



Grant Thornton

Report and
Financial statements
Solo Properties
(Knightsbridge) Limited

For the Year Ended 31 December 2010

Company No. 1398153

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2010.

Principal activities

The principal activity of the company during the year was property investment.

Directors

The directors who served the company during the year and up to the date of the report were as follows:

J Quaicoe
P-A Guillaume
GWCM Managers Limited

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 (United Kingdom Generally Accepted Accounting Practice). 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Report of the directors (continued)

Auditor

Grant Thornton UK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



GWCM Managers Limited
Secretary
31/5/11



Independent auditor's report to the members of Solo Properties (Knightsbridge) Limited

We have audited the financial statements of Solo Properties (Knightsbridge) Limited for the year ended 31 December 2010 which comprise the accounting policies, profit and loss account, statement of total recognised gains and losses, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/UKNP.

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 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

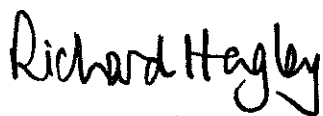
In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Solo Properties (Knightsbridge) Limited (continued)

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 prepare the financial statements and the report of the directors in accordance with the small companies regime.



RICHARD HAGLEY (Senior Statutory Auditor)

For and on behalf of

GRANT THORNTON UK LLP

STATUTORY AUDITOR

CHARTERED ACCOUNTANTS

6 July 2011

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Although the company is incorporated in the British Virgin Islands and as such is regulated by its Company Act's rules and regulations, the directors have instructed that the financial statements be prepared in accordance with UK GAAP and accounting disclosures as would be required if the company were incorporated in Great Britain and following the Companies Act 2006.

The accounts have been prepared on a going concern basis.

The company's accounting policies remain unchanged from the prior year, and are set out below.

Turnover

The turnover shown in the profit and loss account represents amounts charged to tenants for rental, service charge, insurance and other income during the year, exclusive of Value Added Tax. Rental income is recognised on a straight line basis over the term of the lease.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Investment properties are revalued annually and included in the balance sheet at their open market value. Any surplus or temporary deficit on revaluation is transferred to the revaluation reserve. Any permanent deficit on revaluation is charged to the profit and loss account.

No depreciation is charged on investment properties. The non-depreciation of investment properties is permitted by Statement of Accounting Practice No. 19 and represents a departure from the Companies Act 2006, which requires depreciation to be provided on all fixed assets. However, the properties are not purchased for consumption but for investment and accordingly the directors consider that in the circumstances systematic annual depreciation would be inappropriate.

Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Significant judgements

The board considers that the current economic environment to be challenging and presents significant difficulties in terms of obtaining and retaining tenants to occupy the investment property, which creates uncertainty over future results and property values. The directors have taken these market conditions into consideration, and after seeking information and commentary from its advisors, believe the property valuation included at the balance sheet date appropriately reflects the market value.

Profit and loss account

	Note	2010 £	2009 £
Turnover	1	2,751,905	2,658,781
Cost of sales		<u>(436,488)</u>	<u>(498,398)</u>
Gross profit		2,315,417	2,160,383
Other operating charges	2	<u>(77,250)</u>	<u>(63,191)</u>
Operating profit	3	2,238,167	2,097,192
Interest receivable	4	2,285	5,080
Interest payable and similar charges	5	<u>(2,714,752)</u>	<u>(1,543,592)</u>
(Loss)/profit on ordinary activities before taxation		<u>(474,300)</u>	<u>558,680</u>
Tax on (loss)/profit on ordinary activities	6	12,447	(76,596)
(Loss)/profit for the financial year	16	<u><u>(461,853)</u></u>	<u><u>482,084</u></u>

All transactions arise from continuing operations.

Balance sheet

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	7	<u>51,380,000</u>	<u>51,380,000</u>
Current assets			
Debtors	8	591,139	744,899
Cash at bank		<u>1,712,668</u>	<u>2,110,353</u>
		<u>2,303,807</u>	<u>2,855,252</u>
Creditors: amounts falling due within one year	9	<u>(1,636,201)</u>	<u>(1,725,793)</u>
Net current assets		<u>667,606</u>	<u>1,129,459</u>
Total assets less current liabilities		<u>52,047,606</u>	<u>52,509,459</u>
Creditors: amounts falling due after more than one year	10	<u>(49,527,349)</u>	<u>(49,527,349)</u>
		<u>2,520,257</u>	<u>2,982,110</u>
Capital and reserves			
Called-up equity share capital	13	115	115
Share premium account	14	9,999,935	9,999,935
Revaluation reserve	15	(6,248,868)	(6,248,868)
Profit and loss account	16	<u>(1,230,925)</u>	<u>(769,072)</u>
Shareholders' funds	17	<u>2,520,257</u>	<u>2,982,110</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 31/5/11, and are signed on their behalf by:

Director

Director

Company Registration Number: 1398153

Other primary statements

Statement of total recognised gains and losses

	2010	2009
	£	£
(Loss)/profit for the financial year	(461,853)	482,084
Revaluation of investment property	—	380,000
Total gains and losses recognised for the year	<u>(461,853)</u>	<u>862,084</u>

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Turnover

All turnover for the period resulted from operations in the United Kingdom.

2 Other operating charges

	2010 £	2009 £
Administrative expenses	<u>77,250</u>	<u>63,191</u>

3 Operating profit

Operating profit is stated after charging:

	2010 £	2009 £
Auditor's fees	<u>8,250</u>	<u>8,250</u>

4 Interest receivable

	2010 £	2009 £
Bank interest receivable	<u>2,285</u>	<u>5,080</u>

5 Interest payable and similar charges

	2010 £	2009 £
Sonangol loan interest	–	5,406
Sonawealth loan interest	–	940,234
Interest on unsecured loan notes	2,722,500	462,452
Loan notes administration costs	2,252	–
Loan notes set up costs	(10,000)	135,500
	<u>2,714,752</u>	<u>1,543,592</u>

Notes to the financial statements (continued)

6 Taxation on ordinary activities

Analysis of charge in the year

	2011 £	2010 £
Current tax:		
Current year tax	-	76,596
Over provision in prior year	<u>(12,447)</u>	<u>-</u>
Total current tax	<u>(12,447)</u>	<u>76,596</u>

7 Tangible fixed assets

	Investment property £
Cost or valuation At 1 January 2010 and 31 December 2010	<u>51,380,000</u>
Net book value At 31 December 2010	<u>51,380,000</u>
At 31 December 2009	<u>51,380,000</u>

At the year end the investment property was valued by the directors at £51,380,000 (2009: £51,380,000) after seeking information and commentary from the property management agent.

8 Debtors

	2010 £	2009 £
Trade debtors	2,741	69,655
Other debtors	422,616	431,634
Called up share capital not paid	50	50
Prepayments and accrued income	<u>165,732</u>	<u>243,560</u>
	<u>591,139</u>	<u>744,899</u>

Notes to the financial statements (continued)

9 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	71,950	50,044
Income tax	64,149	76,596
VAT	111,357	123,446
Other creditors	242,371	242,222
Accruals and deferred income	1,146,374	1,233,485
	<u>1,636,201</u>	<u>1,725,793</u>

10 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Amounts owed to group undertakings (note 12)	16,527,349	16,527,349
Loan notes (note 12)	33,000,000	33,000,000
	<u>49,527,349</u>	<u>49,527,349</u>

11 Contingencies and capital commitments

The directors have confirmed that there were no contingencies and capital commitments which should be disclosed at 31 December 2010 or 31 December 2009.

12 Related party transactions

The company has in issue £33,000,000 of Loan Notes repayable in 2040 (2009: £33,000,000). These loan notes are held by Sociedade Nacional De Combustiveis De Angola SA, the immediate parent company. Interest of £2,722,500 (2009: £462,452) was charged on these loan notes during the year of which £454,993 (2009: £462,452) remained unpaid at the year end.

The company also received an interest free loan of £15,246,498 (2009: £15,527,348) from Sociedade Nacional De Combustiveis De Angola SA, the immediate parent company. A further amount of £1,280,851 (2009: £1,280,851) relating to unpaid interest on a previous loan from Sociedade Nacional De Combustiveis De Angola SA has been included in amounts due to group undertakings.

Sociedade Nacional De Combustiveis De Angola Limited, another group company, holds a five year lease relating to part of the third floor of the investment property. Turnover for the year includes rental income of £150,491 (2009: £77,926), insurance income of £1,581 (2009: £936) and service charge income of £41,666 (2009: £21,833) relating to this lease.

During the period the company was charged legal and professional fees of £45,058 (2009: £48,651) by GWCM Managers Ltd, the company secretary.

Also during the year, the company was charged fees of £3,259 (2009: £2,981) by Mr J Quaicoe, a director of the company.

Notes to the financial statements (continued)

12 Related party transactions (continued)

The company was also charged fees of £9,993 (2009: £nil) by Chabrier & Partners in respect of the services of Mr P-A. Guillaume, a director of the company.

13 Share capital

Allotted and called up:

	2010		2009	
	No	£	No	£
Ordinary shares of \$1 each	<u>200</u>	<u>115</u>	<u>200</u>	<u>115</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2010	2009
	£	£
Ordinary shares of \$1 shares	<u>50</u>	<u>50</u>

14 Share premium account

There was no movement on the share premium account during the financial year.

15 Revaluation reserve

	2010	2009
	£	£
Balance brought forward	(6,248,868)	(6,628,868)
Revaluation of fixed assets	–	380,000
Balance carried forward	<u>(6,248,868)</u>	<u>(6,248,868)</u>

16 Profit and loss account

	2010	2009
	£	£
Balance brought forward	(769,072)	(1,251,156)
(Loss)/profit for the financial year	(461,853)	482,084
Balance carried forward	<u>(1,230,925)</u>	<u>(769,072)</u>

Notes to the financial statements (continued)

17 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit/(Loss) for the financial period	(461,853)	482,084
Revaluation of investment property	–	380,000
New ordinary share capital subscribed	–	65
Premium on shares issued in the period	–	9,999,935
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds/(deficit)	(461,853)	10,862,084
Opening shareholders' funds/(deficit)	2,982,110	(7,879,974)
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	2,520,257	2,982,110
	<hr/>	<hr/>

18 Deferred tax asset

As at 31 December 2010, the company had unrecognised deferred tax assets totalling £95,338 (2009: £nil). These comprised tax losses carried forward of £95,338 (2009: £nil).

19 Ultimate parent company

The immediate parent undertaking and controlling related party of this company is Sociedade Nacional De Combustiveis De Angola SA, on the basis that it owns 100% of the issued share capital.

The ultimate parent undertaking and controlling related party of this company is Sociedade Nacional De Combustiveis De Angola EP, a company registered in Angola.

Management information

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 5 to 6.

Profit and loss account

	2010	2009
	£	£
Turnover		
Rental income	2,367,999	2,316,809
Service charge income	295,105	301,906
Insurance income	29,438	40,066
Other income	59,363	–
	<u>2,751,905</u>	<u>2,658,781</u>
Cost of sales		
Service charge expenditure	(299,773)	(316,091)
Insurance	(29,071)	(37,684)
Asset management fees	(72,539)	(70,322)
Non-recoverable property costs	–	(1,034)
Rent reviews, letting fees etc.	(35,775)	(56,880)
Non recoverable business rates	670	(16,387)
	<u>(436,488)</u>	<u>(498,398)</u>
Gross profit	2,315,417	2,160,383
Overheads		
Administrative expenses	(77,250)	(63,191)
Operating profit	<u>2,238,167</u>	<u>2,097,192</u>
Bank interest receivable	2,285	5,080
	<u>2,240,452</u>	<u>2,102,272</u>
Interest payable and similar charges	(2,714,752)	(1,543,592)
(Loss)/profit on ordinary activities	<u>(474,300)</u>	<u>558,680</u>

Notes to the detailed profit and loss account

	2010	2009
	£	£
Administrative expenses		
General expenses		
Legal and professional fees (offshore running costs)	58,311	36,029
Legal and professional fees (other)	(107)	6,060
Tax compliance	4,293	5,838
Accountancy fees	5,887	6,368
Auditors remuneration	8,250	8,250
	<u>76,634</u>	<u>62,545</u>
Financial costs		
Bank charges	616	646
	<u>77,250</u>	<u>63,191</u>
Interest receivable		
Bank interest receivable	<u>2,285</u>	<u>5,080</u>
Interest payable and similar charges		
Sonangol loan interest	–	5,406
Sonawalth loan interest	–	940,234
Interest on preference shares	2,722,500	462,452
Loan notes administration costs	2,252	135,500
Loan notes set up costs	(10,000)	
	<u>2,714,752</u>	<u>1,543,592</u>

