

ACADEMY CENTRAL LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2015

Registration number: OC319357



ACADEMY CENTRAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Members' present their annual report and the audited financial statements of the Partnership for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Partnership was that of property development. Following completion of the Partnership's development activity during the current financial year, the Partnership is continuing to operate until all outstanding obligations are fulfilled. There were no branches of the Partnership outside of the UK.

RESULTS

The profit for the financial year before Members' distribution and profit shares available for discretionary division among Members' of £1,227,000 (2014: £3,246,000) is reported in the statement of comprehensive income on page 6.

MEMBERS

Members' capital is as follows:

	2015	2014
	£	£
George Wimpey East London Limited	620	620
L&Q New Homes Limited	380	380
	<u>1,000</u>	<u>1,000</u>

The Members are George Wimpey East London Limited and L&Q New Homes Limited and their 'relevant percentage' (proportion of 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 year 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 L&Q New 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 and was in force during the financial year and also at the date of financial statements.

ACADEMY CENTRAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

Statement of Members' responsibilities

The Members are responsible for preparing the Annual 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 including Financial Reporting Standard 102 (FRS102)). 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 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 and L&Q New Homes Limited are contractually obliged to provide funding to the Partnership to a predetermined level. Taylor Wimpey plc ("TW plc") is the ultimate controlling party of 62% of the Partnership equity. 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 is the ultimate parent of the Taylor Wimpey group which is profitable and is in a strong financial position.

L&Q New Homes Limited has adequate resources to continue in operation for the foreseeable future as it 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 2015 (CONTINUED)

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 418 of the Companies Act 2006.

Independent auditors

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

Small company provisions

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies and Partnerships.

On behalf of:



**George Wimpey East London Limited
Member**

Date 30 SEPTEMBER 2016



**L&Q New Homes Limited
Member**

Date 30 SEPTEMBER 2016

Registered Office:

Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR
United Kingdom

ACADEMY CENTRAL LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACADEMY CENTRAL LLP REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Academy Central LLP's financial statements (the "financial statements"):

- Give a true and fair view of the state of the limited liability Partnership's affairs as at 31 December 2015 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.

What we have audited

The financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), comprise:

- The statement of financial position as at 31 December 2015;
- The statement of comprehensive income for the year then ended;
- The cash flow statement for the year then ended;
- The statement of changes in equity for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability Partnerships 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, 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.

We have no exceptions to report arising from this responsibility.

ACADEMY CENTRAL LLP

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

Entitlement to exemptions

Under the Companies Act 2006 as applicable to limited liability Partnerships we are required to report to you if, in our opinion, the Members were not entitled to prepare financial statements in accordance with the small limited liability Partnerships regime. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Members

As explained more fully in the Statement of Members' responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, 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 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 Members; and
- The overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Michael Philp (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
30 September 2016

ACADEMY CENTRAL LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £'000	2014 £'000
Revenue	3	15,569	23,718
Cost of sales		(14,257)	(20,935)
Gross profit		1,312	2,783
Other operating income		12	548
Administrative expenses	6	(97)	(85)
Profit for the financial year		1,227	3,246
Other comprehensive income		-	-
Total comprehensive income for the year available for division among Members		1,227	3,246

All amounts relate to continuing operations.

ACADEMY CENTRAL LLP

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Non-current assets			
Trade and other receivables	8	413	491
		<u>413</u>	<u>491</u>
Current assets			
Inventories	7	-	8,535
Trade and other receivables	8	795	13,390
Cash at bank and in hand		462	1,581
		<u>1,257</u>	<u>23,506</u>
Current liabilities			
Trade payables: amounts falling due within one year	9	(701)	(2,419)
		<u>556</u>	<u>21,087</u>
Net current assets			
		<u>969</u>	<u>21,578</u>
Total assets less current liabilities			
Non-current liabilities			
Provisions	10	-	(18)
		<u>969</u>	<u>21,560</u>
Net assets attributable to Members			
		<u>969</u>	<u>21,560</u>

Represented by:

Members' other interests

Loans and other debts due (from)/to Members	11	(259)	12,623
Other reserves		1,227	8,936
Members' capital	15	1	1
Total Members' interests		<u>969</u>	<u>21,560</u>

The financial statements of Academy Central LLP (registration number: OC319357) on pages 6 to 14 were approved by the Members and authorised for issue on ~~30 SEPTEMBER~~ 2016. They were signed on its behalf by:


George Wimpey East London Limited
Member


L&Q New Homes Limited
Member

ACADEMY CENTRAL LLP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Members capital	Loans and other debts due (from)/to Members	Other reserves	Total Members Interests
	£'000	£'000	£'000	£'000
Balance as at 1 January 2014 (as previously stated)	1	27,797	5,690	33,488
Effect of changes in accounting policies	-	-	-	-
Balance as at 1 January 2014	1	27,797	5,690	33,488
Profit for the year	-	-	3,246	3,246
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,246	3,246
Decrease in Members loans	-	(15,174)	-	(15,174)
Total contributions by and distributions to Members	-	(15,174)	-	(15,174)
Balance at 31 December 2014	1	12,623	8,936	21,560
<hr/>				
Balance as at 1 January 2015 (as previously stated)	1	12,623	8,936	21,560
Effect of changes in accounting policies	-	-	-	-
Balance as at 1 January 2015	1	12,623	8,936	21,560
Profit for the year	-	-	1,227	1,227
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,227	1,227
Decrease in Members loans	-	(12,882)	-	(12,882)
Members distribution	-	-	(8,936)	(8,936)
Total contributions by and distributions to Members	-	(12,882)	(8,936)	(21,818)
Balance at 31 December 2015	1	(259)	1,227	969

ACADEMY CENTRAL LLP**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	£'000	£'000
Net cash inflow from operating activities (see note 12)	20,699	13,143
Financing		
Decrease in loans	(12,882)	(15,174)
Members distribution	(8,936)	-
Net decrease in cash	(1,119)	(2,031)
Net cash at start of year	1,581	3,612
Net cash at end of year	462	1,581

ACADEMY CENTRAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

Basis of preparation and general information

These financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 as applied to limited liability Partnerships, LLP SORP and Financial Reporting Standard 102 (FRS 102).

The principal accounting policies are set out below and have been applied consistently throughout the current and prior year.

The Partnership is incorporated in the United Kingdom and is a Partnership. The Partnership is limited by Members' funds. The Partnership is registered in England and Wales and its registered office is noted on page 3.

This is the first year in which the financial statements have been prepared under FRS 102. No adjustment to the prior year comparatives is required as a result of the adoption of FRS 102. The date of transition to FRS 102 was 1 January 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Partnerships accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Going concern

Under the terms of the Joint Venture Agreement George Wimpey East London Limited and L&Q New Homes Limited are contractually obliged to provide funding to the Partnership to a predetermined level. Taylor Wimpey plc ("TW plc") is the ultimate controlling party of 62% of the Partnership equity. 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 is the ultimate parent of the Taylor Wimpey group which is profitable and is in a strong financial position

L&Q New Homes Limited has adequate resources to continue in operation for the foreseeable future as Academy Central LLP 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

Revenue

Revenue is recognised in the statement of comprehensive income 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. Other operating income is in relation to the sale of freeholds.

Inventories

Inventories are 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 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 and selling.

Land inventories are 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 other reserves within Members' interests.

ACADEMY CENTRAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

1. Accounting policies (continued)

Trade receivables

Trade receivables 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.

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 purchases, are recorded at their fair value.

2. Key sources of estimation uncertainty and critical accounting judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The Members have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements. Significant estimates include the valuation of shared equity assets and deposit match mortgage receivables, as well as the estimation of the provision for remedial works on completed plots.

3. Revenue

The Partnership's revenue comprises solely residential housing sales in both 2015 and 2014.

4. Operating profit

In prior years, cost of sales reported in the statement of comprehensive income included no future sales development and administration fees directly attributable to future sales at the Academy Central development.

Members' distribution paid by the Partnership in the year amounted to £8,936,000 (2014: £nil). There were no employees in the Partnership during 2015 (2014: £nil).

5. Taxation

Income tax payable on the Partnership's profits is solely the liability of the individual Members and consequently is not dealt with in these financial statements. The LLP is not taxed as a corporate entity.

6. Administrative expenses

	2015 £'000	2014 £'000
Operating profit is stated after charging:		
Professional fees	82	75
Services provided by the company's auditors		
- Fees payable for the audit	15	10
	<u>97</u>	<u>85</u>

7. Inventories

	2015 £'000	2014 £'000
Land held for development	-	4,396
Construction work in progress	-	4,139
	<u>-</u>	<u>8,535</u>

ACADEMY CENTRAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

8. Trade and other receivables

	2015 £'000	2014 £'000
Amounts due within one year		
Trade receivables	765	13,165
Other receivables	30	225
	<u>795</u>	<u>13,390</u>
Amounts falling due after more than one year		
Trade receivables	413	491
	<u>1,208</u>	<u>13,881</u>

Trade receivables falling due after more than one year are in respect of shared equity / deposit match mortgage receivables.

9. Trade payables

	2015 £'000	2014 £'000
Trade payables	212	1,021
Other payables	-	1,306
Accruals and deferred income	489	92
	<u>701</u>	<u>2,419</u>

10. Provisions

	2015 £'000	2014 £'000
1 January	18	35
Additional provision in the year	-	9
Release to statement of comprehensive income	(18)	(26)
31 December	<u>-</u>	<u>18</u>

Provisions were in respect of rental guarantees and potential costs arising out of a documentation error at point of sale.

11. Loans and other debts due (from)/to Members

	2015 £'000	2014 £'000
Financing (from)/to L&Q New Homes Limited	(94)	4,801
Financing (from)/to Taylor Wimpey UK Limited	(165)	7,822
	<u>(259)</u>	<u>12,623</u>

Any loans and other debts due to Members rank equally in relation to other payables which are unsecured in the event of a winding up.

ACADEMY CENTRAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

12. Reconciliation of operating profit to net cash flows from operating activities

	2015 £'000	2014 £'000
Profit for the year before Members' remuneration and profit shares available for discretionary division among Members	1,227	3,246
Decrease in inventories	8,535	7,702
Decrease in receivables	12,673	3,356
Decrease in payables	(1,718)	(1,144)
Decrease in provisions	(18)	(17)
Net cash inflow from operating activities	<u>20,699</u>	<u>13,143</u>

13. Reconciliation from cash flow to movement in net debt

	Cash and cash equivalents £'000	Other loans £'000	Total net debt £'000
Balance 1 January 2014	3,612	(27,797)	(24,185)
Cash flow	(2,031)	15,174	13,143
Balance 31 December 2014	<u>1,581</u>	<u>(12,623)</u>	<u>(11,042)</u>
Cash flow	(1,119)	12,882	11,763
Balance 31 December 2015	<u>462</u>	<u>259</u>	<u>721</u>

14. Related party transactions

Academy Central LLP had received loan financing from the LLP Members. The balances of loans outstanding at 31 December 2015 are detailed in note 11. At 31 December 2015 amounts due from Members are £259,000 (2014: (£12,623,000) due to Members).

The Partnership made purchases from Taylor Wimpey UK Limited (the parent company of George Wimpey East London Limited) of £4,140,000 (2014: £12,196,000) which have been recorded within construction work in progress. At the year end Academy Central LLP had a sales proceeds receivable of £nil (2014: £12,096,000) due from Taylor Wimpey UK Limited.

The Partnership paid management fees of £1,722,099 (2014: £1,613,000) to Taylor Wimpey UK Limited, in the year. At the year end Academy Central LLP had an outstanding payable of £172,000 (2014: £269,000) with Taylor Wimpey UK Limited in respect of management fees in addition to the above receivable (2014: payable).

ACADEMY CENTRAL LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (CONTINUED)

15. Members' capital

	2015 £	2014 £
George Wimpey East London Limited	620	620
L&Q New Homes Limited	380	380

The Partnership is a Limited Liability Partnership. The Partners are George Wimpey East London Limited and L&Q New Homes Limited and their 'relevant percentage' (proportion of capital invested) is 62% and 38% respectively. Both Partners are equally represented on the Board and have equal voting rights over operational management. Consequently there is no ultimate parent company or controlling party of the Partnership.

There are no restrictions on distributions to Members.