Construction work in progress	3,247	1,498
	<u>29,424</u>	<u>27,675</u>

**ACADEMY CENTRAL LLP**  
**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**6. Debtors**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	166	231
	<u>166</u>	<u>231</u>

**7. Creditors: amounts falling due within one year**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Bank overdraft	7	54
Trade creditors	385	283
Accruals and deferred income	20	16
Land creditor payable to George Wimpey East London Limited	3,558	6,255
	<u>3,970</u>	<u>6,608</u>

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

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Land creditor payable to George Wimpey East London Limited	-	3,558
Financing from Zest Homes Limited	11,285	7,861
Financing from George Wimpey East London Limited	18,508	12,825
	<u>29,793</u>	<u>24,244</u>

**9. Profit and loss account**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Opening reserves at 1 January	(2,947)	(1,294)
Retained loss for the year	(1,227)	(1,653)
Closing reserves at 31 December	<u>(4,174)</u>	<u>(2,947)</u>

**10. Members' capital**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
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.

**ACADEMY CENTRAL LLP**  
**NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)**

**11. Related party transactions**

Academy Central LLP has received loan financing from the LLP members in the period. The balances of loans outstanding at the period end are detailed in notes 7 and 8.

During 2006 the partnership acquired land from George Wimpey East London Limited to the value of £26.9m (£26.2m net of interest unwind creditor). The amount outstanding at 31 December 2008 is included within the loans outstanding above and detailed in note 7.

The partnership made purchases from George Wimpey East London Limited of £2,690,000 (2007: £1,483,000) which have been recorded within construction work in progress net of charges made to Quadrant Construction Services Limited of £942,000 (2007: £519,000). At the year end Academy Central LLP had a creditor of £292,000 (2007: £196,000) with George Wimpey East London Limited and an outstanding debtor of £170,000 (2007: £228,000) with Quadrant Construction Services Limited.

The partnership paid management fees of £895,000 (2007: £890,000) to George Wimpey East London Limited, a subsidiary of Taylor Wimpey UK Limited, in the period. At the year end Academy Central LLP had an outstanding creditor of £86,000 (2007: £87,000) with George Wimpey East London Limited.

**12. Post Balance Sheet Event**

On 29 May 2009 the partnership sold a portion of its land for development to Weston Homes (Refurbishment) Limited for £3,750,000. The sale did not realise a profit or loss on disposal.