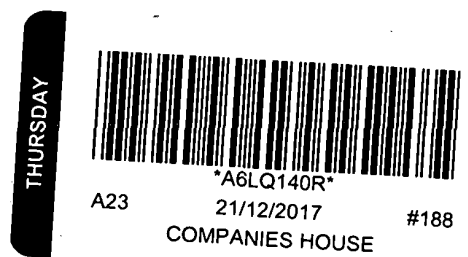


ANNINGTON RECEIVABLES LIMITED

Annual Report and Financial Statements

For the year ended 31 March 2017



ANNINGTON RECEIVABLES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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ANNINGTON RECEIVABLES LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2017. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under the Companies Act 2006. A strategic report has not been prepared in accordance with the exemption entitled to small companies under s414 of the Companies Act 2006.

DIRECTORS

The directors who served throughout the year and to the date of this report were:

A P Chadd
J C Hopkins
N P Vaughan

Qualifying third party indemnity provisions are in place for all directors of the company for the current and preceding year.

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements.

PRINCIPAL ACTIVITIES

Annington Receivables Limited ("the Company") is a subsidiary of Annington Homes Limited, which is part of the Annington Limited Group. The Company receives rent payments from the Secretary of State for Defence (SoSD) as agent for Annington Property Limited. The rents received are transferred to meet the obligations under external debt financing issued by Annington Finance No.1 plc and Annington Finance No.4 plc.

AUDITOR

Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



A P Chadd
Director

6 October 2017

REGISTERED OFFICE

1 James Street
London, United Kingdom
W1U 1DR

ANNINGTON RECEIVABLES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ANNINGTON RECEIVABLES LIMITED

We have audited the financial statements of Annington Receivables Limited for the year ended 31 March 2017 which comprise the balance sheet and the related notes 1 to 8. 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).

This report is made solely to the Company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' responsibilities, the directors 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its result 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- and the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
ANNINGTON RECEIVABLES LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and strategic report.

DL Laurent

Diane Petit-Laurent ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

6 October 2017

ANNINGTON RECEIVABLES LIMITED

BALANCE SHEET At 31 March 2017

	Note	2017 £	2016 £
Current assets			
Receivables	5	33,015	33,015
Net assets		<u>33,015</u>	<u>33,015</u>
Capital and reserves			
Share capital	6	2	2
Retained earnings - distributable		33,013	33,013
Total equity		<u>33,015</u>	<u>33,015</u>

The accompanying notes (1 to 8) should be read in conjunction with these financial statements.

The financial statements of Annington Receivables Limited, registered number 03246599, were approved by the Board of Directors and authorised for issue on 6 October 2017.

Signed on behalf of the Board of Directors



A P Chadd

Director

ANNINGTON RECEIVABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. CORPORATE INFORMATION

Annington Receivables Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of its registered office is 1 James Street, London W1U 1DR. Information on the Company's ultimate parent is presented in Note 8.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"), and with the Companies Act 2006.

For the year ended 31 March 2016, the Company prepared its financial statements in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"). These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with FRS 101. There were no adjustments on transition.

The financial statements are presented in pound sterling (£). They have been prepared under the historical cost basis.

Exemptions for qualifying entities under FRS 101

FRS 101 permits a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been applied by the Company. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU-adopted International Financial Reporting Standards, including an opening Statement of Financial Position;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- certain disclosures in respect of financial instruments;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with wholly-owned members of the Group.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Annington Limited, which are publicly available.

Going concern

The Company's financial position is noted in the balance sheet. The directors' report describes the principal activities of the Company.

The Company does not incur significant day to day working capital requirements but, when necessary, meets these by recharging costs to companies within the Annington Group.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Accounting judgements and estimates

Management has not made any significant accounting judgements, estimates and assumptions concerning the future.

ANNINGTON RECEIVABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017 (continued)

3. INCOME STATEMENT AND STATEMENT OF CHANGES IN EQUITY

No income statement or statement of changes in equity is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial year. There have been no movements in shareholder's funds during the year under review or the preceding year.

The auditor's remuneration was £2,400 (2016: £2,500) for the audit of the Company's annual financial statements and was borne by another group company in the current and preceding year.

In accordance with SI 2008/489 the Company has not disclosed the fees payable to the Company's auditor for 'Other services' as this information is included in the consolidated financial statements of Annington Limited.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company had no employees of its own during the year (2016: nil). The directors received no emoluments for their services to the Company in the current and preceding year.

5. RECEIVABLES

ACCOUNTING POLICY

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less any impairment.

	2017 £	2016 £
Amounts falling due within one year		
Amounts owed by group undertakings	33,015	33,015

Amounts owed by group undertakings are unsecured, non-interest bearing and have no fixed date for repayment.

The carrying value of receivables approximates the fair value.

6. SHARE CAPITAL

	2017 £	2016 £
Authorised, issued and fully paid		
1 ordinary share of £1	1	1
Authorised, issued and nil paid		
1 ordinary share of £1	1	1

7. RELATED PARTY DISCLOSURES

The Company is a wholly owned subsidiary within the Annington Limited Group and is included in the consolidated financial statements of Annington Limited. The Company has taken advantage of the exemption provided in paragraph 8(k) of FRS 101 not to make disclosure of transactions with other wholly-owned entities that are part of the same group.

ANNINGTON RECEIVABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2017 (continued)**

8. CONTROLLING PARTY

Annington Homes Limited, a company incorporated in the United Kingdom, is the immediate parent company.

The directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity. The ultimate controlling party is Guy Hands.

Annington Limited is the largest and smallest parent company of which the Company is a member and for which group financial statements are drawn up. The Annual Report and Financial Statements for Annington Limited are available on request from the registered office at 1 James Street, London W1U 1DR.