



**LONDON  
STOCK  
EXCHANGE**

An LSEG Business

NS Miscellaneous

## LEGAL PROCEEDINGS FILED

### [ANNINGTON FUNDING PLC](#)

Released 16:20:44 19 August 2024

RNS Number : 9799A  
Annington Funding PLC  
19 August 2024

#### **ANNINGTON FUNDING PLC**

*(incorporated with limited liability in England and Wales)*

**19 August 2024**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED ("EUWA") ("UK MAR").**

#### **LEGAL PROCEEDINGS FILED**

Annington Property Limited ("Annington") has today filed legal proceedings against the Secretary of State for Housing, Communities and Local Government challenging provisions of the Leasehold and Freehold Reform Act 2024 (the "Act"), which are not yet in force. The Act includes provisions which create a new mechanism to calculate compensation payable to a landlord when the landlord is subject to a claim for enfranchisement of a lease. The mechanism as currently drafted in the Act, appears to give rise to the possibility that, in certain specific circumstances, a lessee could acquire the freehold and intermediate leasehold interests for a very low valuation that does not reflect market value.

Annington holds a valuable intermediate leasehold interest with respect to the Married Quarters Estate. Annington believes that under the terms of its contractual relationship with the Ministry of Defence it is not impacted by the mechanism of the Act described above. However, there is a risk that a Court may interpret the contractual provisions differently and may find the relevant provision of the Act applicable to Annington. Annington has filed these legal proceedings seeking clarity on the operation of the Act in order to address this risk.

If relevant provisions of the Act were applicable to Annington once in force (which Annington does not believe to be the case), Annington would be at risk of receiving significantly less than market value for that intermediate leasehold interest in the event of its enfranchisement. Annington has brought this claim on a protective basis, pending clarification from the Government which may resolve the matter. Had Annington not commenced the claim at this time, it may have lost the right to challenge the Act. Annington understands that it is likely that a number of other parties will also challenge provisions of the Act in the near term.

The claim is separate to Annington's ongoing litigation with the Ministry of Defence with respect to the latter's attempts to enfranchise the Married Quarters Estate.

Stephen Leung  
Chief Financial Officer

Media Enquiries:

[Annington@brunswickgroup.com](mailto:Annington@brunswickgroup.com)

Annington Funding plc  
Hays Lane House  
1 Hays Lane  
London

SE1 2HB

This notice is released by Annington Funding plc and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("EUWA")("UK MAR"). For the purposes of UK MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055 as it forms part of domestic law by virtue of the EUWA, this announcement is made by Stephen Leung, Chief Financial Officer of Annington Limited.

LEI: 549300KK63W8VZIONZ83

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

---

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.

---

© 2024 London Stock Exchange plc. All rights reserved.