

Company Registration No. 01696158 (England and Wales)

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

!RickardLuckin

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
COMPANY INFORMATION**

Director	M S L Julio
Secretary	TMF Corporate Administration Services Limited
Company number	01696158
Registered office	Merevale House Brompton Place London SW3 1QE
Auditor	Rickard Luckin Limited 1st Floor County House 100 New London Road Chelmsford Essex CM2 0RG

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
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**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The director presents her annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company continued to be to employ personnel who provide marketing of crude oil and petroleum products, technical, administration and accounting services to related group companies including Sonangol E.P. and Sonangol (HK) Limited.

Results and dividends

	2024	2023	Variance
	£	£	%
Turnover	6,011,787	5,496,739	9
Gross profit	209,920	184,458	14
Profit after taxation	795,383	157,580	405

Turnover has increased by 9%, principally due to an increase in the expenses recharged to the parent company during the year. The company recharges 100% of its expenses as well as its calculated tax charge for the year to Sonangol EP, the parent company. Any change in revenue is therefore a function of any change in its expenses, cost of sales or tax charge in the current year.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

M S L Julio

Principal risks and uncertainties

Due to the nature of the company's operations, the principal risks and uncertainties relating to expenses incurred by the company are categorised as foreign currency, credit and liquidity risk.

Liquidity risk

Liquidity risk is the risk that sources of funding for the company's business activities may not be available. This risk is managed by the Sonangol group on the company's behalf and as such the company has access to the resources of the group.

Foreign currency risk

Foreign currency risk is dealt with by Sonangol EP which translates the accounts from Angolan Kwanza, for Sonangol Limited the risk is low due to the stability of GBP and USD currencies.

Credit risk

Credit risk is the potential exposure of the company to loss in the event of non-performance by a counterparty. The Sonangol group controls the related credit risk through credit approvals, limits and monitoring procedures. Before dealing with a new Sonangol group undertaking, its creditworthiness is assessed.

Auditor

In accordance with the company's articles, a resolution proposing that Rickard Luckin Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
DIRECTOR'S REPORT (CONTINUED)
*FOR THE YEAR ENDED 31 DECEMBER 2024***

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the director must not approve the financial statements unless she is 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- 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 director is 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. She is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director individually has taken all the necessary steps that they ought to have taken as director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern and future developments

As noted above, this company provides services to the wider Sonangol Group and, therefore, relies on the future planned diversification initiatives and asset portfolio investments of the Group. Examples of these include major investments in the renewable energy sector in the Gas and Renewable Energy segment and in the Distribution and Marketing segment. These investments, which are considered pilot projects in Angola, include the Caraculo (Namibe) photovoltaic plant, the use of solar panels at the gas bottling plant (Cubal Benguela), technical operational improvements at the LPG plant (ICN Luanda and other gas plants in Lobito, Malange and Luena, planned construction of the Fertiliser plant). Technical and economic studies are also underway for a green hydrogen plant with a planned production capacity of 342,000 tonnes of green ammonia per year, the Quilemba Solar Project (Huila), and the contracting process is underway for the construction of electricity generation infrastructure with a planned capacity of 80 megawatts.

These initiatives are expected to contribute positively to future results of the company.

The Director works with Sonangol E.P.'s Board of Directors to monitor the company's financial situation and to prepare and agree annual budgets and finance arrangements. The structure of revenues and cashflows have been agreed for the year to 31 December 2025 and the Group has not indicated any significant future changes thereto.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

M S L Julio
Director

27 February 2025

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.

Opinion

We have audited the financial statements of Sociedade Nacional de Combustiveis de Angola Ltd. (the 'company') for the year ended 31 December 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD. (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report. We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Capability of the audit in detecting irregularity, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our: general commercial and sector experience; through verbal and written communications with those charged with governance and other management and via inspection of the company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including: the company's constitution, relevant financial reporting standards; company law; tax legislation and distributable profits legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD. (CONTINUED)

Secondly the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the following areas as those most likely to have such an affect: employment legislation; health and safety legislation; trade legislation; data protection legislation; and anti-bribery and anti-corruption legislation.

ISAs (UK) limit the required procedures to identify non-compliance with these laws and regulations, and no procedures over and above those already noted are required.

In relation to fraud, we performed the following specific procedures in addition to those already noted:

- Challenging assumptions made by management in its significant accounting estimates in particular: deferred taxation & depreciation;
- Identifying and testing journal entries during the year and around the year end, in particular any entries posted with unusual nominal ledger account combinations, journal entries crediting cash or any revenue account;
- Performing analytical procedures to identify unexpected movements in account balances which may be indicative of fraud;
- Ensuring that testing undertaken on both the performance statement, and the Balance Sheet includes a number of items selected on a random basis;
- Discussions with management; and
- Review of board minutes.

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with ISAs (UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA
LTD. (CONTINUED)**

Use of our report

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.

Joanna Southon

Senior Statutory Auditor

For and on behalf of Rickard Luckin Limited

27 February 2025

Chartered Accountants

Statutory Auditor

1st Floor
County House
100 New London Road
Chelmsford

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	6,011,787	5,496,739
Cost of sales		(5,801,867)	(5,312,281)
Gross profit		209,920	184,458
Other operating income	3	915,590	846,517
Exceptional item	4	-	(642,919)
Operating profit	5	1,125,510	388,056
Interest receivable and similar income	8	25,488	71,955
Interest payable and similar expenses	9	(1,256)	(91)
Profit before taxation		1,149,742	459,920
Tax on profit	10	(354,359)	(302,340)
Profit for the financial year		795,383	157,580

The statement of comprehensive income including profit and loss has been prepared on the basis that all operations are continuing operations.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	11		2,853,902		2,838,088
Current assets					
Debtors	12	811,400		789,914	
Cash at bank and in hand		13,097,106		19,550,719	
		<u>13,908,506</u>		<u>20,340,633</u>	
Creditors: amounts falling due within one year	14	(10,682,007)		(17,893,703)	
Net current assets			<u>3,226,499</u>		<u>2,446,930</u>
Net assets			<u>6,080,401</u>		<u>5,285,018</u>
Capital and reserves					
Called up share capital	16	2,972,800		2,972,800	
Profit and loss reserves	17	3,107,601		2,312,218	
Total equity			<u>6,080,401</u>		<u>5,285,018</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 27 February 2025

M S L Julio
Director

Company registration number 01696158 (England and Wales)

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2023	2,972,800	2,154,638	5,127,438
Year ended 31 December 2023:			
Profit and total comprehensive income	-	157,580	157,580
	<u>2,972,800</u>	<u>2,312,218</u>	<u>5,285,018</u>
Balance at 31 December 2023	2,972,800	2,312,218	5,285,018
Year ended 31 December 2024:			
Profit and total comprehensive income	-	795,383	795,383
	<u>2,972,800</u>	<u>3,107,601</u>	<u>6,080,401</u>
Balance at 31 December 2024	<u>2,972,800</u>	<u>3,107,601</u>	<u>6,080,401</u>

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	23	(5,989,347)		(651,946)	
Interest paid		(1,256)		(91)	
Income taxes paid		(395,588)		(333,067)	
Net cash outflow from operating activities		(6,386,191)		(985,104)	
Investing activities					
Purchase of tangible fixed assets		(93,360)		(85,186)	
Proceeds from disposal of tangible fixed assets		450		-	
Interest received		25,488		71,955	
Net cash used in investing activities		(67,422)		(13,231)	
Net decrease in cash and cash equivalents					
		(6,453,613)		(998,335)	
Cash and cash equivalents at beginning of year		19,550,719		20,549,054	
Cash and cash equivalents at end of year		13,097,106		19,550,719	

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1 Accounting policies

Company information

Sociedade Nacional de Combustiveis de Angola Ltd. (trading as "Sonangol Limited") is a private company limited by shares incorporated in England and Wales. The registered office is Merevale House, Brompton Place, London, SW3 1QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sociedade Nacional de Combustiveis de Angola E.P. These consolidated financial statements are available from its registered office, Rua Rainha Ginga No. 29/31, Caixa Postal 1316, Luanda, Angola.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of these financial statements. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

At 31 December 2024, the balance sheet shows net current assets of £3,226,499 (2023: £2,446,930) including cash balances totalling £13,097,106 (2023: £19,550,719). The company has a profit before tax for the year of £1,149,742 (2023: £459,920).

After making enquiries, the director has a reasonable expectation that the company has adequate access to financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements. The company receives regular payments from its parent company undertaking, Sonangol EP, to cover the expenses that it incurs in providing services to Sonangol EP and its subsidiaries. This is part of an annual budget approval process whereby budgets for future years are approved and funding provided by Sonangol EP to cover these expenses. Sonangol EP guarantees budgets are in place to 31 December 2025 and the director has reasonable expectation that a budget will be agreed for the year ending 31 December 2026.

The director has received written assurances that the support from Sonangol EP and the structure of revenues and cash flows will not change for the year ending 31 December 2025. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

The principal activity of the company is to employ personnel who provide marketing of crude oil and petroleum products, technical, administration and accounting services to related group companies including Sonangol E.P. and Sonangol (HK) Limited. Turnover represents the recharge of all expenses incurred by the company (payroll costs, office related expenses and corporation tax) to Sonangol EP in the year in which they are incurred.

Other income

This represents marketing fees charged to group companies based on the metric ton on the bill of lading, measured in air, or each cargo bought and sold by the group company and administered by Sonangol Ltd which is recognised upon receipt. It also includes commissions earned on the recharge of expenses to its parent company recognised as they are incurred; commissions based on the gross profit of another related group company recognised at the point of entitlement to this commission; and other service fee income from related group companies for administering their transactions recognised as they are carried out.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases (note that freehold land is not depreciated):

Freehold land and buildings	65 years straight line
Fixtures and fittings	5 years straight line
Office equipment and machinery	5 years straight line
Motor vehicles	3 years straight line

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**SOCIEDADE NACIONAL DE COMBUSTIVEIS DE ANGOLA LTD.
TRADING AS "SONANGOL LTD"**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax charge is calculated by determining taxable profits as a mark up of 12.5% on 67% of cost of sales, a practice which has been in place for a significant number of years and reviewed by HMRC periodically without objections being raised.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

Payments to defined contribution retirement benefit schemes are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 Exceptional items

Income and expenses classified as exceptional are shown separately on the statement of comprehensive income. Income and expenses are treated as exceptional in nature if they are significant one off income or expenses and are not expected to reoccur.

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2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation

The determination of the appropriate useful life for a particular asset requires management to make estimates about, among other factors, the expected period of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of the company ceasing to use the asset in its business operations. Management reassess the appropriateness of useful lives applied to tangible fixed assets at least annually and also considers whether any indicators of impairment have occurred which might require impairment testing. The carrying value of tangible fixed assets at 31 December 2024 is £2,853,902.

Deferred tax

Reassessment of the likelihood of recoverability of deferred tax assets requires management to make estimates about the future taxable income and the reversal of the taxation timing differences. The carrying value of the deferred tax asset at 31 December 2024 is £46,600.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by geographical market		
Angola	6,011,787	5,496,739
	<u> </u>	<u> </u>
	2024	2023
	£	£
Other revenue		
Interest income	25,488	71,955
Other income	915,590	846,517
	<u> </u>	<u> </u>

Turnover wholly relates to the recharge of expenses to the parent company.

Other income includes marketing fees charged to group companies based on the metric ton on the bill of lading, measured in air, of each cargo bought and sold by the group company and administered by Sonangol Limited. It also includes service fees and commissions earned on administrative services provided to other group companies.

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FOR THE YEAR ENDED 31 DECEMBER 2024

4 Exceptional item

	2024	2023
	£	£
Expenditure		
Exceptional item	-	642,919
	<u> </u>	<u> </u>

The exceptional item is a bonus paid to employees in the prior year, together with the associated social security costs.

5 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	42,521	(59,818)
Depreciation of owned tangible fixed assets	77,546	66,249
(Profit)/loss on disposal of tangible fixed assets	(450)	185
Operating lease charges	235,736	247,952
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
	14	14
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	2,590,506	2,295,015
Social security costs	381,885	691,737
Pension costs	73,714	68,896
Other benefits	613,488	556,932
	<u> </u>	<u> </u>
	3,659,593	3,612,580
	<u> </u>	<u> </u>

7 Director's remuneration

	2024	2023
	£	£
Remuneration for qualifying services	684,703	728,257
	<u> </u>	<u> </u>

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7 Director's remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	684,703	728,257
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined benefit contributions schemes is nil (2023 - 1).

8 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	24,929	71,955
Other interest income	559	-
	<u> </u>	<u> </u>
Total income	25,488	71,955
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2024	2023
	£	£
Other interest	1,256	91
	<u> </u>	<u> </u>

10 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	339,643	308,930
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	14,716	(6,590)
	<u> </u>	<u> </u>
Total tax charge	354,359	302,340
	<u> </u>	<u> </u>

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10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit before taxation	1,149,742	459,920
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	287,436	114,980
Tax effect of expenses that are not deductible in determining taxable profit	3,904	8,998
Change in unrecognised deferred tax assets	(3,394)	(27,017)
Depreciation on assets not qualifying for tax allowances	3,475	3,475
Under/(over) provided in prior years	-	(22,494)
Tax at marginal rate	-	(20,847)
Transfer pricing adjustments	62,938	245,245
	<u> </u>	<u> </u>
Taxation charge for the year	354,359	302,340
	<u> </u>	<u> </u>

The company falls within the scope of Pillar Two legislation being part of a large multinational group. The impact of the the legislation on the company's corporation tax liabilities is not yet determined.

11 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Office equipment and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	3,008,113	2,406,549	378,427	54,048	5,847,137
Additions	-	82,360	11,000	-	93,360
Disposals	-	-	(23,410)	-	(23,410)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2024	3,008,113	2,488,909	366,017	54,048	5,917,087
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 January 2024	333,039	2,398,059	246,900	31,051	3,009,049
Depreciation charged in the year	13,898	3,657	42,156	17,835	77,546
Eliminated in respect of disposals	-	-	(23,410)	-	(23,410)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2024	346,937	2,401,716	265,646	48,886	3,063,185
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 December 2024	2,661,176	87,193	100,371	5,162	2,853,902
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	2,675,074	8,490	131,527	22,997	2,838,088
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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12 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	-	2,581
Other debtors	344,665	347,990
Prepayments and accrued income	420,135	378,027
	<u>764,800</u>	<u>728,598</u>
	2024	2023
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 13)	46,600	61,316
	<u>46,600</u>	<u>61,316</u>
Total debtors	811,400	789,914
	<u>811,400</u>	<u>789,914</u>

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets	Assets
	2024	2023
	£	£
Balances:		
Decelerated capital allowances	<u>46,600</u>	<u>61,316</u>
		2024
		£
Movements in the year:		
Asset at 1 January 2024		(61,316)
Charge to profit or loss		14,716
Asset at 31 December 2024		<u>(46,600)</u>

The deferred tax asset is not expected to reverse within the next 12 months.

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14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	73,792	40,278
Amounts owed to group undertakings	10,408,618	17,506,347
Corporation tax	84,643	140,588
Other taxation and social security	-	120,516
Accruals and deferred income	114,954	85,974
	<u>10,682,007</u>	<u>17,893,703</u>

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

15 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	73,714	68,896
	<u>73,714</u>	<u>68,896</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2024	2023	2024	2023
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	2,972,800	2,972,800	2,972,800	2,972,800
	<u>2,972,800</u>	<u>2,972,800</u>	<u>2,972,800</u>	<u>2,972,800</u>

All shares carry equal voting rights and preferences.

17 Profit and loss reserves

The profit and loss reserves are wholly distributable.

18 Financial commitments, guarantees and contingent liabilities

It has been identified that certain employee expense allowances may not have been treated correctly under PAYE through the company's payroll. As a result a liability exists at the balance sheet date for amounts that may be owed due to underpaid payroll taxes. The financial effect of these is yet to be determined and has therefore not been provided for.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	(As restated)	
	£	£
Within one year	57,825	57,825
Between two and five years	751,725	-
	<u>809,550</u>	<u>57,825</u>

The company renewed the lease agreement during the year, which includes an 18 month rent free period ending 24 December 2025.

The prior year commitment has been restated. This was previously reported as being £231,300 due in less than one year and £91,253 due in more than one year.

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of tangible fixed assets	30,481	-
	<u>30,481</u>	<u>-</u>

21 Related party transactions

Sonangol Limited is a member of the Sonangol EP group which is ultimately under the control of the Government of the Republic of Angola.

The company has taken advantage of the section 33 exemption not to disclose transactions entered into between two or more members of the Sonangol EP group, provided that any subsidiary which is a party to the transaction is wholly owned by Sonangol EP.

At the reporting date the company owed £10,408,618 (2023: £17,506,347) to fellow group companies. At the reporting date the company was owed £246,905 (2023: £2,581) from fellow group companies, which is included within other debtors.

22 Ultimate controlling party

The ultimate parent undertaking is Sociedade Nacional de Combustiveis de Angola E.P. (Sonangol EP), a company registered in Angola which represents both the smallest and largest group into which the company is consolidated. The registered office of Sonangol EP is Rua Rainha Ginga No. 29/31, Caixa Postal 1316, Luanda, Angola.

A copy of the financial statements of Sociedade Nacional de Combustiveis de Angola E.P. may be obtained from Sonangol Limited, Merevale House, Brompton Place, London, SW3 1QE.

The ultimate controlling part is the Government of the Republic of Angola.

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23 Cash absorbed by operations

	2024	2023
	£	£
Profit after taxation	795,383	157,580
Adjustments for:		
Taxation charged	354,359	302,340
Finance costs	1,256	91
Investment income	(25,488)	(71,955)
(Gain)/loss on disposal of tangible fixed assets	(450)	185
Depreciation and impairment of tangible fixed assets	77,546	66,249
Movements in working capital:		
Increase in debtors	(38,783)	(275,027)
(Increase)/decrease in amounts owed by group undertakings	2,581	224,367
Decrease in creditors	(58,022)	(48,054)
Increase/(decrease) in amounts owed to group undertakings	(7,097,729)	(1,007,722)
Cash absorbed by operations	(5,989,347)	(651,946)

24 Analysis of changes in net funds

	1 January	Cash flows	31 December
	2024		2024
	£	£	£
Cash at bank and in hand	19,550,719	(6,453,613)	13,097,106

