Grant Thornton

Report and Financial statements Solo Properties (Knightsbridge) Limited

For the Year Ended 31 December 2009

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 2009.

Principal activities

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

Directors

The directors who served the company during the year were as follows:

GWCM Managers Limited	
J Quaicoe	Appointed 20 July 2009
P-A Guillaume	Appointed 20 July 2009

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.

Auditor

Grant Thornton 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
8 November 2010

Grant Thornton

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 2009 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 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 2009 and of its profit 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

RICHARD HAGLEY
Senior Statutory Auditor
For and on behalf of
GRANT THORNTON LLP
STATUTORY AUDITOR
CHARTERED ACCOUNTANTS
LONDON
18 November 2010

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.

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.

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.

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 form its advisors, believe the property valuation included at the balance sheet date appropriately reflects the market value.

Profit and loss account

	Note	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Turnover		**2,658,781**	2,833,293
Cost of sales		**(498,398)**	(704,515)
Gross profit		**2,160,383**	2,128,778
Other operating charges	2	**(63,191)**	(47,070)
Operating profit	3	**2,097,192**	2,081,708
Interest receivable	4	**5,080**	51,221
Interest payable and similar charges	5	**(1,543,592)**	(3,384,085)
Profit/(loss) on ordinary activities before taxation		**558,680**	(1,251,156)
Tax on profit/(loss) on ordinary activities		**(76,596)**	–
Profit/(loss) for the financial year	16	**482,084**	(1,251,156)

All transactions arise from continuing operations.

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	6	**51,380,000**	51,000,000
Current assets			
Debtors	7	**744,899**	987,725
Cash at bank		**2,110,353**	705,037
		2,855,252	1,692,762
Creditors: amounts falling due within one year	8	**(1,725,795)**	(60,572,736)
Net current assets/(liabilities)		**1,129,457**	(58,879,974)
Total assets less current liabilities		**52,509,457**	(7,879,974)
Creditors: amounts falling due after more than one year	9	**(49,527,347)**	-
		2,982,110	(7,879,974)
Capital and reserves			
Called-up equity share capital	13	**115**	50
Share premium account	14	**9,999,935**	-
Revaluation reserve	15	**(6,248,868)**	(6,628,868)
Profit and loss account	16	**(769,072)**	(1,251,156)
Shareholders' funds/(deficit)	17	**2,982,110**	(7,879,974)

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 ...8/11/2010..., and are signed on their behalf by:

Director

Director

Company Registration Number: 1398153

Other primary statements

Statement of total recognised gains and losses

	Year to 31 Dec 09	Period from 6 Nov 07 to 31 Dec 08
	£	£
Profit/(loss) for the financial year	**482,084**	(1,251,156)
Revaluation of investment property	**380,000**	(6,628,868)
Total gains and losses recognised for the year	**862,084**	(7,880,024)

Notes to the financial statements

1 Turnover

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

2 Other operating charges

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Administrative expenses	63,191	47,070

3 Operating profit

Operating profit is stated after charging:

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Auditor's fees	8,250	7,500

4 Interest receivable

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Bank interest receivable	5,080	51,221

5 Interest payable and similar charges

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Sonagol loan interest	5,406	3,049,801
Sonawealth loan interest	940,234	281,370
Interest on unsecured loan notes	462,452	-
Loan set up costs	135,500	52,914
	1,543,592	3,384,085

6 Tangible fixed assets

	Investment property
	£
Cost or valuation	
At 1 January 2009	51,000,000
Revaluation	380,000
At 31 December 2009	51,380,000
Net book value	
At 31 December 2009	**51,380,000**
At 31 December 2008	51,000,000

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

7 Debtors

	2009	2008
	£	£
Trade debtors	**69,655**	112,252
Other debtors	**431,634**	837,028
Called up share capital not paid	**50**	50
Prepayments and accrued income	**243,560**	38,395
	744,899	987,725

8 Creditors: amounts falling due within one year

	2009	2008
	£	£
Trade creditors	**50,044**	57,059
Amounts owed to group undertakings (note 12)	–	58,000,000
Income tax	**76,596**	–
VAT	**123,446**	81,994
Other creditors	**242,224**	241,961
Accruals and deferred income	**1,233,485**	2,191,722
	1,725,795	60,572,736

9 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Amounts owed to group undertakings (note 12)	16,527,347	-
Loan notes (note 12)	33,000,000	-
	49,527,347	-

10 Deferred tax asset

As at 31 December 2009, the company had unrecognised deferred tax assets totalling £nil (2008: £90,977). These comprised tax losses carried forward of £nil (2008: £90,977).

11 Contingencies and capital commitments

The directors have confirmed that there were no contingencies and capital commitments which should be disclosed at 31 December 2009 or 31 December 2008.

12 Related party transactions

In December 2008, the company received a loan of £58,000,000 from Sonawealth Ltd, another group company. The loan was repaid during the year. Interest of £940,234 (2008: £281,370) was charged on this loan all of which have been paid at the year end.

During the year, the company issued £33,000,000 of Loan Notes repayable in 2040. These loan notes are held by Sociadade Nacional De Combustiveis De Angola SA, another group company. Interest of £462,452 was charged on these loan notes during the year of which £462,452 remained unpaid at the year end.

The company also received an interest free loan of £15,246,498 from Sociadade Nacional De Combustiveis De Angola SA, another group company. A further amount of £1,280,851 relating to unpaid interest on a previous loan from Sociadade Nacional De Combustiveis De Angola SA has been included in amounts due to group undertakings.

During the period the company was charged legal and professional fees of £nil (2008: £15,576) by Trident Trust Company Ltd, which acted as the company secretary until September 2008.

During the period the company was charged legal and professional fees of £48,651(2008: £5,343) by Geneva Wealth Capital Management, appointed company secretary in September 2008.

During the year, the company granted a five year lease relating to part of the third floor of the investment property, to Sociadade Nacional De Combustiveis De Angola Limited, another group company. Turnover for the year includes rental income of £77,926, insurance income of £936 and service charge income of £21,833 relating to this lease. At the year end, Sociadade Nacional De Combustiveis De Angola Limited, owed £33,573 to the company.

Also during the year, the company was charged fees of £2,981 by Mr J Quaicoe, a director of the company.

13 Share capital

Allotted and called up:

	2009 No	2009 £	2008 No	2008 £
Ordinary shares of $1 each	**200**	**115**	100	50

During the year the company issued 100 ordinary shares of $1 (£0.65) each for a consideration of £10,000,000. Proceeds of £9,999,935 received in addition to the nominal value of the shares issued during the year have been included in the share premium account. (note 14)

14 Share premium account

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Premium on shares issued in the period	**9,999,935**	–
Balance carried forward	**9,999,935**	–

15 Revaluation reserve

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Balance brought forward	**(6,628,868)**	–
Revaluation of fixed assets	**380,000**	(6,628,868)
Balance carried forward	**(6,248,868)**	(6,628,868)

16 Profit and loss account

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Balance brought forward	**(1,251,156)**	–
Profit/(loss) for the financial year	**482,084**	(1,251,156)
Balance carried forward	**(769,072)**	(1,251,156)

17 Reconciliation of movements in shareholders' funds/(deficit)

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Profit/(Loss) for the financial period	**482,084**	(1,251,156)
Revaluation of investment property	**380,000**	(6,628,868)
New ordinary share capital subscribed	**65**	50
Premium on shares issued in the period	**9,999,935**	–
Net addition/(reduction) to shareholders' funds/(deficit)	**10,862,084**	(7,879,974)
Opening shareholders' deficit	**(7,879,974)**	–
Closing shareholders' funds/(deficit)	**2,982,110**	(7,879,974)

.8 Ultimate parent company

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

Notes to the detailed profit and loss account

	Year to 31 Dec 09 £	Period from 6 Nov 07 to 31 Dec 08 £
Administrative expenses		
General expenses		
Legal and professional fees (offshore running costs)	**36,029**	16,316
Legal and professional fees (other)	**6,060**	12,415
Tax compliance	**5,838**	4,213
Corporate formation expenses	**–**	860
Accountancy fees	**6,368**	5,336
Auditors remuneration	**8,250**	7,500
	62,545	46,640
Financial costs		
Bank charges	**646**	430
	63,191	47,070
Interest receivable		
Bank interest receivable	**5,080**	51,221
Interest payable and similar charges		
Sonagol loan interest	**5,406**	3,049,801
Sonawealth loan interest	**940,234**	281,370
Interest on unsecured loan notes	**462,452**	–
Loan set up costs	**135,500**	52,914
	1,543,592	3,384,085