

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

Company number 6798607

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SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors submit their annual report and audited financial statements of Solum Management Limited for the year ended 31 December 2014.

INCORPORATION

Capital & Counties CG 9 Limited was incorporated (company number 6798607) and registered in England and Wales on 22 January 2009. On 25 March 2015, Capital & Counties CG 9 Limited changed its name to Solum Management Limited ("the Company").

PRINCIPAL ACTIVITY

During 2014, the principal activity of the Company was the holding of investments and to act as General Partner of Capital & Counties CGP 9 ("the Partnership"). The constitution and governance of the Limited Partnership including the rights of the General Partner were determined by the amended and restated Limited Partnership Agreement dated 1 August 2011. In its role as General Partner, the Company was responsible for the management and control of the business of the Partnership and could bind the Partnership in contract. The Company was not required to make a capital contribution to the Partnership. The Company was entitled to receive its share of the profits of the Partnership but was otherwise not entitled to receive an annual fee. No further partner could be admitted to the Partnership without the consent of the Company.

BUSINESS REVIEW

The Company's results for and financial position at the year ended 31 December 2014 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 result on ordinary activities before tax was £nil (2013: profit £3,940,149). Shareholder funds at 31 December 2014 were £3,940,150 (2013: £3,940,150).

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

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 2014 that are publicly available and in which the Company is consolidated.

During 2014 and 2015, the Covent Garden Group of Capital & Counties Properties PLC was restructured so as to improve operational efficiency and diversify funding sources. This resulted in several changes to the Company after the reporting period. Refer to note 9 for further information.

DIVIDENDS

The Directors authorised payment of a dividend of £4,875,245 for the year on 24 March 2015 (2013: £nil).

INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Details of the movements in investment in subsidiary undertakings are set out in note 6 to these financial statements.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS IN THE YEAR

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
B S Tattar	resigned 31 July 2014
G J Yardley	

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.

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.

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.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

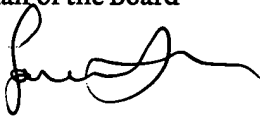
DISCLOSURE OF INFORMATION TO AUDITORS

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.

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.

On behalf of the Board



S Das
Director

2 June 2015

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 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 2014 and of its result 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

Solum Management Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the statement of comprehensive income for the year then ended;
- 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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, it has 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 period 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.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLUM MANAGEMENT LIMITED

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 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 and Financial Statements 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.



Craig Gentle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

2 June 2015

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Continuing operations			
Income from shares in group undertakings	3	-	3,940,149
Result / profit on ordinary activities before tax	4	-	3,940,149
Tax on result / profit on ordinary activities	5	-	-
Result / profit for the year		-	3,940,149

The Company has no movements in shareholder funds other than those included in the statement of comprehensive income and therefore a separate statement of changes in shareholder funds has not been presented.

The notes on pages 8 to 12 form part of these financial statements.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

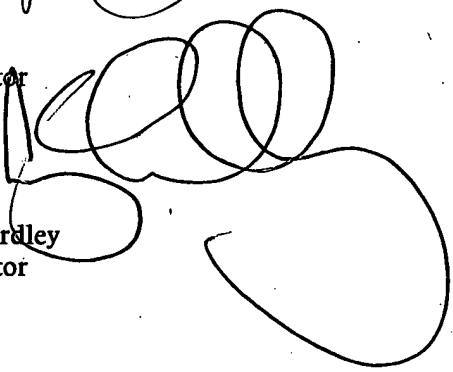
BALANCE SHEET AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Investment in subsidiary undertakings	6	<u>2</u>	<u>3</u>
Current assets			
Amounts owed from group undertaking		<u>3,940,150</u>	<u>3,940,150</u>
Creditors: amounts falling due within one year			
Amounts owed to group undertakings		<u>(2)</u>	<u>(3)</u>
Net current assets		<u>3,940,148</u>	<u>3,940,147</u>
Net assets		<u>3,940,150</u>	<u>3,940,150</u>
Capital and reserves			
Called up share capital	7	<u>1</u>	<u>1</u>
Profit and loss account		<u>3,940,149</u>	<u>3,940,149</u>
Total shareholder funds		<u>3,940,150</u>	<u>3,940,150</u>

The notes on pages 8 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 have been approved by the Board on 2 June 2015 and signed on its behalf by


S Das
Director


G J Yardley
Director

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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").

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 2014 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 on-going 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 2014 Annual Report & Accounts of Capital & Counties Properties PLC can be obtained are disclosed in note 8.

The Directors have chosen to early adopt FRS 101 for the year ended 31 December 2014. For all periods up to and including the year ended 31 December 2013, the financial statements of the Company were prepared in accordance with existing United Kingdom Generally Accepted Accounting Principles ("UK GAAP"). These financial statements for the year ended 31 December 2014 are the first to be prepared in accordance with FRS 101. The Directors have chosen to early adopt FRS 101 and have applied transitional arrangements accordingly. Refer to note 2 for information on how this Standard has been adopted.

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

- 1) 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'.
- 2) The requirements of IAS 7 'Statement of Cash Flows'.
- 3) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- 4) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group.

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

There were no new standards and guidelines relevant to the Company that were issued and effective during the year or up to the date of approval of the financial statements.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting policies continued

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, liabilities, income and expenses. Although these estimates are based on the Director's best knowledge of the amount, event or actions, actual results ultimately may differ materially from those estimates.

Income from shares in group undertakings

Dividends are recognised when the Company's right to receive payment has been established.

Tax

The charge for current tax is based on the results for the year as adjusted for items that are non-assessable or disallowed 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.

Investment in subsidiary undertakings

Investment in subsidiary undertakings is stated at cost less accumulated impairment losses, if any. Impairment loss is determined with reference to the investment's fair value less estimated selling costs. Fair value is derived from the subsidiary's net assets at the balance sheet date. Impairment reversal, where objective evidence of a decrease in the impairment loss exists, is calculated on a basis consistent with the original charge and may not exceed the cost of the investment. On disposal of a subsidiary undertaking, the difference between the net disposal proceeds and the carrying value is included in the statement of comprehensive income.

Amounts owed to and from group undertakings

Amounts owed to and from 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 it is a wholly owned subsidiary of Capital & Counties Properties PLC, a company which does prepare consolidated financial statements.

2. First time adoption of FRS 101 'Reduced Disclosure Framework'

For financial years up to and including the year ended 31 December 2013, the financial statements of the Company were prepared in accordance with existing UK GAAP. These financial statements are the first to be prepared in accordance with FRS 101 applicable for financial years ending on or after 31 December 2014, together with the comparative period data as at and for the year ended 31 December 2013, as described in the summary of significant accounting policies.

FRS 100 'Application of Financial Reporting Requirements', being the framework to the revised financial reporting standards for the United Kingdom, requires that an entity adopting FRS 101 applies the transitional arrangements of IFRS 1 'First-time Adoption of International Financial Reporting Standards' ("IFRS 1"). IFRS 1 requires that an entity prepares and presents an opening balance sheet at the date of transition to IFRS. The date of transition to FRS 101 for the Company is 1 January 2013.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. First time adoption of FRS 101 'Reduced Disclosure Framework' continued

IFRS 1 also requires that an entity explains how the transition from existing UK GAAP to FRS 101 affected its reported financial position, financial performance and cash flows by way of reconciliations of shareholder funds at the date of transition to FRS 101 and at comparative period end and also by way of a reconciliation of comprehensive income for the comparative year. Given that there were no adjustments required by the Company in restating its existing UK GAAP financial statements, including the balance sheet as at 1 January 2013 and the financial statements as at and for the year ended 31 December 2013, the Directors have determined that the presentation of these reconciliations is neither necessary nor useful to the users of these financial statements.

3. Income from shares in group undertaking

	2014 £	2013 £
Dividend received from subsidiary undertaking	-	<u>3,940,149</u>

On 14 November 2013, the directors of Capco Floral Place Limited approved payment on 15 November 2013 of a dividend of £3,940,149 to the Company from its distributable reserves in advance of that company's liquidation. On 20 November 2013 Capco Floral Place Limited was formally placed into voluntary liquidation and subsequently dissolved on 15 November 2014.

4. Result / profit on ordinary activities before tax

The result on ordinary activities before tax of £nil (2013: profit £3,940,149) is arrived at after charging:

	2014 £	2013 £
Auditors' remuneration – audit services	-	-

Auditors' remuneration of £2,000 (2013: £2,000) for the year has been met by the Company's immediate parent, Capco Covent Garden Limited, and has not been recharged.

There were no employees during the year (2013: nil).

Directors' emoluments

The Directors received no emoluments for their services to the Company (2013: £nil).

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5. Tax on result / profit on ordinary activities

The differences between the tax charged for the year and the current average standard rate of United Kingdom corporation tax of 21.5 per cent (2013: 23.3 per cent) are shown below:

	2014 £	2013 £
Result / profit on ordinary activities before tax	-	3,940,149
Current United Kingdom corporation tax 21.5% (2013: 23.3%)	-	(916,085)
Effects of:		
Tax on transparent entity investments	(3)	-
Group relief surrendered	3	-
Non-taxable dividend	-	916,085
Tax on result / profit on ordinary activities	-	-

The main rate of corporation tax decreased from 23 per cent to 21 per cent from 1 April 2014. A further reduction in the main rate of corporation tax from 21 per cent to 20 per cent occurred on 1 April 2015.

6. Investment in subsidiary undertakings

	2014 £	2013 £
Cost		
At 1 January	3	3
Disposals	(1)	-
Cost at 31 December	2	3
Carrying value at 31 December	2	3

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

Investment in subsidiary undertakings represents:

- (a) 0.01 per cent interest in Capital & Counties CGP 9
- (b) 100 per cent interest in the following subsidiary undertakings:

Company Name	Principal activity	Date of incorporation	Country of incorporation	Class of share	Percentage holding
Capital & Counties CG Nominee 9 Limited	Dormant	22 January 2009	England and Wales	Ordinary shares of £1	100
34 Henrietta Street Limited	Property	26 January 2012	England and Wales	Ordinary shares of £1	100

On 20 November 2013 Capco Floral Place Limited was placed into voluntary liquidation and subsequently dissolved on 15 November 2014.

SOLUM MANAGEMENT LIMITED (FORMERLY CAPITAL & COUNTIES CG 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. Called up share capital

	2014 £	2013 £
Issued, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

8. Ultimate parent company

The ultimate parent company 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.

The immediate parent company at 31 December 2014 was Capco Covent Garden Limited, a company incorporated in England and Wales, copies of whose financial statements may also be obtained as above.

9. Events after the reporting period

On 1 January 2015 the Company, in its capacity as General Partner, disposed of all of the freehold and leasehold properties held jointly with its subsidiary undertaking, Capital & Counties CG 9 Nominee Limited, on trust for the Partnership jointly to Capital & Counties CG Limited, in its capacity as General Partner to Capital & Counties CGP, and its subsidiary undertaking, Capital & Counties CG Nominee Limited. The Partnership was dissolved with effect from 24 March 2015 as it had ceased to carry on business.

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 24 March 2015 Capco Covent Garden Limited transferred the entire issued share capital of the Company to C&C Properties UK Limited.

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 22 May 2015 the Company exchanged contracts to acquire a 50 per cent share in Solum Regeneration (GP) Limited with completion expected to occur on 30 June 2015 subject to conditions precedent being satisfied.