

**ACADEMY CENTRAL LLP**

**MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2013**

**Registration: England OC319357**

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## **ACADEMY CENTRAL LLP**

### **MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

The Members' present their report and the audited financial statements of the partnership for the year ended 31 December 2013.

### **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 for the financial year before members' remuneration and profit shares available for discretionary division among members' of £5,706,000 (2012: £3,637,000) is reported in the profit and loss account on page 6.

### **MEMBERS**

Members' capital is as follows;

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
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 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 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 2013 (CONTINUED)**

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

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). 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 ("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 is the ultimate parent of the Taylor Wimpey group ("the Group"). The Group is profitable and has a strong balance sheet. In the year the Group refinanced its committed financing facilities with earliest maturity date of 2018.

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 2013 (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.

On behalf of:



**George Wimpey East London Limited**  
**Member**

Date 30/06/2014



**Zest Homes Limited**  
**Member**

Date 30/06/2014

**Registered Office**

Gate House  
Turnpike Road  
High Wycombe  
Buckinghamshire  
HP12 3NR

## **ACADEMY CENTRAL LLP**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY CENTRAL LLP**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

##### **What we have audited**

The financial statements, which are prepared by Academy Central LLP, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the cash flow statement 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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 designated members; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Financial Statements (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.

##### **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 AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY CENTRAL LLP**  
**(CONTINUED)**

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the members**

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 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.



Michael Philp (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
30 June 2014

**ACADEMY CENTRAL LLP**  
**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Notes</b>	<b>2013 £'000</b>	<b>2012 £'000</b>
Turnover	2	30,157	22,358
Cost of sales		(24,674)	(18,665)
<b>Gross Profit</b>		<hr/> 5,483	<hr/> 3,693
Other income		311	18
Net operating expenses	4	(88)	(74)
<b>Profit for the year before members' remuneration and profit shares available for discretionary division among members</b>		<hr/> 5,706	<hr/> 3,637

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 2013**

		<b>2013</b>	<b>2012</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Current assets</b>			
Stock	5	16,237	25,153
Debtors: amounts falling due within one year	6	16,764	7,629
Debtors: amounts falling due after more than one year	6	473	404
Cash at bank and in hand		3,612	1,389
		<hr/>	<hr/>
		37,086	34,575
Creditors: amounts falling due within one year	7	(3,563)	(2,061)
		<hr/>	<hr/>
<b>Net current assets</b>		33,523	32,514
Creditors: amounts falling due after more than one year	8	(27,797)	(32,473)
Provisions for liabilities	9	(35)	(56)
		<hr/>	<hr/>
<b>Net assets / (liabilities) attributable to members</b>		5,691	(15)
		<hr/>	<hr/>
<b>Represented by:</b>			
<b>Members' interests</b>			
Members' capital	11	1	1
Other reserves	10	5,690	(16)
		<hr/>	<hr/>
<b>Total Members' interests</b>		5,691	(15)
		<hr/>	<hr/>

The financial statements of Academy Central LLP (registration number: OC319357) were approved by the Members and authorised for issue on 30 June 2014. They 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 2013**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net cash inflow from operating activities (see below)</b>	6,899	6,901
<b>Financing</b>		
Decrease in borrowings	(4,676)	(6,332)
<b>Net increase in cash</b>	2,223	569
Net cash at start of year	1,389	820
<b>Net cash at end of year</b>	<u>3,612</u>	<u>1,389</u>

**Reconciliation of operating profit to net cash flows from operating activities**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	5,706	3,637
Decrease in stock	8,916	6,872
Increase in debtors	(9,204)	(4,152)
Increase in creditors	1,502	510
(Decrease) / increase in provisions	(21)	34
<b>Net cash inflow from operating activities</b>	<u>6,899</u>	<u>6,901</u>

## **ACADEMY CENTRAL LLP**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **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 is the ultimate parent of the Taylor Wimpey group ("the Group"). The Group is profitable and has a strong balance sheet. In the year the Group refinanced its committed financing facilities with earliest maturity date of 2018.

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**

Turnover is recognised in the profit and loss account when significant risks and rewards of ownership have been transferred to the purchaser. Turnover 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 other 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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013****(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. Turnover**

The partnership's turnover comprises solely residential housing sales in both 2013 and 2012

**3. Operating profit**

Cost of sales reported in the profit and loss account also includes 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 (2012: £nil).

**4. Net operating expenses**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Auditors' remuneration	10	10
Professional fees	78	64
	<u>88</u>	<u>74</u>

**5. Stocks**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Land held for development	8,987	14,987
Construction work in progress	7,250	10,166
	<u>16,237</u>	<u>25,153</u>

**6. Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due within one year		
Trade debtors	16,734	7,603
Other debtors	30	26
	<u>16,764</u>	<u>7,629</u>
Amounts falling due after more than one year		
Trade debtors	473	404
	<u>17,237</u>	<u>8,033</u>

Trade debtors falling due after more than one year are in respect of Shared Equity / Deposit Match mortgage receivables.

**ACADEMY CENTRAL LLP**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013  
(CONTINUED)**
**7. Creditors: amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1,701	1,497
Other creditors	1,845	554
Accruals and deferred income	17	10
	<u>3,563</u>	<u>2,061</u>

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

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Financing from Zest Homes Limited	10,567	12,344
Financing from Taylor Wimpey UK Limited	17,230	20,129
	<u>27,797</u>	<u>32,473</u>

**9. Provisions for liabilities**

	<b>Rental Guarantee 2013 £'000</b>
1 January	56
Release to profit and loss account	(16)
Utilised during the year	(5)
31 December	<u>35</u>

During the year, the partnership provided rental yield guarantees to investor sales. A release of £16,000 has been made for the expected costs to be incurred by the partnership over a 1 year period.

**10. Other Reserves**

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Opening reserves at 1 January	(16)	(3,653)
Profit for the financial year before members' remuneration and profit share available for discretionary division among members'	5,706	3,637
Closing reserves at 31 December	<u>5,690</u>	<u>(16)</u>

## ACADEMY CENTRAL LLP

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

#### 11. Members' capital

	2013 £	2012 £
George Wimpey East London Limited	620	620
Zest Homes Limited	380	380
	<u>1,000</u>	<u>1,000</u>

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.

#### 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 year 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 £14,845,000 (2012: £10,454,000) which have been recorded within construction work in progress. At the year end Academy Central LLP had a sales proceeds debtor of £14,444,000 (2012: £6,801,000) from Taylor Wimpey UK Limited.

The partnership paid management fees of £1,394,000 (2012: £1,380,000) to Taylor Wimpey UK Limited, in the year. At the year end Academy Central LLP had an outstanding creditor of £139,000 (2012: £138,000) with Taylor Wimpey UK Limited in respect of management fees in addition to the above creditor.