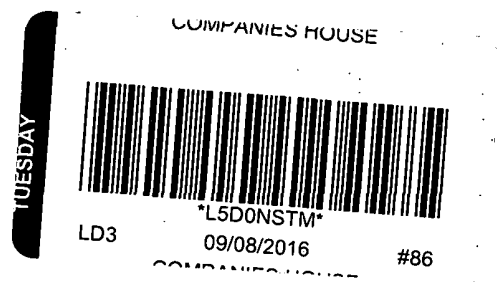




Financial Statements Solus 33 Limited

For the Year Ended 31 December 2015



Registered number: 04959748

Solus 33 Limited

Company Information

Directors	A D Hill J D Hill
Company secretary	J D Hill
Registered number	04959748
Registered office	Solus 31 Motherwell Way West Thurrock Essex RM20 3LB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Directors' Report

For the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless 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.

Directors

The directors who served during the year were:

A D Hill

J D Hill

Principal activity

The principal activity of the company during the period was that of holding property used by the Hill Company Limited for the maintenance and provision of storage facilities

There was a profit for the period after taxation amounting to £293,924 (2014: £39,305).

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Solus 33 Limited

Directors' Report

For the Year Ended 31 December 2015

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26 July 2016 and signed on its behalf.



J D Hill
Director



Independent Auditor's Report to the Shareholders of Solus 33 Limited

We have audited the financial statements of Solus 33 Limited for the year ended 31 December 2015, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, (page 1) 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of its profit 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.



Grant Thornton

Independent Auditor's Report to the Shareholders of Solus 33 Limited

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 and the directors' report has been prepared in accordance with applicable legal requirements.

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 from the requirement to prepare a Strategic report or in preparing the directors' report.

Grant Thornton UK LLP

Richard Hagley (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Grant Thornton House

Melton Street

Euston Square

London

NW1 2EP

Date: *26 July 2016*

Statement of Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover		360,000	360,000
Gross profit		360,000	360,000
Administrative expenses		103,150	45,572
Movement in fair value of financial instrument		147,268	(90,446)
Operating profit		610,418	315,126
Interest receivable and similar income	5	75,000	75,000
Interest payable and similar charges	6	(317,851)	(326,603)
Profit on ordinary activities before taxation		367,567	63,523
Taxation on profit/(loss) on ordinary activities	7	(73,643)	(24,218)
Profit for the financial year		293,924	39,305
Total comprehensive income for the year		293,924	39,305

There were no recognised gains and losses for 2015 other than those included in the income statement.

The notes on pages 8 to 18 form part of these financial statements.

Statement of Financial Position

As at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investment property	8	8,761,221	8,658,071
		<u>8,761,221</u>	<u>8,658,071</u>
Current assets			
Debtors: Amounts falling due within one year	9	1,390,382	1,295,539
Cash at bank and in hand	10	-	4
		<u>1,390,382</u>	<u>1,295,543</u>
Creditors: Amounts falling due within one year	11	(23,557)	(22,297)
Net current assets		<u>1,366,825</u>	<u>1,273,246</u>
Total assets less current liabilities		<u>10,128,046</u>	<u>9,931,317</u>
Creditors: Amounts falling due after more than one year	12	(6,918,449)	(7,065,730)
Provisions for liabilities			
Deferred tax	13	(624,326)	(574,240)
		<u>(624,326)</u>	<u>(574,240)</u>
Net assets		<u>2,585,271</u>	<u>2,291,347</u>
Capital and reserves			
Called up share capital	14	208	208
Profit and loss account		2,585,063	2,291,139
		<u>2,585,271</u>	<u>2,291,347</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26 July 2016

AJ

A D Hill
Director

The notes on pages 8 to 18 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015 (as restated)	208	2,291,139	2,291,347
Profit for the year	-	293,924	293,924
At 31 December 2015	208	2,585,063	2,585,271

Statement of Changes in Equity

For the Year Ended 31 December 2014

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2014 (as restated)	208	2,251,834	2,252,042
Profit for the year	-	39,305	39,305
At 31 December 2014	208	2,291,139	2,291,347

The notes on pages 8 to 18 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact first-time adoption of FRS 102 is given in note 21.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 21).

The following principal accounting policies have been applied:

1.2 Going concern

The accounts have been prepared on a going concern basis on the assumption that the parent undertaking will continue to make adequate funds available to the company to meet its liabilities as and when they fall due. The directors have no reason to believe that the financial support will not continue in the future and consider it appropriate to adopt a going concern basis. The accounts do not contain any adjustments that would be necessary should this basis not be appropriate.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement.

1.4 Turnover

The turnover shown in the profit and loss account represents rent due from a fellow group company in respect of occupancy during the accounting period.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income statement.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.10 Financial instruments

The Company enters into basic and complex financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) At fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where an interest rate swap that converts variable rate debt into fixed rate debt qualifies for hedge accounting, it is accounted for as a cash flow hedge. The cumulative change in the fair value of the interest rate swap is recognised in the income statement up to the amount of the cumulative fair value movement on the variable rate debt that is attributable to the variable interest rate risk.

Notes to the Financial Statements

For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

1.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors have calculated valuations of the properties based on the current market data available. The directors have valued the fair value of the swap based on current market data.

3. Other operating income

	2015 £	2014 £
Revaluation of investment properties	103,150	45,572
Movement in derivative instrument	147,268	(90,446)
	<u>250,418</u>	<u>(44,874)</u>

4. Operating profit

During the year, no director received any emoluments (2014 -£NIL).

5. Interest receivable

	2015 £	2014 £
Other interest receivable	75,000	75,000
	<u>75,000</u>	<u>75,000</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

6. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	317,851	326,603
	<u>317,851</u>	<u>326,603</u>

7. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	23,557	22,294
Total current tax	<u>23,557</u>	<u>22,294</u>
Deferred tax		
Deferred tax on derivative	29,456	(18,087)
Revaluation of property	20,630	20,011
Total deferred tax	<u>50,086</u>	<u>1,924</u>
Taxation on profit on ordinary activities	<u>73,643</u>	<u>24,218</u>

Notes to the Financial Statements

For the Year Ended 31 December 2015

8. Investment property

	Freehold investment property £
Valuation	
At 1 January 2015	8,658,071
Surplus on revaluation	103,150
At 31 December 2015	8,761,221

The 2015 and 2014 valuations were made by the directors, on an open market value for existing use basis.

9. Debtors

	2015 £	2014 £
Due within one year		
Amounts owed by group undertakings	1,373,560	1,278,043
Prepayments and accrued income	16,822	17,496
	1,390,382	1,295,539

Notes to the Financial Statements

For the Year Ended 31 December 2015

10. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	-	4
	<u>-</u>	<u>4</u>

11. Creditors: Amounts falling due within one year

	2015 £	2014 £
Corporation tax	23,557	22,294
Accruals and deferred income	-	3
	<u>23,557</u>	<u>22,297</u>

12. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Bank loans	6,275,000	6,275,000
Financial instruments (after 1 yr)	643,449	790,730
	<u>6,918,449</u>	<u>7,065,730</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2015 £	2014 £
Repayable by instalments	-	4,910,870

In connection with the acquisition of the new property in 2009, a loan facility of £6,275,000 was obtained (inclusive of an arrangement fee of £25,000) and drawn down in stages. During 2014 a deed of variation was signed to amend the repayment terms to 46 equal quarterly instalments with the first repayment not due until September 2017.

Interest is charged based on a swap agreement with the bank earning a margin of 1.725% per annum over LIBOR.

The bank loans are secured by a legal charge over the company's assets, the freehold properties of the group and a cross guarantee given by Motherwell Holdings Limited, The Hill Company Limited and Solus 32 Limited on the bank's standard form supported by legal charges.

A new swap agreement was entered into in the prior year, effective August 2014, at a fixed interest rate of 3.71% (2014: 3.71%) per annum. The swap is based on £6,250,000 of the loan detailed above which was entered into on 18 February 2009. This derivative has a maturity date of 19 February 2024 and stands at an adverse position of £643,449 as at 31 December 2015 (2014: £790,730).

Notes to the Financial Statements

For the Year Ended 31 December 2015

13. Deferred taxation

	Deferred tax £
At 1 January 2015	(574,240)
Charged to the profit or loss	(20,630)
Utilised in year	(29,456)
At 31 December 2015	(624,326)

14. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
208 Ordinary Shares shares of £1 each	<u>208</u>	<u>208</u>

15. Reserves

Profit & loss account

Includes all current and prior period retained profit and losses.

16. Contingent liabilities

The company has guaranteed a loan facility available to the group. At the balance sheet date the amount outstanding, including that borrowed per note 7, was £8,025,000 (2014: £8,025,000). These facilities are secured by a legal charge over the property assets of the group.

17. Capital commitments

The directors have confirmed that there were no capital commitments at 31 December 2015 or 31 December 2014.

18. Pension commitments

The company has not operated, or contributed to any pension scheme on behalf of its employees.

19. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 section 33.1A.

Solus 33 Limited

Notes to the Financial Statements

For the Year Ended 31 December 2015

20. Ultimate parent undertaking and controlling party

The ultimate parent company undertaking of this company is Motherwell Holdings Limited, registered number 04956739. The controlling party of Motherwell Holdings Limited is A D Hill by reference to his majority shareholding.

Notes to the Financial Statements

For the Year Ended 31 December 2015

21. Transition to FRS

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2014

	Note	£
Equity at 1 January 2014 under previous UK GAAP		(37,426)
Deferred tax		(572,316)
Derivative movement		(700,297)
Property valuation		3,561,873
Equity shareholders funds at 1 January 2014 under FRS 102		2,251,834

Reconciliation of equity at 31 December 2014

	Note	£
Equity at 1 January 2015 under previous UK GAAP		(5,819)
Deferred tax		(574,240)
Derivative movement		(790,730)
Property valuation		3,661,928
Equity shareholders funds at 1 January 2015 under FRS 102		2,291,139

Reconciliation of profit and loss account for the ended 31 December 2014

	£
Profit for the year under UK GAAP	39,120
Derivative revaluation	147,281
Property revaluation	103,150
Deferred tax	(50,086)
Removal of depreciation	54,459
Profit for 31 December 2015 under FRS 102	293,924

The following were changes in accounting policies arising from the transition to FRS 102:

1. Valuation of the swap instrument through the profit and loss account.
2. The property has been reclassified as an investment property valued by the directors. Previously it was held at cost less depreciation as a fixed asset.