

Registration number: 6798607

Solum Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016

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Solum Management Limited

Directors' Report for the year ended 31 December 2016

The Directors submit their annual report and the audited financial statements of Solum Management Limited ("the Company") for the year ended 31 December 2016.

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.

Business review

Fair review of the business

The Company's results for and financial position at the year ended 31 December 2016 are set out in full in the statement of comprehensive income, the balance sheet, statement of changes in equity 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 (2015: profit £935,096).

Total shareholder funds at 31 December 2016 was £1 (2015: £1).

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 2016 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 do not recommend a payment of dividends for 2016. The Directors authorised the payment of a dividend of £4,875,245 on 24 March 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:

S Das (resigned 31 December 2016)

I D Hawksworth

S S Jobanputra (appointed 16 December 2016)

G J Yardley

Investments

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

Solum Management Limited

Directors' Report for the year ended 31 December 2016

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Directors' Report for the year ended 31 December 2016

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 8 May 2017 and signed on its behalf by:

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S S Jobanputra
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 2016 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

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

- the Balance Sheet as at 31 December 2016;
- 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, 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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

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.

Solum Management Limited

Independent Auditors' Report to the members of Solum Management Limited

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 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.

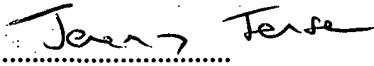
Solum Management Limited

Independent Auditors' Report to the members of Solum Management Limited

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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



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

Date: 8/5/17

Solum Management Limited

Statement of Comprehensive Income for the year ended 31 December 2016

	Note	2016 £	2015 £
Continuing operations			
Profit on sale of subsidiary	4	-	935,097
Impairment of investment	4	-	(1)
Result/profit on ordinary activities before tax	2	-	935,096
Tax on result/profit on ordinary activities	3	-	-
Total comprehensive income for the year		-	935,096

The notes on pages 10 to 15 form an integral part of these financial statements.

Solum Management Limited

Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	4	-	-
Current assets			
Debtors	5	<u>1</u>	<u>1</u>
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	6	1	1
Profit and loss account		<u>-</u>	<u>-</u>
Total Shareholders' funds		<u>1</u>	<u>1</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

The financial statements on pages 7 to 15 have been approved by the Board on 8 May 2017 and signed on its behalf by:

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SS Jobanputra
Director

Solum Management Limited

Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2015	1	3,940,149	3,940,150
Profit and total comprehensive income for the year	-	935,096	935,096
Dividends paid	-	(4,875,245)	(4,875,245)
At 1 January 2016	1	-	1
Profit and total comprehensive income for the year	-	-	-
At 31 December 2016	1	-	1

The notes on pages 10 to 15 form an integral part of these financial statements.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2016

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 2016 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 a period of at least 12 months from the date of approval of the financial statements 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 2016 Annual Report & Accounts of Capital & Counties Properties PLC can be obtained are disclosed in note 8.

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'; and
- 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 shareholders of the Company in writing about the use of disclosure exemptions in these financial statements and the shareholders do not object.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2016

1 Accounting policies (continued)

New standards and interpretations

No new accounting standards and interpretations that are effective for the year ended 31 December 2016 have had 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:

Critical accounting judgements and key sources of estimation and uncertainty

The preparation of financial statements in accordance with FRS 101 requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, income and expenses from sources not readily apparent. Although these estimates and assumptions are based on management's best knowledge of the amount, historical experiences and other factors, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period.

Areas of estimation and uncertainty are included within the accounting policies below, the more significant being impairment of investments.

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 period. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

In accordance with IAS 12 'Income Taxes', deferred tax is provided for 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 goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates that have been enacted or substantively 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 deferred tax assets can be recovered. Deferred income tax assets and liabilities are only offset 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 Company 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 2016

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 from group undertakings

Amounts owed 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 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 Result/profit on ordinary activities before tax

The result on ordinary activities before tax of £nil (2015: profit £935,096) is arrived at after charging:

	2016	2015
	£	£
Auditors' remuneration - audit services	-	-

Auditors' remuneration of £2,060 (2015: £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 (2015: nil).

Directors' emoluments

No Director received any remuneration for services to the Company in either year. The Directors are also Directors of Capital & Counties Properties PLC, the Company's ultimate parent company, and the remuneration of these Directors is disclosed in the financial statements of Capital & Counties Properties PLC.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2016

3 Tax on result/profit on ordinary activities

The differences between the tax assessed for the year and the current average standard rate of United Kingdom corporation tax of 20.0 per cent (2015: 20.25 per cent) are shown below:

	2016 £	2015 £
Result/profit before tax	-	935,096
Current average United Kingdom corporation tax at 20.0% (2015: 20.25%)	-	189,357
Profit on sale of subsidiary	-	(189,357)
Total tax charge/(credit)	-	-

Finance Act 2015 sets the main rate of UK corporation tax at 20 per cent with effect on 1 April 2015. The enactment of Finance (No. 2) Act 2015 and Finance Act 2016 reduces the main rate of corporation tax to 19 per cent from April 2017 and 17 per cent from April 2020.

4 Investments

	2016 £	2015 £
Cost		
As at 1 January	1	2
Additions	-	1
Disposals	-	(2)
As at 31 December	1	1
Impairment		
As at 1 January	(1)	-
Charge for the year	-	(1)
As at 31 December	(1)	(1)
Carrying value		
As at 31 December	-	-

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2016

4 Investments (continued)

Investment in subsidiary undertakings is reviewed at least annually for impairment. Where an indication of impairment exists, the recoverable amount of the investment is determined. The recoverable amount is based on the greater of the investment's continued value in use and its fair value less costs to sell. Fair value is derived from net assets attributable to the subsidiary, and its subsidiaries as a consolidated group, at the balance sheet date. The resulting impairment charge is recognised immediately in the statement of comprehensive income. Reversal of prior impairment is calculated on a basis consistent with the original impairment charge and may not exceed the original cost prior to impairment. The Directors believe that the carrying value of the investment is supported by their underlying financial position.

Details of the investments held at 31 December 2016 are set out below:

Name of investment	Principal activity	Country of incorporation	Proportion of ownership interest	
			2016	2015
Solum Developments (GP) Limited	General Partner to Solum Developments Limited Partnership	England and Wales	50%	50%

The registered office of the subsidiary undertaking is 15 Grosvenor Street, London, W1K 4QZ.

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

	2016	2015
	£	£
Amounts owed from group undertakings	<u>1</u>	<u>1</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand.

Solum Management Limited

Notes to the Financial Statements for the year ended 31 December 2016

6 Called up share capital

Issued, called up and fully paid

	2016 No.	2016 £	2015 No.	2015 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

7 Dividends

	2016 £	2015 £
Dividend payable to group undertaking	<u>-</u>	<u>4,875,245</u>

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

8 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.

The Company's immediate parent is C&C Properties UK Limited, a company incorporated and registered in England and Wales, copies of whose financial statements may be obtained as above.