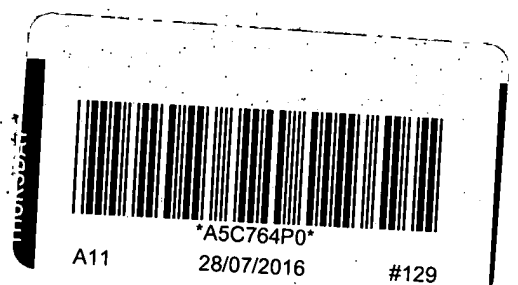


Registration number: 6798607

Solum Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



Solum Management Limited

Directors' Report for the year ended 31 December 2015

The Directors submit their annual report and the financial statements of Solum Management Limited ("the Company") for the year ended 31 December 2015.

Incorporation

Solum Management Limited ("the Company") was incorporated (company number 6798607) and registered in England and Wales on 22 January 2009.

Principal activity

The principal activity of the Company is the holding of investments and investment property.

Business review

Fair review of the business

The Company's results for and financial position at the year ended 31 December 2015 are set out in full in the statement of comprehensive income, the balance sheet and the notes relating thereto.

Both the level of business during the year and the year end financial position were as expected. The profit/result on ordinary activities before tax was £935,096 (2014: £nil).

Total shareholder funds at 31 December 2015 was £1 (2014: £3,940,150).

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy and real estate markets, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, including investment property, reported at the balance sheet date of 31 December 2015.

Principal risks and uncertainties

The Directors believe that the principal risks and uncertainties facing the Company are not materially different to those disclosed in the Group Annual Report & Accounts of Capital & Counties Properties PLC for the year ended 31 December 2015 that are publicly available and in which the Company is consolidated.

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of its development, performance or position.

The Directors expect that the present level of business will continue for the foreseeable future.

Dividends

The Directors authorised the payment of a dividend of £4,875,245 on 24 March 2015. The Directors do not recommend any further payment of dividends for the year.

Solum Management Limited

Directors' Report for the year ended 31 December 2015

Directors of the Company

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are given below:

B Churchill (resigned 23 March 2015)

S-J Curtis (resigned 23 March 2015)

S Das

I D Hawksworth

A Hicks (resigned 23 March 2015)

G J Mitchell (resigned 23 March 2015)

G J Yardley

Investments

Details of the movements in subsidiary undertakings are set out in note 4 to these financial statements.

Statement of Directors' responsibilities

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 United Kingdom Accounting Standards, FRS 101 'Reduced Disclosure Framework' ("FRS 101"), applying the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS"), as amended where necessary in order to comply with the Companies Act and the Regulations. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its' profit or loss for that year. In preparing those 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures being disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, available under FRS 101 in the preparation of the financial statements; 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 to 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.

Solum Management Limited

Directors' Report for the year ended 31 December 2015

Directors indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company's ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout the financial year in respect of the Group, including the Company and its Directors.

Disclosure of information to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Auditors are unaware and each Director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the Auditors are aware of that information.

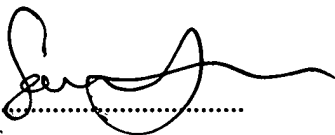
Independent auditors

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Under the provisions of the Companies Act 2006, the Company is not required to hold an annual general meeting and accordingly the Auditors, PricewaterhouseCoopers LLP, will therefore be deemed to be reappointed for each succeeding financial year.

Exemptions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Directors have taken advantage of the exemption from preparing a Strategic Report.

Approved by the Board on 19 JULY 2016 and signed on its behalf by:


.....
S Das
Director

Solum Management Limited

Independent auditors' report to the members of Solum Management Limited

Report on the financial statements

Our opinion

In our opinion, Solum Management Limited's financial statements (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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Jeremy Jensen (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 July 2016

Solum Management Limited

Statement of Comprehensive Income for the year ended 31 December 2015

	Note	2015 £	2014 £
Continuing operations			
Profit on sale of subsidiary	4	935,097	-
Impairment of investment	4	<u>(1)</u>	<u>-</u>
Profit/result on ordinary activities before tax	2	935,096	-
Tax on profit/result on ordinary activities	3	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>935,096</u>	<u>-</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

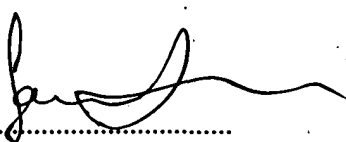
Solum Management Limited

Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	4	-	2
Current assets			
Debtors	5	1	3,940,150
Creditors: Amounts falling due within one year			
Amounts owed to group undertakings	6	-	(2)
Net current assets		1	3,940,148
Net assets		1	3,940,150
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		-	3,940,149
Shareholders' funds		1	3,940,150

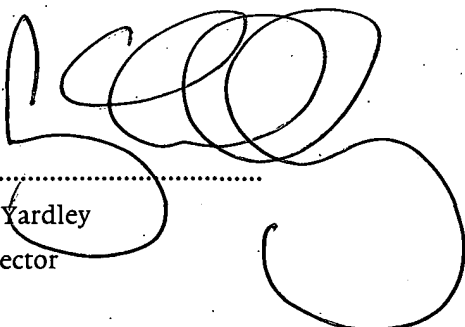
The notes on pages 9 to 14 form an integral part of these financial statements.

The financial statements on pages 6 to 14 have been approved by the Board on 19 JULY 2016 and signed on its behalf by:



S Das

Director



G J Yardley

Director

Solum Management Limited

Statement of Changes in Equity for the year ended 31 December 2015

	Share capital £	Profit and loss account £	Total £
At 1 January 2014	1	3,940,149	3,940,150
Profit and total comprehensive income for 2014	-	-	-
At 1 January 2015	1	3,940,149	3,940,150
Profit and total comprehensive income for 2015	-	935,096	935,096
Dividends paid	-	(4,875,245)	(4,875,245)
At 31 December 2015	1	-	1

The notes on pages 9 to 14 form an integral part of these financial statements.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2015

1 Accounting policies

Basis of preparation

These financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

A risk the Company faces is that fellow group undertakings may request settlement of balances due by the Company. In this regard, the Directors have considered the level of financial support that may be made available to the Company by the ultimate parent company, Capital & Counties Properties PLC. The Directors have assessed the financial information contained in the 2015 Annual Report & Accounts of Capital & Counties Properties PLC that have been prepared on a going concern basis. The Directors have concluded from their assessment that there is a reasonable expectation that the Company will have adequate support from Capital & Counties Properties PLC to meet ongoing and future commitments for the foreseeable future and have therefore resolved that the financial statements be prepared on a going concern basis.

FRS 101 sets out a reduced disclosure framework that addresses the financial reporting requirements of and disclosure exemptions available in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS"). Amendments are made to the requirements of IFRS where necessary so as to comply with the Companies Act 2006.

The Company, as a qualifying entity, is a member of a group where the parent of that group, being Capital & Counties Properties PLC, prepares publicly available consolidated financial statements that are intended to give a true and fair view and the Company is included in the consolidation. Details of where the 2015 Annual Report & Accounts of Capital & Counties Properties PLC can be obtained are disclosed in note 9.

The Directors of the Company have taken advantage of the following disclosure exemptions available under FRS 101:

- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements'.
- The requirements of IAS 7 'Statement of Cash Flows'.
- The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of the group.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2015

1 Accounting policies (continued)

The Directors have notified the shareholders of the Company in writing about the use of disclosure exemptions in these financial statements and the shareholders do not object.

Standards and guidelines relevant to the Company that were in issue and endorsed at the date of approval but not effective at the balance sheet date and have not been adopted early are:

IAS 1 'Presentation of financial statements' (amendment)

The assessment of this amendment issued but not effective is not anticipated to have a material impact on the financial statements.

The principal accounting policies which have been adopted and applied consistently in the preparation of the financial statements are set out below:

Estimation and uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Although these estimates are based on the Director's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Dividend distribution

Dividend distributions to shareholders are recognised as a liability once approved by shareholders.

Tax

Current tax is the amount payable on the taxable income for the year and any adjustment in respect of prior years. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

In accordance with IAS 12 'Income Taxes' ("IAS 12"), deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases of those assets and liabilities. However temporary differences are not recognised to the extent that they arise from the initial recognition of assets and liabilities that at the time of the transaction affect neither accounting nor taxable profit and loss.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that management believes it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable group or different taxable entities where there is an intention to settle balances on a net basis.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2015

1 Accounting policies (continued)

Investments

Investments are stated at cost less impairment losses, if any. Impairment losses are determined with reference to the investment's fair value less estimated selling costs. Fair value is derived from the net assets attributable to the investment at the balance sheet date. Reversal of prior impairment is calculated on a consistent basis as the original impairment charge and may not exceed the original cost prior to impairment. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

Impairment of financial assets

An annual review is conducted for financial assets to determine whether there is any evidence of a loss event as described by IAS 39 'Financial Instruments: Recognition and Measurement'. Factors such as days past due, credit status of the counterparty, historical evidence of collection and probability of deriving future economic benefit are considered to assess whether there is objective evidence of impairment. The amount of any potential loss is calculated by estimating future cash flows or by using fair value where this is available through observable market prices. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the original impairment was recognised, the impairment reversal is recognised in the statement of comprehensive income on a basis consistent with the original charge.

Amounts owed to and from group undertakings

Amounts owed to group undertakings are recognised at fair value and subsequently measured at amortised cost until settled.

Group financial statements

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements because the ultimate parent company, Capital & Counties Properties PLC, prepares consolidated financial statements that are publicly available and into which the Company's financial statements are consolidated.

2 Profit/result on ordinary activities before tax

The profit/result on ordinary activities before tax of £935,096 (2014: £nil) is arrived at after charging:

	2015	2014
	£	£
Auditors' remuneration - audit services	-	-

Auditors' remuneration of £2,000 (2014: £2,000) for the year has been met by the Company's immediate parent, C&C Properties UK Limited, and has not been recharged.

There were no employees during the year (2014: nil).

Directors' emoluments

The Directors received no emoluments for their services to the Company during the year (2014: £nil).

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2015

3 Tax on profit/result on ordinary activities

The differences between the tax assessed for the year and the current average standard rate of United Kingdom corporation tax of 20.25 per cent (2014: 21.5 per cent) are shown below:

	2015 £	2014 £
Profit before tax	<u>935,096</u>	<u>-</u>
Current average United Kingdom corporation tax at 20.25% (2014: 21.5%)	189,357	-
Profit on sale of subsidiary	(189,357)	-
Tax on transparent entity investments	-	(3)
Group relief surrendered / (claimed)	<u>-</u>	<u>3</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

The Finance Act 2015 set the main rate of UK corporation tax at 20 per cent with effect on 1 April 2015. Following the Chancellor's announcement in the July 2015 Budget, the main rate of corporation tax will fall to 19 per cent from April 2017. A further reduction to the corporation tax rate to 17 per cent from April 2020 has been announced in the March 2016 Budget.

4 Investments

	2015 £	2014 £
Cost		
As at 1 January	2	3
Additions	1	-
Disposals	<u>(2)</u>	<u>(1)</u>
As at 31 December	<u>1</u>	<u>2</u>
Impairment		
As at 1 January	-	-
Charge for the year	<u>(1)</u>	<u>-</u>
As at 31 December	<u>(1)</u>	<u>-</u>
Carrying value		
As at 31 December	<u>-</u>	<u>2</u>

The Directors believe that the carrying value of the investment is supported by their underlying financial position.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2015

4 Investments (continued)

Details of the investments held at 31 December 2015 are set out below:

Name of investment	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2015	2014
Solum Developments (GP) Limited	Property	England and Wales	50%	0%

On 1 January 2015 the entire issued share capital of 34 Henrietta Street Limited, a subsidiary undertaking, was transferred from the Company to Capital & Counties CG Limited, a related group undertaking, for a total consideration of £935,097.

On 23 April 2015 an application to strike off Capital & Counties CG Nominee 9 Limited by way of the voluntary strike off procedure was made.

On 29 June 2015 the Company acquired a 50 per cent interest in Solum Developments (GP) Limited (formerly Solum Regeneration (GP) Limited), for a total consideration of £1.

At 31 December 2015, the investment in Solum Developments (GP) Limited was fully impaired, with a carrying value of £nil.

5 Debtors

	2015	2014
	£	£
Amounts owed by group undertakings	<u>1</u>	<u>3,940,150</u>

6 Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts due to group undertakings	<u>-</u>	<u>2</u>

Amounts owed to group undertakings were unsecured, repayable on demand and non-interest bearing.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2015

7 Called up share capital

Issued, called up and fully paid

	2015 No.	2015 £	2014 No.	2014 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

8 Dividends

	2015 £	2014 £
Dividend payable to group undertaking	<u>4,875,245</u>	<u>-</u>

On 24 March 2015, the Company paid a dividend of £4,875,245 to Capco Covent Garden Limited, a related group undertaking.

9 Ultimate parent company

The ultimate parent company and controlling party is Capital & Counties Properties PLC, a company incorporated and registered in England and Wales, copies of whose consolidated financial statements may be obtained from the Company Secretary, 15 Grosvenor Street, London, W1K 4QZ.

Until 24 March 2015, the Company's immediate parent company was Capco Covent Garden Limited, a company incorporated and registered in England and Wales. Since 24 March 2015, the company's immediate parent has been C&C Properties UK Limited, a company incorporated and registered in England and Wales, copies of whose financial statements may be also obtained as above.

10 Events after the reporting period

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy and real estate markets, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, including investment property, reported at the balance sheet date of 31 December 2015.