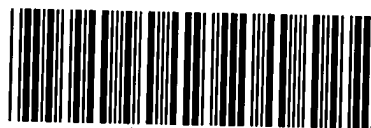


**ANNINGTON (DA) INVESTMENT  
LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 March 2017**

THURSDAY



\*A6LQ13WV\*

A23

21/12/2017

#170

COMPANIES HOUSE

# **ANNINGTON (DA) INVESTMENT LIMITED**

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

<b>CONTENTS</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4</b>
<b>Income statement</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9</b>

# **ANNINGTON (DA) INVESTMENT 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:

J C Hopkins  
N P Vaughan  
A P Chadd

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

### **DIVIDENDS**

No dividends have been paid or proposed during the year (2016: £nil).

### **PRINCIPAL ACTIVITIES**

The Company is a subsidiary of Annington Developments (Holdings) Limited ("ADHL"), which is part of the Annington Limited Group. It was created for the purpose of holding the Annington Group's investments in Terra Firma Deutsche Annington – V LP, a private equity investor in Deutsche Annington Immobilien GmbH.

Since the disposal of the investment in December 2012, the Company has entered a period of inactivity.

### **FUTURE DEVELOPMENTS**

Future developments and other factors not under the control of the Company may impact on the ongoing operations of the business, however, the directors expect the business to continue, for the foreseeable future, in a manner consistent with its historical operations.

### **FINANCIAL RISK MANAGEMENT**

The Company has no external debt and is funded by other Group companies. The directors anticipate that the refinancing risk will be mitigated by restructuring within the group prior to the Company's debts falling due. Further details can be found in Note 7.

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

# **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



A P Chadd  
Director

6 October 2017

### **REGISTERED OFFICE**

1 James Street  
London, United Kingdom  
W1U 1DR

## **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 (DA) INVESTMENT LIMITED**

We have audited the financial statements of Annington (DA) Investment Limited for the year ended 31 March 2017 which comprise the income statement, balance sheet, statement of changes in equity and the related notes 1 to 10. 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), including FRS 101 "Reduced Disclosure Framework".

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 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, 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 (DA) INVESTMENT LIMITED**

### **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.



**Richard Howe (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
Statutory Auditor  
London  
United Kingdom  
6 October 2017

# ANNINGTON (DA) INVESTMENT LIMITED

## INCOME STATEMENT

For the year ended 31 March 2017

	Note	2017 £'000	2016 £'000
Finance costs	5	(8,601)	(8,049)
<b>Loss before taxation</b>		<u>(8,601)</u>	<u>(8,049)</u>
Taxation	6	-	-
<b>Loss for the financial year</b>		<u>(8,601)</u>	<u>(8,049)</u>
<b>Loss attributable to shareholder</b>		<u>(8,601)</u>	<u>(8,049)</u>

There were no items of other comprehensive income or expense and therefore the loss for the year reflects the Company's total comprehensive income.



# ANNINGTON (DA) INVESTMENT LIMITED

## BALANCE SHEET At 31 March 2017

	Note	2017 £'000	2016 £'000
<b>Non-current liabilities</b>			
Loans and borrowings	7	(140,696)	(132,095)
<b>Net liabilities</b>		<u>(140,696)</u>	<u>(132,095)</u>
<b>Capital and reserves</b>			
Share capital	8	-	-
Retained earnings		(140,696)	(132,095)
<b>Total deficit</b>		<u>(140,696)</u>	<u>(132,095)</u>

The accompanying notes (1 to 10) should be read in conjunction with these financial statements.

The financial statements of Annington (DA) Investment Limited, registered number 06053858, 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 (DA) INVESTMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY For the year ended 31 March 2017

	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>At 1 April 2015</b>	-	(124,046)	(124,046)
Loss attributable to shareholder, being total comprehensive income for the year	-	(8,049)	(8,049)
<b>Balance at 31 March 2016</b>	-	(132,095)	(132,095)
Loss attributable to shareholder, being total comprehensive income for the year	-	(8,601)	(8,601)
<b>Balance at 31 March 2017</b>	-	(140,696)	(140,696)

# **ANNINGTON (DA) INVESTMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2017**

### **1. CORPORATE INFORMATION**

Annington (DA) Investment 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 Group's ultimate parent is presented in Note 10.

### **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 and rounded to the nearest thousand (£'000), except where otherwise indicated. 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 currently has not generated any profits, is in a net liabilities position and is reliant on the group to provide additional funds. 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 financial statements.

#### **Accounting judgements and estimates**

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

# ANNINGTON (DA) INVESTMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017 (continued)

### 3. OPERATING LOSS

The auditor's remuneration was £3,500 (2016: £3,700) 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 directors received no emoluments for their services to the 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.

### 5. FINANCE COSTS

#### ACCOUNTING POLICY

Finance costs, including any transaction costs, are charged to the income statement using the effective interest rate method.

	2017 £'000	2016 £'000
<b>Finance costs</b>		
Interest payable on intercompany balance	8,601	8,049

### 6. TAXATION

#### ACCOUNTING POLICY

The taxation expense for the year comprises current and deferred tax. Tax is recognised in the income statement.

#### *Current tax*

Current tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Taxable profit differs from profit before tax as reported in the income statement because it excludes some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

#### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously.

# ANNINGTON (DA) INVESTMENT LIMITED

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

### 6. TAXATION (continued)

	2017 £'000	2016 £'000
<b>Current tax</b>		
United Kingdom corporation tax at 20% (2016: 20%)	-	-
<b>Deferred tax</b>		
Deferred taxation: origination and reversal of temporary differences	-	-
<b>Total taxation expense for the year</b>	-	-

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 20% (2016: 20%). The tax for the year differs from the standard tax rate for the reasons set out in the below reconciliation:

	2017 £'000	2016 £'000
Loss before taxation	(8,601)	(8,049)
Tax on loss at standard rate	(1,720)	(1,609)
Factors affecting the current tax for the year:		
Transfer pricing adjustment	1,720	1,609
<b>Tax for the year</b>	-	-

From 1 April 2016, the headline rate of corporation tax was 20%. It will be reduced to 19% from 1 April 2017, and further reduced to 17% from 1 April 2020, with these rates substantively enacted at the current balance sheet date. Deferred tax balances at 31 March 2017 are measured at 17% (2016: 18%).

### 7. LOANS AND BORROWINGS

#### ACCOUNTING POLICY

After initial recognition at fair value, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method, such that discounts and costs are charged to the income statement over the term of the borrowing at a constant return on the carrying amount of the liability. The debt and associated accrued interest is classified as current and non-current based on the contractual payments required within 12 months of the balance sheet date.

	2017 £'000	2016 £'000
<b>Amounts falling due after more than five years</b>		
Amounts due to group undertakings	140,696	132,095

Amounts owed to group undertakings include a £89.5 million loan (2016: £82.9 million) which is unsecured, interest bearing at 8% and has a fixed repayment date of 31 March 2025 and other amount of £70.0 million (2016: £70.0 million) which is unsecured, interest free and has a fixed repayment date of 31 March 2025, of which £18.8 million is a capital contribution (2016: £20.8 million).

# ANNINGTON (DA) INVESTMENT LIMITED

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

### 8. SHARE CAPITAL

	2017 £	2016 £
<b>Allotted, issued and nil paid</b>		
1 ordinary share of 1p	0.01	0.01

### 9. 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 by paragraph 8(k) of FRS 101 not to make disclosure of transactions with other wholly-owned entities that are part of the same group.

### 10. ENTITY INFORMATION AND CONTROLLING PARTY

The Company is incorporated in the United Kingdom and the address of its registered office is 1 James Street, London W1U 1DR.

Annington Development (Holdings) 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 parent company of the largest and smallest group 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.