



Grant Thornton

Financial Statements

Solo Properties (Knightsbridge) Limited

For the year ended 31 December 2016

Registered number: 1398153

Solo Properties (Knightsbridge) Limited

Company Information

Directors	J Quaicoe L Cathan D Gaskell
Company secretary	GWCM Managers Limited
Registered number	1398153
Registered office	Trident Chambers PO Box 146 Road Town Tortola British Virgin Islands
Independent auditor	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 18
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	19 - 21

Strategic report

For the year ended 31 December 2016

Business review

The company's continued objective is to maximise growth in assets from increases in investment property values and from retained earnings from property rentals.

The investment property is currently valued at £68.3 million, a fall of £2.9 million against the 2015 valuation. The fall is seen as the result of two main external factors; uncertainties following the vote for the UK to leave the European Union and a significant increase in the Government's proposed business rate cap.

Sterling weakness, inflation and lower real disposable incomes, along with a crystallisation of what "Brexit" means during 2017 is expected to hinder growth in the UK economy over the coming year. "Brexit" has weakened the office market and demand, consequently ERVs (estimated rental values) and rental growth have reduced.

Current ERVs and future growth have been adversely affected by the Government's proposed increase in the business rate cap (up from 12.5% to 45%). Tenants experiencing significant uplifts in rates payable are likely to resist uplifts in rent as they seek to maintain their profitability.

The company's directors deem that rental yields and the investment property valuation are meaningful financial key performance indicators in understanding the development, performance or position of the company's activities.

Further detail on the investment property valuation can be found in note 10 of the accounts.

The company's directors are of the opinion that there are no meaningful non financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the company's activities.

Principal risks and uncertainties

The company uses various financial instruments. These include cash, trade debtors, loans, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments expose the company to a number of principal risks and uncertainties, which are described in more detail below:

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company uses long term finance to fund the acquisition of the investment property and to ensure continuity of funding. The maturity of borrowings is set out in the notes to the financial statements. Liquid resources are deemed to be cash.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings. The principal credit risk arises, therefore, from trade debtors.

In order to manage credit risk the directors perform credit checks on potential tenants prior to granting a lease. Credit limits are reviewed on a regular basis in conjunction with debt aging and collection history.

Solo Properties (Knightsbridge) Limited

Strategic report
For the year ended 31 December 2016

This report was approved by the board and signed on its behalf.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

GWCM Managers Limited
Secretary

Date: 28 February 2017

Solo Properties (Knightsbridge) Limited

Directors' report

For the year ended 31 December 2016

The directors present their report and the for the year ended 31 December 2016.

Principal activity

The principal activity of the company during the year was property investment. The company's investment property is located in Knightsbridge, London, United Kingdom.

Results and dividends

The loss for the year, after taxation, amounted to £3,625,552 (2015 - loss £1,323,182).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

J Quaiocoe
L Cathan
D Gaskell

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the in accordance with applicable law and regulations.

The directors have voluntarily elected to prepare the non statutory Strategic report, the Directors' report and the financial statements in accordance with the United Kingdom Companies Act 2006 and the United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), as if those requirements were to apply to the company.

In electing to prepare these non statutory financial statements under The Companies Act 2006 and the United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice), as if those requirements were to apply to the company, the directors are required to prepare financial statements which 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 these financial statements, the directors are required to:

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

Directors' report (continued)

For the year ended 31 December 2016

Going concern

The directors of the company have prepared forecasts to December 2020, taking into account the expected tenancy occupation. The directors have also received a letter of support from the company's intermediate parent undertaking Sonangol (HK) Limited stating that it will not call for repayment of the loans for at least 12 months from the date of approval of these financial statements. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



GWCM Managers Limited
Secretary
Date: 28 February 2017

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 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In addition to our audit of the financial statements, the Directors of Solo Properties (Knightsbridge) Limited have engaged us to report as to whether:

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and
- the information given in the Directors' Report for the financial year in which the financial statements are prepared is consistent with the financial statements

as if those requirements of the United Kingdom Companies Act 2006 were to apply to the company.

This report is made solely to the Company's members, as a body, in accordance with the terms of our engagement. 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 Auditor

As explained more fully in the Directors' responsibilities statement 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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

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 2016 and of its loss 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.

as if those requirements of the United Kingdom Companies Act 2006 were to apply to the company.

Opinion on other matters 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic report and the Directors' report been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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.

as if those requirements of the United Kingdom Companies Act 2006 were to apply to the company.

Grant Thornton UK LLP

London

28 February 2017

Solo Properties (Knightsbridge) Limited

Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	2,643,784	2,165,953
Cost of sales		(519,548)	(337,658)
Gross profit		2,124,236	1,828,295
Administrative expenses		(130,864)	(168,964)
Operating profit	4	1,993,372	1,659,331
Net revaluation loss	10	(2,886,103)	(260,130)
Interest receivable and similar income	6	623	2,450
Interest payable and similar charges	7	(2,732,842)	(2,724,833)
Loss on ordinary activities before taxation		(3,624,950)	(1,323,182)
Taxation on loss on ordinary activities	8	(602)	-
Loss for the financial year		(3,625,552)	(1,323,182)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(3,625,552)	(1,323,182)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 11 to 18 form part of these financial statements.

Statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investment property	10	68,300,000	70,900,000
		<u>68,300,000</u>	<u>70,900,000</u>
Current assets			
Debtors: Amounts falling due within one year	11	694,063	401,264
Cash at bank and in hand		1,172,600	1,165,416
		<u>1,866,663</u>	<u>1,566,680</u>
Creditors: Amounts falling due within one year	12	(23,112,408)	(21,787,475)
Net current liabilities		<u>(21,245,745)</u>	<u>(20,220,795)</u>
Total assets less current liabilities		<u>47,054,255</u>	<u>50,679,205</u>
Creditors: Amounts falling due after more than one year	13	(33,000,000)	(33,000,000)
Deferred tax		(602)	-
		<u>(602)</u>	<u>-</u>
Net assets		<u><u>14,053,653</u></u>	<u><u>17,679,205</u></u>
Capital and reserves			
Called up share capital	16	115	115
Share premium account	15	9,999,935	9,999,935
Profit and loss account	15	4,053,603	7,679,155
Shareholders' funds		<u><u>14,053,653</u></u>	<u><u>17,679,205</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J Quaiocoe
Director

Date: 28 February 2017

The notes on pages 11 to 18 form part of these financial statements.

Solo Properties (Knightsbridge) Limited

Statement of changes in equity

For the year ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	115	9,999,935	7,679,155	17,679,205
Comprehensive income for the year				
Loss for the year	-	-	(3,625,552)	(3,625,552)
Total comprehensive income for the year	-	-	(3,625,552)	(3,625,552)
At 31 December 2016	115	9,999,935	4,053,603	14,053,653

Statement of changes in equity

For the year ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	115	9,999,935	9,002,337	19,002,387
Comprehensive income for the year				
Loss for the year	-	-	(1,323,182)	(1,323,182)
Total comprehensive income for the year	-	-	(1,323,182)	(1,323,182)
At 31 December 2015	115	9,999,935	7,679,155	17,679,205

The notes on pages 11 to 18 form part of these financial statements.

Solo Properties (Knightsbridge) Limited

Statement of cash flows

For the year ended 31 December 2016

	2016	2015
	£	£
Cash flows from operating activities		
Loss for the financial year	(3,625,552)	(1,323,182)
Adjustments for:		
Interest paid	2,736,347	2,729,760
Interest income	(622)	(2,450)
Taxation	602	-
(Increase)/decrease in debtors	(292,652)	94,398
Increase/(decrease) in creditors	150,636	(209,772)
Net fair value losses/gains recognised in the Statement of comprehensive income	2,886,103	260,130
Net cash generated from operating activities	<u>1,854,862</u>	<u>1,548,884</u>
Cash flows from investing activities		
Additions to investment properties	(292,953)	(695,479)
Interest income	622	2,450
Net cash from investing activities	<u>(292,331)</u>	<u>(693,029)</u>
Cash flows from financing activities		
Loan Advances	1,181,000	1,745,000
Interest paid	(2,736,347)	(2,729,760)
Net cash used in financing activities	<u>(1,555,347)</u>	<u>(984,760)</u>
Net increase / (decrease) in cash and cash equivalents	7,184	(128,905)
Cash and cash equivalents at beginning of year	<u>1,165,416</u>	<u>1,294,321</u>
Cash and cash equivalents at the end of year	<u>1,172,600</u>	<u>1,165,416</u>
Cash at bank and in hand	<u>1,172,600</u>	<u>1,165,416</u>
	<u>1,172,600</u>	<u>1,165,416</u>

The notes on pages 11 to 18 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

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 Generally Accepted Accounting Practice as would be required if the company were incorporated in the United Kingdom and following Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Going concern

The company's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1.

The directors of the company have prepared forecasts to December 2020, taking into account the expected tenancy occupation. The directors have also received a letter of support from the company's intermediate parent undertaking Sonangol (HK) Limited stating that it will not call for repayment of the loans for at least 12 months from the date of approval of these financial statements. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover 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 the straight line basis over the term of the lease.

Lease incentives provided to tenants are recognised as a reduction in rental income, with the cost of these incentives being allocated on a straight line basis over either the lease term.

1.4 Investment properties

Investment properties are included in the Statement of financial position at their open market value in accordance with FRS 102 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

Individual freehold and leasehold properties are carried at the latest valuation. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date. Fair values are determined from market based evidence undertaken by professionally qualified valuers. Any movements in fair value are recorded in the Statement of comprehensive income.

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies (continued)

1.5 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.

1.6 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 on an amortised cost basis.

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.

1.7 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The only material judgement or estimate in the preparation of these financial statements is in respect of the valuation of the investment property, which has been recorded based on an external valuation which was conducted in accordance with the Practice Statements contained within the RICS valuation Professional Standards Global and UK Edition 2014, prepared by the Royal Institution of Chartered Surveyors, on the basis of market value.

Solo Properties (Knightsbridge) Limited

Notes to the financial statements

For the year ended 31 December 2016

3. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Rentals receivable under operating leases	2,460,267	2,086,374
Service charge income	157,534	56,824
Insurance income	24,145	22,440
Other income	1,838	315
	<u>2,643,784</u>	<u>2,165,953</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Auditor's remuneration - audit	12,088	11,750
Auditor's remuneration - taxation compliance and advisory services	4,018	3,500
	<u>16,106</u>	<u>15,250</u>

5. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Director	2	2
Corporate director	1	1
	<u>3</u>	<u>3</u>

During the year, the company was charged total fees of £10,425 (2015: £8,175) by the directors. Please refer to note 16 for further details.

6. Interest receivable

	2016 £	2015 £
Other interest receivable	623	2,450
	<u>623</u>	<u>2,450</u>

Notes to the financial statements

For the year ended 31 December 2016

7. Interest payable and similar charges

	2016 £	2015 £
Interest on loan notes	2,729,959	2,722,500
Loan note administration costs	2,883	2,333
	<u>2,732,842</u>	<u>2,724,833</u>

8. Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	602	-
Taxation on loss on ordinary activities	<u>602</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<u>(3,624,950)</u>	<u>(1,323,182)</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(724,990)	(264,636)
Effects of:		
Expenses not deductible for tax purposes	579,863	56,828
Non taxable income	(2,127)	(488)
Unrelieved tax losses carried forward	147,856	156,270
Revaluation movements	-	52,026
Total tax charge/(credit) for the year	<u>602</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2016

9. Deferred tax asset

As at 31 December 2016, the company had unrecognised deferred tax assets totalling £864,764 (2015: £716,908). These comprised of tax losses carried forward of £4,323,819 (2015: £3,584,541).

There is no deferred tax liability on revaluation gains on investment properties on the basis that the gain on disposal should be outside the scope of UK capital gains tax. However, part of the property is residential. Since April 2015, the disposal of UK residential property interests by non resident persons is within the scope of UK capital gains tax. Broadly, Solo Properties (Knightsbridge) Limited will be subject to UK capital gains tax on any increase in value in the residential part of the property from April 2015.

A gross deferred tax liability of £3,009 relating to the increase in the value in residential freehold property and the deferred tax liability at 20% is £602.

10. Investment property

	Freehold investment property £
Valuation	
At 1 January 2016	70,900,000
Additions at cost	286,103
Deficit on revaluation	(2,886,103)
At 31 December 2016	68,300,000

The investment property was valued by CBRE (external valuer) as £68,300,000 as at 31 December 2016 (2015: £70,900,000). The valuation was conducted in accordance with the Practice Statements contained within the RICS valuation Professional Standards Global and UK Edition 2014, prepared by the Royal Institution of Chartered Surveyors, on the basis of market value.

11. Debtors

	2016 £	2015 £
Due within one year		
Trade debtors	5,823	-
Other debtors	112,918	56,021
Called up share capital not paid	50	50
Prepayments and accrued income	575,272	345,193
	694,063	401,264

Notes to the financial statements

For the year ended 31 December 2016

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other loans (see note 16)	21,614,349	20,433,349
Trade creditors	12,011	90,320
Taxation and social security	149,417	69,109
Accruals and deferred income	1,336,631	1,194,697
	<u>23,112,408</u>	<u>21,787,475</u>

13. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Loan notes (see note 16)	<u>33,000,000</u>	<u>33,000,000</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable other than by instalments	<u>33,000,000</u>	<u>33,000,000</u>

The loan notes are unsecured and are due to be repaid in full in 2040. Interest is due on the loan notes at a rate of 8.25% per annum.

14. Deferred taxation

	2016 £
Charged to profit or loss	(602)
At end of year	<u>(602)</u>

The deferred taxation balance is made up as follows:

	2016 £
Accelerated capital allowances	(602)
	<u>(602)</u>

Notes to the financial statements

For the year ended 31 December 2016

15. Reserves

Profit & loss account

The profit and loss account balance of £4,054,205 (2015: £7,679,155) includes non-distributable reserves of £9,384,070 (2015: £12,270,173).

Share premium

Includes only premiums received on issue of share capital.

16. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
200 Ordinary shares of \$1 each	<u>115</u>	<u>115</u>

17. Related party transactions

The company has in issue £33,000,000 of Loan Notes repayable in 2040 (2015: £33,000,000). These loan notes, which are listed on the Bermudan Stock Exchange, are held by Sonangol (HK) Limited, the immediate parent company. Interest of £2,729,959 (2015: £2,772,500) was charged on these loan notes during the year of which £454,993 (2015: £454,993) remained unpaid at year end.

The company has an interest free loan of £20,333,498 (2015: £19,152,498) from Sonangol (HK) Limited, the immediate parent company. The interest free loan is repayable on demand. A further amount of £1,280,851 (2015: £1,280,851) relating to unpaid interest on a previous loan assigned to the immediate parent company, Sonangol (HK) Limited, has been included in the other loans balance within creditors. The loan is repayable on demand.

Sociedade Nacional De Combustiveis De Angola Limited, another group company, holds a five year lease relating to two parts of the third floor of the investment property. Turnover for the year includes rental income of £182,742 (2015: £184,442), insurance income of £nil (2015: £2,721) and service charge income of £48,164 (2015: £34,484) relating to this lease.

During the year, the company was charged legal and professional fees of £24,608 (2015: £32,590) by Geneva Wealth Capital Management, a company in the same group as the Company Secretary, GWCM Managers Limited, of which £nil (2015: £nil) was outstanding at year end.

During the year, the company was charged fees of £3,438 (2015: £3,415) by Mr J Quaicoe, a director of the company, of which £nil (2015: £nil) was outstanding at year end.

During the year, the company was charged fees of £3,589 (2015: £4,760) by Mr D Gaskell, a director of the company, of which £nil (2015: £nil) was outstanding at year end.

During the year, the company was charged fees of £3,398 (2015: £nil) by Mr L Cathan, a director of the company, of which £nil (2015: £nil) was outstanding at year end.

Notes to the financial statements

For the year ended 31 December 2016

18. Contingencies and capital commitments

The directors have confirmed that there was a capital commitment of £153,733 (2015: £499,941) which should be disclosed at 31 December 2016, relating to the refurbishment of the reception area at Brompton Road. The directors have confirmed there were no contingencies which should be disclosed at 31 December 2016 or 31 December 2015.

19. Ultimate parent undertaking and controlling party

The immediate parent undertaking of this company is Sonangol (HK) Limited, a company registered in Hong Kong, 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.

Solo Properties (Knightsbridge) Limited

Detailed profit and loss account

For the year ended 31 December 2016

	2016	2015
	£	£
Turnover	2,643,784	2,165,953
Cost of sales	(519,548)	(337,658)
Gross profit	2,124,236	1,828,295
Gross profit %	80.3 %	84.4 %
Less: overheads		
Administration expenses	(130,864)	(168,964)
Operating profit	1,993,372	1,659,331
Interest receivable and similar income	623	2,450
Interest payable and similar charges	(2,732,842)	(2,724,833)
Net revaluation loss	(2,886,103)	(260,130)
Tax on profit on ordinary activities	(602)	-
Loss for the year	(3,625,552)	(1,323,182)

Solo Properties (Knightsbridge) Limited**Schedule to the detailed accounts****For the year ended 31 December 2016**

	2016	2015
	£	£
Rental Income	2,460,267	2,086,374
Service Charge Income	157,534	56,824
Insurance income	24,145	22,440
Interest on late rent	1,838	315
	<u>2,643,784</u>	<u>2,165,953</u>
	2016	2015
	£	£
Cost of sales		
Insurance	29,161	30,100
Service Charge Expenditure	252,794	135,058
Lease premium	9,934	23,788
Non recoverable business rates	143,717	11,552
Letting fees	7,916	82,785
Advertising & Marketing	14,650	-
Asset management fees	61,376	54,375
	<u>519,548</u>	<u>337,658</u>
	2016	2015
	£	£
Administration expenses		
Legal and professional	68,835	96,914
Auditors' remuneration	12,088	11,750
Auditors' remuneration - non-audit	4,018	3,500
Accountancy fees	7,375	10,381
Bank charges	3,505	4,928
SPV - Running Costs - General	35,043	41,491
	<u>130,864</u>	<u>168,964</u>
	2016	2015
	£	£
Interest receivable		
Bank interest receivable	623	2,450
	<u>623</u>	<u>2,450</u>

Solo Properties (Knightsbridge) Limited

Schedule to the detailed accounts

For the year ended 31 December 2016

	2016 £	2015 £
Interest payable		
Bank loan interest payable	2,729,959	2,722,500
Group interest payable	2,883	2,333
	<u>2,732,842</u>	<u>2,724,833</u>
	2016 £	2015 £
Net revaluation loss		
Net revaluation loss	2,886,103	260,130
	<u>2,886,103</u>	<u>260,130</u>