

Company Registration Number: 11950135

Accugas Holdings UK PLC

**Annual Report and Financial Statements
For the year ended 31 December 2020**



Contents	Page
Corporate information	2
Strategic report	3
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Statement of comprehensive income	15
Statement of financial position	16
Statement of cashflows	17
Statement of changes in equity	17
Notes to the Financial Statements	18

Corporate information

Directors

Nicholas Beattie	(British)	Director
Olusola Ajoye Akinkunmi Lawson	(Nigerian)	Director
Sean Gerard MacDonald	(British)	Director
Isatou Semega-Janneh	(British)	Director Resigned 12 August 2021
Christopher Charles Arnold Thomas	(British)	Director Appointed 26 February 2021
Jessica Kate Ross	(British)	Director Resigned 26 February 2021
Robin Drage	(British)	Director Appointed 12 August 2021

Secretary

Nicholas Beattie
40 Bank Street
London
United Kingdom
E14 5NR

Registered office

40 Bank Street
London
United Kingdom
E14 5NR

Registration number

11950135

Auditor

Grant Thornton UK LLP
110 Queen Street
Glasgow
United Kingdom
G1 3BX

Strategic Report

For the year ended 31 December 2020

The Directors present their strategic report on the affairs of Accugas Holdings UK PLC, together with the financial statements and auditor's report, for the year ended 31 December 2020.

Legal form

Accugas Holdings UK PLC ("Accugas" or "the Company") was incorporated in the United Kingdom on 16 April 2019.

Principal activities

The principal activity of the Company is as an investment holding and financing company.

Business review and outlook

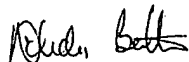
On 10 November 2020, the Company listed the Senior Secured Notes on the official list of The International Stock Exchange in Jersey.

As the Company was incorporated in 2019, the comparative information is for the period 16 April 2019 to 31 December 2019.

Profit before tax was US\$10.2 million (2019: profit of US\$2.2 million). The Company's net assets at year-end were US\$161.4 million (2019: US\$154.3 million).

Key performance indicators

Savannah Energy PLC monitors, reviews and assesses its operations at geographical levels; therefore the Directors are of the opinion that analysis of the Company using KPIs is not appropriate for an understanding of the development, performance of the Company's position.



Nicholas Beattie
Director
14 September 2021

Directors' Report

For the year ended 31 December 2020

The Directors present their report and the audited financial statements for Accugas Holdings UK PLC for the year ended 31 December 2020.

Dividends

The Directors do not intend to propose a dividend in respect of the year ended 31 December 2020 (2019: nil) and no dividends have been declared.

Going concern

The financial statements have been prepared on a going concern basis.

The Company does not hold a bank account and therefore is reliant on the ultimate parent company Savannah Energy PLC and its subsidiaries ("the Group") to support the going concern assessment of the Company. The ultimate parent company has provided a letter of financial support to the Company confirming that it will provide the necessary financial support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date that the financial statements are approved. The Group places significant importance in managing its liquidity position and ensuring that all entities within the Group have appropriate funding as needed to meet their obligations. The Directors have considered the funding requirements of the Company and the ability of the Group to support these needs for the review period. The principal assumptions made in the Group's going concern assessment relate to (1) the timely payment of gas invoices from its customers, (2) forecast commodity price environment, and (3) continued access to FX markets. Considering this last point the Directors are highly confident that the entities in the Group will be able to continue to access US dollars as required to maintain going concern status. However, as described in note 2, (Going concern), a remote risk exists that the Group may not be able to continue to do so and/or the Group may not be able to amend its debt facilities and/or complete its planned debt refinancing at the Company's subsidiary, Accugas Limited. These facts indicate that a material uncertainty exists. Notwithstanding this, the Directors have considered the adequacy of the ultimate parent company's and Group's cash resources and assessed that they are sufficient to meet its liabilities as they fall due and hence can continue as a going concern.

Events after the reporting period

The Directors are not aware of any events that occurred after the reporting date that require reporting.

Directors

The Directors, who served from their date of appointment until signing, were as follows:

N Beattie	
O Lawson	
S MacDonald	
I Semega-Janneh	Resigned 12 August 2021
C Thomas	Appointed 26 February 2021
J Ross	Resigned 26 February 2021
R Drage	Appointed 12 August 2021

Directors' interests in share capital

As at 31 December 2020 the Directors had no interests in the share capital of the Company. Directors' interests are disclosed in the Savannah Energy Group annual report where applicable.

Directors' and officers' liability insurance

All Directors and officers of the Company are covered by Directors' and officers' liability insurance.

Directors' Report (continued)
For the year ended 31 December 2020

Political donations

No political donations were made in the year.

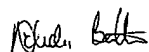
Directors' statement of disclosure of information to the auditor

So far as each person who was a Director at the date of approving the report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the company's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of auditors

Pursuant to Section 487 of the Companies Act 2006, following a tender process, a resolution to appoint BDO LLP as auditor for the year ended 31 December 2021 was approved at the Annual General Meeting of the ultimate parent, Savannah Energy PLC.

Approved by the Board and signed on its behalf by:



Nicholas Beattie
Director
14 September 2021

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law require 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law 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 these Financial Statements, the Directors are required to:

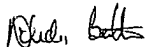
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information needed by the Company's auditor in connection with preparing their report, of which the Company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board and signed on its behalf by:



Nicholas Beattie
Director
14 September 2021

Independent auditor's report to the members of Accugas Holdings UK Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Accugas Holdings UK PLC (the 'company') for the year ended 31 December 2020, which comprise Statement of comprehensive income, Statement of financial position, Statement of cashflows, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 as applied to listed entities, 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.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that the company is reliant on financial support from its parent company, Savannah Energy PLC, to meet liabilities as they fall due. In assessing the parent company's ability to provide the support the Directors have considered the material uncertainty that was disclosed in the Savannah Energy PLC financial statements, which was as a result of Accugas Limited, which is also a subsidiary of Accugas Holdings UK PLC, working towards refinancing its principal US\$371 million debt facility from US dollars to Nigerian Naira, which requires access to appropriately priced US dollars. As stated in note 2 there is a risk that Accugas Limited may not be able to amend the facility within the going concern assessment period. These events or conditions, along with the other matters as set forth in note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our evaluation of management's assessment of the entity's ability to continue as a going concern

Our evaluation of the managements' assessment of the company's ability to continue to adopt the going concern basis of accounting including an assessment of the ability of Savannah Energy Plc to provide parental support included:

- Obtained management's cash flow forecasts for the Company and Group, providing support, covering the period to August 2022. We assessed how these forecasts were compiled, and assessed their accuracy by validating to underlying information and verifying mathematical accuracy of the model used;
- Challenged management on the key assumptions used within the forecasts, including the forecast oil price, timing of expected payments to creditors and income, licence amalgamation fees and payment of the Accugas Limited borrowings. Furthermore we

Independent auditor's report to the members of Accugas Holdings UK Plc (continued)


- considered whether the assumptions (including management's assessment of the impact of Brexit/Covid) are consistent with our understanding of the business derived from other detailed work undertaken;
 - performed sensitivity analysis on the inputs and assumptions included within the cash flow forecasts in order to understand what would break the model;
 - challenged management on any mitigating actions including ability to restrict cash impact, in addition to the level of available facilities; and
 - agreed committed facilities to external confirmations
- Challenged management on how Covid-19 has impacted their cash flow forecasts and how this has been incorporated into the model;
 - Challenged management on the position of the borrowings in Accugas Limited where the debt facility was amended during the year so that repayments were not required (with instead Naira cash balances set aside), and further amended post year-end such that repayments are now not required until November 2021. We further considered the options available to management to access US dollars required to make further loan repayments through other markets should appropriately priced US dollars not be; and
 - Assessed the appropriateness of the disclosures included within the financial statements relating to going concern.

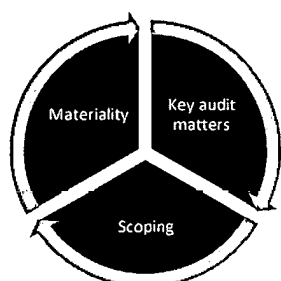
Our responsibilities

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Our approach to the audit

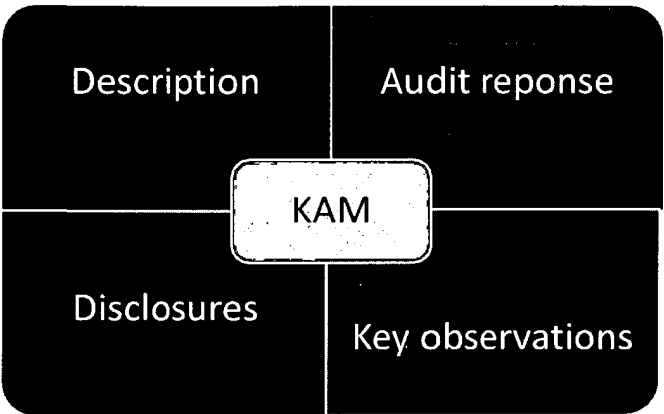
 Grant Thornton	Overview of our audit approach
	Overall materiality: \$593,000, which represents 0.3% of the company's total assets.
	Key audit matters were identified as: <ul style="list-style-type: none"> • Going concern (new) Our auditor's report for the year ended 31 December 2019 included no audit matters that have not been reported as key audit matters in our current year's report.
	We performed a full scope audit of the financial statements of Accugas Holdings UK PLC using determined materiality.



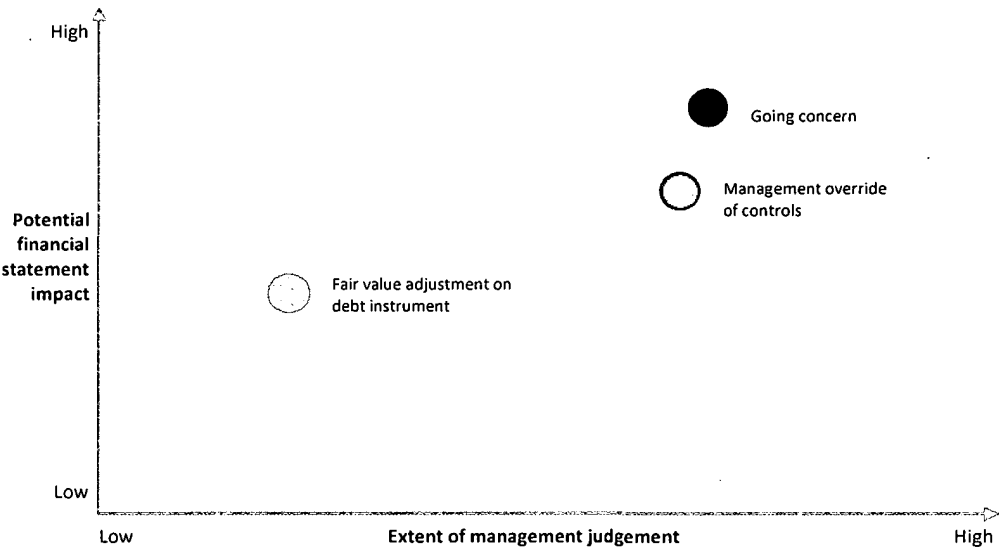
Independent auditor's report to the members of Accugas Holdings UK Plc (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the significant risks and other risks



●	Key audit matter	○	Significant risk	○	Other risk
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Other than the matter described in the Material uncertainty related to going concern section, no key audit matters have been identified.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Independent auditor's report to the members of Accugas Holdings UK Plc (continued)

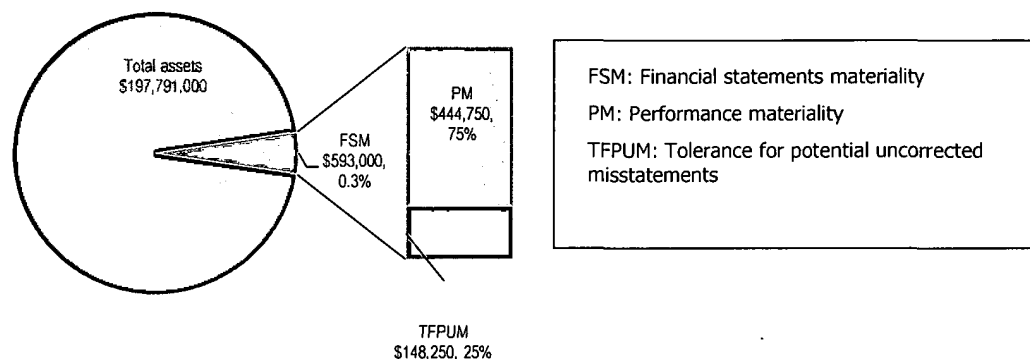
Materiality was determined as follows:

Materiality measure	Company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	\$593,000 which is 0.3% of total assets.
Significant judgements made by auditor in determining the materiality	<p>In determining materiality, we made the following significant judgements: As Accugas Holdings UK PLC is a holding company primarily with investments and intercompany balances with the wider Group, it would not be appropriate to use a profit or revenue based benchmark. As a result, we consider total assets to be the most appropriate and we have remained consistent with the Savannah Energy PLC Group calculation and used the measurement percentage of 0.3%.</p> <p>Materiality for the current year is marginally higher than the level that we determined for the year ended 31 December 2019 with no specific change driving this.</p> <p>No significant adjustments to materiality.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	\$444,750 which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	The business has not undergone any significant changes since the end of the prior year and no prior year misstatements identified therefore it was determined that performance materiality could be increased from the base to highest percentage level.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	\$29,650 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Independent auditor's report to the members of Accugas Holdings UK Plc (continued)

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the company's business and in particular matters related to:

Understanding the company, its environment, including controls

- the engagement team obtained an understanding of the company and its environment, including the controls, and assessed the risks of material misstatement;

Change in approach

- The only change relates to the debt being listed on The International Stock Exchange (TISE),

Performance of our audit

- the engagement team performed testing on the areas of risk identified, obtaining sufficient and appropriate evidence.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report to the members of Accugas Holdings UK Plc (continued)

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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 the financial statements; and
- the strategic report and the directors' report have 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 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 strategic report or the directors' report.

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

Independent auditor's report to the members of Accugas Holdings UK Plc (continued)

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which they operate. We determined that the following laws and regulations were most significant: IFRS, Companies Act 2006, TISE Listing Rules and the relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to bribery and corruption practices;
- We understood how the company is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team and component auditors included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue occurrence;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the company's operations, including its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions; and
 - the company's control environment, including:
 - the adequacy of procedures for authorisation of transactions, internal review procedures over the company's compliance with regulatory requirements;
 - procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Independent auditor's report to the members of Accugas Holdings UK Plc (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.



James Chadwick

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow 14/9/2021

Statement of Comprehensive Income
For the year ended 31 December 2020

		Year ended 31 December 2020	Period 16 April to 31 December 2019
	Note	US\$'000	US\$'000
Revenue		—	—
Cost of sales		—	—
Gross profit		—	—
Administrative and other operating expenses		(76)	—
Operating loss		(76)	—
Finance income	7	16,628	2,609
Finance costs	8	(4,631)	(400)
Fair value adjustment	10	(1,682)	—
Foreign translation loss		(2)	—
Profit before tax		10,237	2,209
Tax expense	9	(3,146)	(332)
Net profit and total comprehensive income		7,091	1,877

All results in the current financial year derive from continuing operations.

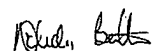
The notes on pages 18 to 27 form part of these financial statements.

Statement of Financial Position
As at 31 December 2020

	Note	2020 US\$'000	2019 US\$'000
Assets			
Non-current assets			
Investment in subsidiaries	11	6,381	6,381
Total non-current assets		6,381	6,381
Current assets			
Related party receivable	16	191,410	180,109
Total current assets		191,410	180,109
Total assets		197,791	186,490
Equity and liabilities			
Capital and reserves			
Share capital	12	82	82
Share premium	12	152,332	152,332
Retained earnings		8,968	1,877
Total equity		161,382	154,291
Non-current liabilities			
Borrowings	14	25,905	22,333
Total non-current liabilities		25,905	22,333
Current liabilities			
Trade and other payables	13	322	322
Related party payables	16	9,182	9,544
Borrowings	14	1,000	—
Total current liabilities		10,504	9,866
Total equity and liabilities		197,791	186,490

The notes on pages 18 to 27 form part of these financial statements.

The financial statements of Accugas Holdings UK PLC (Company number: 11950135) were approved by the Board of Directors and authorised for issue on 14 September 2021 and are signed on its behalf by:



Nicholas Beattie
 Director

Statement of Cash Flows
For the year ended 31 December 2020

The Company has no cash flows as the entity does not operate a bank account as the ultimate parent Savannah Energy PLC manages all funding transactions on its behalf.

Statement of Changes in Equity
For the year ended 31 December 2020

	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Total US\$'000
On incorporation at 16 April 2019	—	—	—	—
Total comprehensive income for the period	—	—	1,877	1,877
Transactions with shareholders:				
Issue of shares on incorporation	65	—	—	65
Issue of ordinary shares	17	152,332	—	152,349
Balance at 31 December 2019	82	152,332	1,877	154,291
Total comprehensive income for the year	—	—	7,091	7,091
Balance at 31 December 2020	82	152,332	8,968	161,382

The notes on pages 18 to 27 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2020

1. Corporate information

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 14 September 2021.

The Company was incorporated in the United Kingdom on 16 April 2019 as a public limited company. The comparative period is from incorporation on 16 April 2019 to 31 December 2020.

The Company's functional currency is US Dollars ("US\$"), and the financial statements are presented in US Dollars and all values are rounded to the nearest thousand (US\$'000), except when otherwise stated.

The Company is domiciled in the UK for tax purposes. No dividends have been declared or paid since incorporation.

The Company's immediate parent is Savannah Energy Nigeria Midstream Limited. The Company's ultimate parent company is Savannah Energy PLC. Savannah Energy PLC, which is incorporated in England and Wales, is the parent undertaking of the largest and smallest group to consolidate these financial statements. The Company's registered address is 40 Bank Street, London E14 5NR.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards, IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Exemptions

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Going concern

The financial statements have been prepared on a going concern basis.

The Company does not hold a bank account and is therefore reliant on the ultimate parent company, Savannah Energy PLC, and its subsidiaries (the "Group") to support the going concern assessment of the Company. The ultimate parent company has provided a letter of financial support to the Company confirming that it will provide the necessary financial support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date the financial statements are approved.

The Directors have considered the factors relevant to support a statement of going concern; in assessing the going concern assumption the Directors have reviewed the Group's forecasted cash flows as well as the funding requirements of the Group, including the Company, for the period under review. This forecast was prepared on an entity-by-entity basis and it reflects the Group's best estimate of costs and revenues for the period under review. The capital expenditure and operating costs used in this forecast are based on the Group's approved corporate budget which includes operating budgets for each of the operating subsidiaries and an estimate of the corporate general and administrative costs.

As reported in the Group's Annual Report and Financial Statements for the year ended 31 December 2020, the Group's main operating company, Accugas Limited (a subsidiary of the Company), is currently working with its existing and new lenders to refinance its principal US\$371.0 million debt facility from US dollars to Naira and expects this process to complete by the end of 2021. The debt facility terms were amended such that no repayment was due at year-end, and subsequently further amended such that no repayments are required until November 2021. As at 31 December 2020, Accugas Limited agreed with its lending banks to set certain amounts for debt service purposes, pending completion of this re-financing process both of which require access to an appropriately priced US dollars transaction (any FX loss incurred in this transaction would be recoverable under the terms of the Calabar GSA). Throughout 2020 the Group accessed US dollars as required to pay its non-Naira denominated expenditures. The Company and Accugas Limited's directors are highly confident that Accugas Limited will continue to be able to access US dollars as required to continue to provide funding support to the Company and to the ultimate parent company to maintain their going concern positions. However, a remote risk exists that Accugas Limited may not be able to continue to do so and/or Accugas Limited may not be able to amend its debt facilities and/or complete its planned debt

refinancing which may impact the Company's access to future funding to settle its liabilities as they fall due. These facts indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

3. Significant accounting policies

New and amended IFRS standards

The following relevant new standards, amendments to standards and interpretations were mandatory for the first time for the financial year beginning 1 January 2020:

Standard	Key requirements	Effective date
Amendments to IFRS 3: Business Combinations	Amendments issued aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.	1 January 2020
Interest rate benchmark reform, amendments to IFRS 9: Financial instruments and IFRS 7: Financial instruments - Disclosures	Phase 1 reforms issued as a first reaction to the potential effects the IBOR reform could have on financial reporting. Phase 1 deals with pre-replacement issues; issues affecting financial reporting the period before the replacement of an existing interest rate benchmark. Amendments to relevant standards are effective for annual reporting periods beginning on or after 1 January 2020. Phase 2, effective for annual reporting periods beginning on or after 1 January 2021, deals with replacement issues; issues that might affect financial reporting when an existing interest rate benchmark is replaced.	1 January 2020

Amendments to IFRS 3: Business combinations

There have been no business combinations in 2020 and therefore the interpretation has no impact on the Company's financial information.

Interest rate benchmark reform, amendments to IFRS 9: Financial instruments and IFRS 7: Financial instruments - Disclosures

Phase 1 reforms and its associated amendments have no impact on the Company's financial information.

Standards issued but not yet effective

The following relevant new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning on 1 January 2020, and have not been early adopted:

Standard	Key requirements	Effective date
Interest rate benchmark reform, amendments to IFRS 9: Financial instruments and IFRS 7: Financial instruments - Disclosures	Phase 2, effective for annual reporting periods beginning on or after 1 January 2021, deals with replacement issues; issues that might affect financial reporting when an existing interest rate benchmark is replaced.	1 January 2021
Amendments to IFRS 16: Leases	The IASB has issued an amendment to IFRS 16 <i>Leases</i> to make it easier for lessees to account for COVID-19 related rent concessions such as rent holidays and temporary rent reductions. The amendment is effective 1 June 2020 but, to ensure relief is available when needed most, lessees can apply the amendment immediately.	1 June 2020

Foreign currency translation

Transactions and balances

Transactions entered into in a currency other than the functional currency are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. At each statement of financial position date, the monetary assets and liabilities of the Company's entities that are not in the functional currency of that entity are translated into the functional currency at exchange rates prevailing at the statement of financial position date. The resulting exchange differences are recognised in the statement of comprehensive income.

Functional and presentation currency

Management has concluded that the US Dollar is the functional currency of the Company due to it being the currency of the primary economic environment in which the Company operates, based on the following fact the majority of funds raised from financing activities (debt instruments) are generated in US Dollars.

Investments in subsidiaries

Investments in subsidiaries are stated in the statement of financial position at cost less any provisions for impairment. If a distribution is received from a subsidiary, then the investment in that subsidiary is assessed for an indication of impairment.

Financial assets

Amounts due from Group and other receivables

Other receivables are measured at amortised cost using the effective interest method less any impairment.

Impairment of financial assets

For other receivables, the Company is required to follow a simplified approach in calculating ECLs if no significant financing component exists. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, where applicable, adjusted for forward-looking factors specific to the debtors and the economic environment. For receivables from related parties, the Company applies the general approach. The general approach involves tracking the changes in the credit risk and recognising a loss allowance based on a twelve-month ECL at each reporting date.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities at amortised cost

After initial recognition at fair value, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Loans

Loans are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Refer to note 15 for further information.

Call option Fair value through profit or loss ("FVTPL")

In 2019 the Company issued loan notes which under the repayment terms gives it an option to repay the loan at a discount to the face value of the notes. This option has been separated out from the host contract and valued as an embedded derivative, and is measured at FVTPL.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of the proceeds received or the fair value price of at the date of issue, net of direct issue costs, which are recorded to share capital (nominal value) and share premium.

Trade payables

Trade payables are measured at fair value.

Taxation

Current tax

The tax currently payable is based on assessable taxable income generated for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Current tax is recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity or other comprehensive income, in which case the tax is also recognised directly in equity or other comprehensive income, as appropriate.

Capital

The capital structure of the Company consists of equity attributable to the owners of the Company, comprising issued capital, the capital contribution reserve, the other reserve in respect of stamp tax arising on the issue of equity, the share-based payment reserve and the accumulated deficit.

Share capital

Share capital comprises issued capital in respect of issued and paid-up shares, at their par value.

Share premium

Share premium comprises the difference between the proceeds received and the par value of the issued and paid-up shares.

Retained earnings

Retained earnings comprises the accumulated or deficit of earnings retained by the Company.

The Company's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term, and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company is managed and adjusted to reflect changes in economic conditions.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The Company has made no significant judgements during the period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

US\$20 million SSN and call option

As described above and set out at note 14, the Company issued US\$20 million of Senior Secured Notes. Embedded within this instrument is a 'call' option which allows the issuer to redeem the note at a discount to its contractual face value, during the note's term. Given this optionality, the underlying note and the option had to be identified and valued separately. The loan was valued by discounting the future contractual cash flows at an appropriate market rate for a debt instrument without any call features. The option value was determined using an option model that estimated the relative option values for early exercise.

5. Auditors' remuneration

The fees payable to the Company's auditors for the audit of the Company's financial statements was US\$5,000 (2019: US\$4,000). The auditors' remuneration has been borne by Savannah Energy PLC. Any fees paid to the Company's auditors and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated financial statements of the Company's ultimate parent, Savannah Energy PLC, are required to disclose non-audit fees on a consolidated basis.

6. Directors' remuneration

The Directors received no remuneration for their services to the Company during the year (2019: nil). Where applicable, the Directors have their remuneration costs borne by Savannah Energy PLC, for carrying out services for the Savannah Energy Group as a whole. The Directors that are not employed by Savannah Energy 1 Limited are not remunerated by Savannah Energy PLC for their services.

7. Finance income

	2020 US\$'000	2019 US\$'000
Year/period ended 31 December		
Interest income on intercompany loans	14,835	2,609
Accretion of interest on an intercompany loan	1,793	—
	16,628	2,609

8. Finance costs

	2020 US\$'000	2019 US\$'000
Year/period ended 31 December		
Refinancing costs	—	30
Interest expense on intercompany loans	1,802	—
Interest on loan notes	2,829	370
	4,631	400

9. Income tax

The tax expense for the Company is:

	2020 US\$'000	2019 US\$'000
Year/period ended 31 December		
Current tax		
- Current year/period	1,604	332
- Adjustments in respect of prior period	1,542	—
Total tax expense for the year/period	3,146	332

Corporation tax is calculated at the applicable tax rate for each jurisdiction based on the estimated taxable profit for the year. The Company's outstanding current tax liabilities of US\$1,350,000 (2019: US\$332,000) relate to the corporation tax liabilities in the UK. These are payable to the ultimate parent, Savannah Energy PLC for group relief and have been recognised as a related party payable (note 16). The tax rate used for 2020 reconciliation is 19% (2019: 19%), as income generating activities occur principally in that jurisdiction.

	2020 US\$'000	2019 US\$'000
Year/period ended 31 December		
The (credit)/charge for the year/period can be reconciled per the Statement of Comprehensive Income as follows:		
Profit on ordinary activities before taxes	10,237	2,209
Profit before taxation multiplied by the tax rate of 19.0% (2019: 19%)	1,945	420
Tax effects of:		
Adjustments in respect of prior years	1,542	—
Non-taxable income	(341)	(88)
Tax charge for the year/period	3,146	332

10. Fair value adjustment

	2020	2019
Year ended 31 December	US\$'000	US\$'000
Fair value adjustments	1,682	—
	1,682	—

In 2020 the fair value adjustment relates to the revaluation of the embedded derivative within the US\$20 million Senior Secured Notes ("SSNs"). The embedded derivative provides a redemption option whereby early repayment of the principal amount will result in a discount to the contractual loan value. The value of the option at the year end, as well as the valuation method, is described in note 14.

11. Investment in subsidiaries

	2020	2019
	US\$'000	US\$'000
Accugas UK Limited	6,381	6,381
	6,381	6,381

The Company's subsidiaries are disclosed below. Transactions between subsidiaries and the parent company are eliminated on consolidation.

Name	Nature of business	Registered office	Country of incorporation	Type of share	Shareholding ¹
Accugas UK Limited	Holding company	A	United Kingdom	Ordinary	100% ²
Exoro Holding B.V.	Holding company	B	Netherlands	Ordinary	100% ³
Accugas Limited	Gas marketing, processing and distribution	C	Nigeria	Ordinary	100% ³

¹ The Company shareholding is the effective shareholding in the entities held directly or indirectly.

² Held directly.

³ Held indirectly.

Registered office addresses:

- A 40 Bank Street, London, E14 5NR, United Kingdom
- B Fascinatio Boulevard 350, Rotterdam, 3065wb, Netherlands
- C 35 Kofo Abayomi Street, Victoria Island, Lagos, Nigeria

12. Capital and reserves

As at 31 December	2020	2019
Fully paid ordinary shares in issue (number)	62,502	62,502
Par value per share in GBP	1	1

	Number of shares	Share capital US\$'000	Share premium US\$'000	Total US\$'000
Issue of ordinary shares on incorporation	50,000	65	—	65
Issue of ordinary shares	12,502	17	152,332	152,349
At 31 December 2019 & 31 December 2020	62,502	82	152,332	152,414

13. Trade and other payables

As at 31 December	2020	2019
	US\$'000	US\$'000
Interest payable	163	322
Accruals	43	—
Payables	80	—
VAT & WHT payable	36	—
	322	322

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. All amounts are payable within one year.

14. Borrowings

	2020	2019
As at 31 December	US\$'000	US\$'000
Senior secured and other notes	26,905	22,333
	26,905	22,333
As at 31 December	2020	2019
	US\$'000	US\$'000
Current borrowings	1,000	—
Non-current borrowings	25,905	22,333
	26,905	22,333

The Company has a promissory note of US\$12.9 million (2019: US\$11.5 million). Repayments of principal in the amount of US\$0.5 million will commence on 30 June 2021 and continue semi-annually until the final maturity date of 31 December 2025, at which time all unpaid principal is due. The loan carries a cash interest rate of 8% per annum, with a payment-in-kind interest option of 10% per annum. The payment-in-kind interest option was exercised in 2020.

The Company also issued a Senior Secured Note of US\$20 million on 14 November 2019. The term of the note is for repayment in full by 14 November 2025. The loan carries a cash interest rate of 6% per annum, with a payment-in-kind interest option of 8% per annum. The payment-in-kind interest option was exercised in 2020. The note also includes a voluntary prepayment redemption option whereby early repayment of the principal amount will result in a discount to the contractual loan value. If this repayment option is invoked before 14 November 2021, a discount of 40% will be applied to the face value of US\$20 million. The repayment amount will increase by 10% yearly, until the maximum amount redemption option is 100% in 2024. As an embedded derivative, this option is required to be separated from the host contract and valued separately. Initially, the fair value of the note without any call option was calculated by discounting the future expected cash flows at a market yield. This resulted in an initial amortised value of US\$17.9 million with an EIR of 8.73%; the loan balance has increased due to accretion of interest and the utilisation of the payment-in-kind option with a balance of US\$19.5 million at 31 December 2020 (2019: US\$17.9 million). The call option value was estimated using a synthetic American receiver swaption model, adjusting for additional cash repayments required for early exercise. The value of the option was remeasured to an estimated US\$5.4 million (2019: US\$7.1 million) with the movement recognised as FVTPL. The option has been recorded within non-current borrowings.

15. Financial instruments**(a) Financial instruments by category**

At the end of the year, the Company held the following financial instruments:

	2020	2019
As at 31 December	US\$'000	US\$'000
Financial assets		
Amortised cost		
Related party receivable	191,410	180,109
	191,410	180,109
Financial liabilities		
Amortised cost		
Trade payables	(322)	(322)
Related party payable	(9,182)	(9,544)
Borrowings	(32,326)	(29,436)
	(41,830)	(39,302)
Fair value through profit or loss		
Call option (within Borrowings)	5,421	7,103
Net financial instruments	155,001	147,910

The value of the Call option has been disclosed within Non-current borrowings (note 14).

(b) Risk management policy

In the context of its business activity, the Company operates in an international environment in which it is confronted with market risks, specifically foreign currency risk and interest rate risk. It does not use derivatives to manage and reduce its exposure to changes in foreign exchange rates and interest rates.

In addition to market risks, the Company is also exposed to liquidity and credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is reliant on its ultimate parent entity Savannah Energy PLC to finance its operations.

The Company manages liquidity risk by regularly reviewing cash requirements by reference to short-term cash flow forecasts and medium-term working capital projections prepared by management.

Ultimate responsibility for liquidity risk management rests with the Board of Directors.

The Company's liquidity position and its impact on the going concern assumption are discussed further in the Going Concern section in note 2 of these financial statements.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial borrowings based on the earliest date on which the Company can be required to pay.

	Weighted average effective interest rate	Less than 1 year US\$'000	Between 1-5 years US\$'000	Greater than 5 years US\$'000	Total US\$'000
As at 31 December 2020					
Fixed interest rate instruments					
Principal repayment	6.79%	1,000	33,483	—	34,483
Interest payment		2,306	8,424	—	10,730
Net exposure		3,306	41,907	—	45,213

	Weighted average effective interest rate	Less than 1 year US\$'000	Between 1-5 years US\$'000	Greater than 5 years US\$'000	Total US\$'000
As at 31 December 2019					
Fixed interest rate instruments					
Principal repayment	6.73%	—	4,000	27,500	31,500
Interest payment		1,200	8,960	1,780	11,940
Net exposure		1,200	12,960	29,280	43,440

(d) Foreign currency risk

Foreign currency risk arises because the Company operates in the United Kingdom, whose currency is not the same as the functional currency in which the Company is operating.

Foreign currency risk also arises when the Company enters into transactions denominated in a currency other than its functional currency. The main foreign currency risk in the year ended 31 December 2020 relates to transactions denominated in British Pound Sterling.

The primary exchange rate movements that the Company is exposed to is US\$:GBP. Foreign exchange risk arises from recognised assets and liabilities.

The Company considers all other receivables potential ECL's to be immaterial and therefore no provision has been recognised. The Company considers all intercompany balances recoverable and any potential expected credit losses are judged to be immaterial.

16. Amounts owed from/owed to related parties**Amounts receivable**

	2020 US\$'000	2019 US\$'000
Accugas Limited - a subsidiary of the Company	191,410	180,109
Related party receivables	191,410	180,109

Amounts payable

	2020 US\$'000	2019 US\$'000
Savannah Energy PLC - the ultimate parent of the Company	(9,182)	(9,544)
Related party payables	(9,182)	(9,544)

The Company considers all related party balances recoverable and any potential expected credit losses are judged to be immaterial. All related party balances are not interest bearing.

17. Related party transactions

Details of transactions between the Company and other related parties are disclosed below.

	Year ended 31 December 2020 US\$'000	Period 16 April to 31 December 2019 US\$'000
Interest income from Accugas Limited	11,304	2,609
Accretion of interest on intercompany loans from Accugas Limited ¹	1,793	—
Interest income from Savannah Energy PLC ²	3,531	—
Interest expense to Savannah Energy PLC	(1,802)	—

¹The Company holds a loan receivable from its subsidiary Accugas Limited. The loan was discounted on recognition and is accreting to the value of US\$210.5 million by 31 December 2025. This is the accretion charge for the year.

²The Senior Secured Notes are held in the Company and all interest and fair value adjustments are recharged to the ultimate parent, Savannah Energy PLC.

Compensation of key management personnel

The Directors received no remuneration for their services to the Company during the year (2019: nil). Where applicable, the Directors have their remuneration costs borne by Savannah Energy PLC, for carrying out services for the Savannah Energy Group as a whole. The Directors that are not employed by Savannah Energy 1 Limited are not remunerated by Savannah Energy PLC for their services.

18. Changes in the Company's borrowings

The changes in the Company's borrowings arising from financing activities can be classified as follows:

	US\$'000
On incorporation at 16 April 2019	—
Non-cash adjustments	
Senior Secured Notes issued	10,833
Loan notes assigned on acquisition of the Company by parent	31,500
Loan notes transferred to Savannah Energy PLC	(20,000)
As at 31 December 2019	22,333
Non-cash adjustments	
Payment in kind adjustment/accretion of interest	2,890
Borrowing fair value adjustment	1,682
As at 31 December 2020	26,905

The Company has no cash flows as there is no cash held in the entity.

19. Capital commitments

At the reporting date, the Company had no material capital commitments (2019: nil)

20. Events after the reporting period

The Directors are not aware of any events that occurred after the reporting date that require reporting.