

# **Annington Property Limited**

## **Directors' report and financial statements**

**31 October 1996**

Registered number 3232852



# Annington Property Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

# **Annington Property Limited**

## **Directors' report**

The directors present their report and the audited financial statements for the period from incorporation to 31 October 1996.

### **Principal activities**

The company was incorporated on 29 July 1996.

It is a member of the Annington Group, a UK domiciled group of companies established to purchase the Married Quarters Estate ("MQE") and to manage those sites which are released to the Annington Group by the Ministry of Defence ("MOD") with vacant possession. The principal activity of the company is to carry out the Group's property investment activity.

### **Business review**

During the period a loan was drawn and the funds received were put on deposit.

On 5 November 1996 the Annington Group completed the purchase of the MQE from the MOD.

### **Proposed dividend and transfer to reserves**

The directors do not recommend the payment of a dividend.

### **Directors and directors' interests**

The directors who held office during the period were as follows:

Jeffery Frederick Nash	(appointed 29 July 1996; resigned 20 December 1996)
Christopher John Patrick	(appointed 29 July 1996; resigned 20 December 1996)
Richard James Arthur Golding	(appointed 12 September 1996; resigned 20 December 1996)
Steve Devine	(appointed 20 December 1996)
Andy Wynn	(appointed 20 December 1996)
Finn Green	(appointed 20 December 1996)

None of the directors who held office at the end of the financial period had any disclosable interest in the shares of the company or in any other Annington Group company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other Group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

# Annington Property Limited

## Directors' report

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**Finn Green**  
*Director*

Colechurch House  
London Bridge Walk  
London  
SE1 2SX

24 January 1997

# Annington Property Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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## Auditors' report to the members of Annington Property Limited

We have audited the financial statements on pages 5 to 9.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1996 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

**KPMG**  
*Chartered Accountants*  
*Registered Auditors*

31 January 1997

# Annington Property Limited

## Profit and loss account for the period ended 31 October 1996

	<i>Note</i>	1996 £
Bank interest receivable and similar income	4	1,153,082
Interest payable and similar charges	5	<u>(1,153,082)</u>
<b>Profit on ordinary activities before and after taxation</b>		<u>-</u>
<b>Retained profit for the financial year</b>		<u>-</u>

The company had no recognised gains or losses in the financial period other than the result shown above.

# Annington Property Limited

Balance sheet  
at 31 October 1996

	Note	1996 £
<b>Fixed assets</b>	6	
Investments		<u>125,000,000</u>
<b>Current assets</b>		
Debtors	7	1,153,083
Cash at bank and in hand		<u>75,000,000</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(201,153,082)</u>
<b>Net current liabilities</b>		<u>(124,999,999)</u>
<b>Net assets</b>		<u>1</u>
<b>Capital and reserves</b>		
Called up share capital	9	1
Profit and loss account		<u>-</u>
		<u>1</u>

These financial statements were approved by the board of directors on 24 January 1997 and were signed on its behalf by:



**Finn Green**  
Director



# Annington Property Limited

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Annington Holdings plc, and its cash flows are included within the consolidated cash flow statement of that company.

### 2 Profit and loss account

Prior to completion of the purchase of the MOD's MQE by the Annington Group, all fees and expenses connected with the bid, its funding and the establishment of the Annington Group of companies, including audit fees, have been borne directly by the members of the bidding consortium and will be charged to the relevant members of the Annington Group conditional upon completion of the acquisition of the MQE (see post balance sheet event note). The Group and company's accounting policy is to account for acquisition and their related expenses on completion.

### 3 Staff numbers and costs

There were no staff employed during the period other than the directors. No directors emoluments were paid during the period.

### 4 Interest receivable

On exchange of contracts for the Annington Group to purchase the MQE a deposit of £200 million was paid by the company, £125 million of which was non refundable in the event the purchase did not complete. The company is entitled to interest arising on the deposit.

### 5 Interest payable and similar charges

1996  
£

On bank loans, overdrafts and other loans  
wholly repayable within five years

1,153,082

# Annington Property Limited

## Notes (continued)

### 6 Fixed asset investments

The addition to fixed assets of £125 million represents the non refundable element of the deposit paid on exchange of contracts to purchase the MQE from the MOD.

### 7 Debtors

	1996 Due within one year £
Other debtors	1,153,082
Called up share capital not paid	1
	<hr/>
	1,153,083
	<hr/>

*The amounts owed by group  
undertakings comprise*

Parent undertaking - called up share capital not paid

1

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### 8 Creditors: amounts falling due within one year

	1996 £
Accruals and deferred income	1,153,082
Bank loan	200,000,000
	<hr/>
	201,153,082
	<hr/>

Interest has been charged on the loan at the same rate as the funds placed on deposit.

### 9 Called up share capital

	1996 £
<i>Authorised</i>	
Ordinary shares of £1 each	1,000
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<i>Allotted, called up, not paid</i>	
Ordinary shares of £1 each	1
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# Annington Property Limited

## Notes *(continued)*

### 10 **Post balance sheet events**

On 5 November 1996 the Annington Group of companies completed the acquisition of the MQE from the MOD for a purchase consideration of approximately £1.66 billion. The purchase has been funded substantially by borrowings with a range of maturity dates.

### 11 **Parent company undertaking**

As at 31 October 1996, the company's ultimate parent undertaking was Annington Holdings plc. The consolidated accounts for the Annington Group are available to the public and may be obtained from the registered office at Colechurch House, London Bridge Walk, London SE1 2SX.