

**ANNINGTON (DA) INVESTMENT
LIMITED**

Report and Financial Statements

31 March 2012

THURSDAY



L1EY3NK9

LD2

09/08/2012

#10

COMPANIES HOUSE

ANNINGTON (DA) INVESTMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

ANNINGTON (DA) INVESTMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J B Chambers
J C Hopkins
N P Vaughan

SECRETARY

J B Chambers

REGISTERED OFFICE

1 James Street
London
W1U 1DR

SOLICITORS

Eversheds LLP
1 Callaghan Square
Cardiff
CF10 5BT

BANKERS

The Royal Bank of Scotland
London Corporate Service Centre
PO Box 39952
2 1/2 Devonshire Square
London
EC2M 4XJ

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

ANNINGTON (DA) INVESTMENT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was property investment

DIRECTORS

The directors who served throughout the year were

J B Chambers

J C Hopkins

N P Vaughan

Qualifying third party indemnity provisions were in place for all directors of the Company for the current 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 accounts

Further details regarding the adoption of the going concern basis can be found in note 1 "Accounting Policies" in the financial statements

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 judgements and accounting estimates that are reasonable and prudent, and
- 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

ANNINGTON (DA) INVESTMENT LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

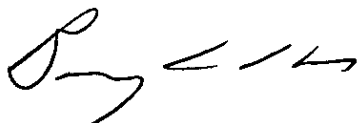
Each of the persons who is a director at the date of approval of this annual report confirms that

- 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



J B Chambers

Director

29 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNINGTON (DA) INVESTMENT LIMITED

We have audited the financial statements of Annington (DA) Investment Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 members, as a body, 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 members 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 members as a body, 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 Directors' Responsibilities Statement, 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. 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 2012 and of its loss 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANNINGTON (DA) INVESTMENT 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, or
- 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



Claire Faulkner (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
29 June 2012

ANNINGTON (DA) INVESTMENT LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Interest receivable and similar income	4	12,915	-
Interest payable and similar charges	5	(18,066)	(26,178)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,151)	(26,178)
Tax on loss on ordinary activities	6	124	-
LOSS FOR THE FINANCIAL YEAR		(5,027)	(26,178)

All activities derive from continuing operations

There are no recognised gains and losses for the current financial year or the preceding financial year other than as shown in the profit and loss account above. Accordingly, no statement of total recognised gains and losses has been presented.

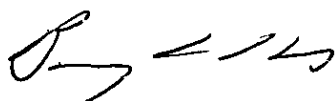
ANNINGTON (DA) INVESTMENT LIMITED

BALANCE SHEET 31 March 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	7	144,968	144,930
TOTAL ASSETS LESS CURRENT LIABILITIES		144,968	144,930
CREDITORS: amounts falling due after more than one year	8	(243,873)	(238,808)
NET LIABILITIES		(98,905)	(93,878)
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account	10	(98,905)	(93,878)
SHAREHOLDERS' DEFICIT	11	(98,905)	(93,878)

The financial statements of Annington (DA) Investment Limited, registered number 6053858, were approved by the Board of Directors and authorised for issue on 29 June 2012

Signed on behalf of the Board of Directors



J B Chambers

Director

ANNINGTON (DA) INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments, and in accordance with applicable United Kingdom accounting standards.

Going Concern

The Company has a maximum commitment for further capital contributions (Note 12) for its sole investment (Note 7). The Company currently has not generated any profits, is in a net liabilities position and is reliant on the group to provide additional funds, as such Annington Homes Limited has placed funds for the maximum commitment into a Euro Account effectively ring fencing this commitment. The performance and return of this investment is considered satisfactory and there are partnership reports and comparable evidence to confirm that the German housing market offers attractive risk return profiles.

After making enquiries and having assessed both the responses of the directors of the Company's parent Annington Development (Holdings) Limited and a commitment for financial support from another group entity, 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 accounts.

Group accounts

The Company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of another company for which consolidated accounts are prepared.

Cash flow statement

The Company is a wholly owned subsidiary of Annington Holdings plc and is included in the consolidated financial statements of Annington Holdings plc which include a consolidated cash flow statement and are publicly available. The Company has therefore elected to make use of the exemption provided in Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" not to produce its own cash flow statement.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investment

Fixed asset investments are shown at cost less provision for impairment.

ANNINGTON (DA) INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

2. OPERATING LOSS

The auditor's remuneration was £7,400 (2011 - £7,200) for the audit services of the Company's annual accounts, £9,100 (2011 - £9,800) for other services relating to taxation and £nil (2011 - £200) for other accounting services and was borne by another group company in the current and preceding year

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors received no emoluments for their services to this company in the current or preceding year

The Company had no employees of its own during the current or preceding year. The cost of performing work for the Company is borne by another group company

4. INTEREST RECEIVABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Exchange gain on inter-company balance	12,915	-
	<u>12,915</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £'000	2011 £'000
Interest payable on inter-company balance	18,066	17,152
Exchange loss on inter-company balance	-	9,026
	<u>18,066</u>	<u>26,178</u>

ANNINGTON (DA) INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2012

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2012 £'000	2011 £'000
Current tax		
United Kingdom corporation tax at 26% (2011 - 28%)	(124)	-
The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 26% (2011 - 28%) The current tax charge for the year differs from the standard tax rate for the reasons set out in the following reconciliation		
	2012 £'000	2011 £'000
Loss on ordinary activities before tax	(5,151)	(26,178)
Tax on loss on ordinary activities at standard rate	(1,339)	(7,330)
Factors affecting charge for the year		
Taxable income from investment in Annington - V L P	989	901
Utilisation of tax losses	-	(1,624)
Group relief surrendered	350	-
Notional transfer from group company	-	8,053
Consideration received for consortia relief	(124)	-
Total actual amount of current tax	(124)	-

The amount of tax losses carried forward at 31 March 2012 is £nil (2011 - £11,713,512) A deferred tax asset of £nil (2011 £3,045,513) has not been recognised in respect of timing differences relating to the tax losses as there is insufficient evidence that the asset will be recovered

In April 2012, the headline rate of corporation tax reduced from 26% to 24%, with further 1% reductions expected each year until a rate of 22% is in place from April 2014, as declared in the 2012 Budget Announcement

7. FIXED ASSET INVESTMENTS

	2012 £'000	2011 £'000
Investments		
Cost and net book value		
At 1 April	144,930	136,660
Additions	38	8,270
At 31 March	144,968	144,930

The principal undertakings at 31 March 2012 are shown below

Name of investment undertaking	Country of incorporation	Principal activity	Holding %
Terra Firma Deutsche Annington - V L P	Guernsey	Private equity investor in Deutsche Annington Immobilien GmbH	9 1

The Company has a Euro 205 million (2011 - Euro 205 million) investment as a special limited partner in the fund The addition during the year relates to the capital contribution to the investment under the Limited Partnership Agreement

ANNINGTON (DA) INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2012

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £'000	2011 £'000
Amounts due to group undertakings	243,873	238,808
Amounts owed to group undertakings are unsecured, interest bearing at 8% and have a fixed repayment date of 31 March 2025		

9 CALLED UP SHARE CAPITAL

	2012 Pence	2011 Pence
Called up, allotted and nil paid 1 ordinary share of 1p	1	1

10 STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £'000
At 1 April 2011	(93,878)
Retained loss for the year	(5,027)
At 31 March 2012	(98,905)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2012 £'000	2011 £'000
Loss for the financial year	(5,027)	(26,178)
Net increase in shareholders' deficit	(5,027)	(26,178)
Opening shareholders' deficit	(93,878)	(67,700)
Closing shareholders' deficit	(98,905)	(93,878)

12 CONTINGENT LIABILITIES

The Company has a commitment of Euro 44.8 million (2011 - Euro 44.8 million) which is contingent on the general partner, Terra Firma Investments (DA) Limited, issuing a call in accordance with the Limited Partnership Agreement to make further investments in Deutsche Annington Immobilien GmbH

ANNINGTON (DA) INVESTMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

13. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary within the Annington Holdings plc group and is included in the consolidated financial statements of Annington Holdings plc. The company has taken advantage of the exemption provided in Financial Reporting Standard 8 "Related Party Disclosures" not to make disclosure of transactions with other entities that are part of the same group, on the basis that all subsidiary undertakings party to the transactions are wholly owned by a member of the group.

14. PARENT COMPANY

Annington Development (Holdings) Limited, a company incorporated in Great Britain, is the immediate parent company. Annington Holdings plc, a company incorporated in Great Britain, is the intermediary parent company and Le Grand Annington Limited, a company incorporated in Great Britain, is the ultimate parent company and controlling party.

Le Grand Annington Limited is the parent company of the largest and Annington Holdings plc is the parent company of the smallest group of which the company is a member and for which consolidated financial statements are drawn up. Group accounts for both companies are available on request from the registered offices at 1 James Street, London W1U 1DR.