

Annington Receivables Limited

Directors' report and financial statements

31 October 1996

Registered number 3246599



Annington Receivables Limited

Directors' report and financial statements

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

Annington Receivables 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 6 September 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 act as collecting agent in relation to rents paid by the MOD to Annington Property Limited (or its assignees) and to act as trustee of a receivables trust constituted by Annington Property Limited.

Business review

The company has not traded during the financial period and has received no income and incurred no expenditure. Consequently, during the financial period the company has neither made a profit nor a loss.

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:

Instant Companies Limited	(appointed 6 September 1996; resigned 18 September 1996)
Christopher John Patrick	(appointed 18 September 1996; resigned 20 December 1996)
Richard James Arthur Golding	(appointed 18 September 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 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 period.

Annington Receivables 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 Receivables 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 maintaining 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



PO Box 695
8 Salisbury Square
London
EC4V 3PD

Auditors' report to the members of Annington Receivables Limited

We have audited the financial statements on pages 5 to 7.

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 results 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 Receivables Limited

Balance sheet
at 31 October 1996

	Note	1996 £000
Current assets		
Debtors	4	<u>1</u>
Total net current assets		<u>1</u>
 Capital and reserves		
Called up share capital	5	<u>1</u>

The company has no recognised gains or losses in the financial period other than the result for the period.

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 Receivables 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 on completion of the acquisition of the MQE (see post balance sheet event note 6). The Group and company's accounting policy is to account for acquisitions and their related expenses on completion.

Consequently for the period from incorporation to 31 October 1996 the company did not trade and received no income and incurred no expenditure. Accordingly, during this period the company has made neither a profit nor a loss.

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 Debtors

1996
Due
within
one year
£

The amounts owed by group undertakings comprise

Parent undertaking - called up share
capital not paid

1

Annington Receivables Limited

Notes (continued)

5 Called up share capital

	1996 £
<i>Authorised</i>	
Ordinary shares of £1 each	1,000
	<hr/>
<i>Allotted, called up, not paid</i>	
Ordinary shares of £1 each	1
	<hr/>

6 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.

7 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.