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Company Registration Number: FC027743

Seven Energy (BVI) Limited

Annual report and financial statements
For the year ended 31 December 2019



Seven Energy (BVI) Limited
Annual report and financial statements

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Corporate information

Directors

Isatou Semega-Janneh
Jessica Kate Ross
Nicholas Beattie
Olusola Lawson
Sean MacDonald
Phillip Ihenacho

Appointed 2 December 2019
Appointed 2 December 2019
Appointed 2 December 2019
Appointed 2 December 2019
Appointed 2 December 2019
Resigned 2 December 2019

Company Secretary

Jessica Kate Ross

Registered Office

Midocean Chambers PO BOX 805
Road Town Tortola
British Virgin Islands
Virgin Islands

Company registration number

FC027743
England and Wales

1032686
Virgin Islands

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Strategic report
For the year ended 31 December 2019

The Directors present their strategic report of Seven Energy (BVI) Limited ("the Company"), for the year ended 31 December 2019.

Legal form

The Company was incorporated in the Virgin Islands, as a private limited liability company on 23 October 2006. The Company was registered as a United Kingdom establishment of an overseas company on the same day.

Principal activities

The principal activity of the Company is a holding company of Savannah Energy Upstream Gas Limited, a Nigerian upstream gas company.

Business review

On 14 November 2019, the Company along with its subsidiary was acquired by Savannah Energy PLC ("Savannah") as part of the restructuring of the former parent, Seven Energy International Limited.

As at the balance sheet date, the Company was a subsidiary of Savannah Energy (Uquo) Limited, a company incorporated in England and Wales. The ultimate parent company is Savannah Energy PLC. The ultimate parent and its subsidiaries are known as the Savannah Energy Group and are engaged in oil and gas exploration, development, production and distribution in Nigeria and Niger.

The Company is principally engaged as a holding company of Savannah Energy Upstream Gas Limited, a Nigerian upstream gas company.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Principal risks and uncertainties

As a holding company, the principal risks and uncertainties are driven by the performance of the subsidiary.

Key performance indicators

Savannah Energy PLC and its subsidiaries 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.

Financial performance and position

The Company did not trade (2018: US\$6,000 loss) for the year ended 31 December 2019.

The Company has net assets of US\$666,000 (2018: US\$666,000) as at 31 December 2019.

Approved by the Board and signed on its behalf by:



Isatou Semega-Janneh
Director
10 December 2020

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Directors' report
For the year ended 31 December 2019

The Directors present their report and the unaudited financial statements for Seven Energy (BVI) Limited for the year ended 31 December 2019.

Directors

The following serves as Directors during the period and up to the date of this report, unless otherwise shown:

Isatou Semega-Janneh	Appointed 2 December 2019
Jessica Kate Ross	Appointed 2 December 2019
Nicholas Beattie	Appointed 2 December 2019
Olusola Lawson	Appointed 2 December 2019
Sean MacDonald	Appointed 2 December 2019
Phillip Ihenacho	Resigned 2 December 2019

Dividend

The Directors did not propose an interim dividend for the year ended 31 December 2019. The Directors have not proposed a final dividend (2018: nil).

Going concern

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

Funding is provided by the Company's immediate and ultimate parent company Savannah Energy PLC and will continue to be provided for the foreseeable future. The Company has received a letter of support from its ultimate parent company. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

Directors' interests in share capital

As at 31 December 2019 the Directors had no interests in the share capital of the Company. Certain Directors have an indirect economic interest in the share capital of the Company through their investment in the funds that have been invested in Savannah Energy PLC.

Post balance sheet events

Post the balance sheet date, as a result of the COVID-19 pandemic, there is a possible impact on future earnings and cash flows of the Savannah Energy Group which would hinder Savannah Energy PLC's ability to support the Company. However, the Savannah Energy Group has some fixed price revenue contracts in place and is largely unaffected from the current market volatility and, as such, can continue to support the Company to continue as a going concern.

Directors' and officers' liability insurance

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

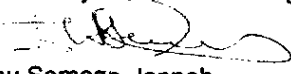
Research and development

The Company does not undertake any material research and development activities.

Political donations

No political donations were made in the year.

Approved by the Board and signed on its behalf by:


Isatou Semega-Janneh
Director
10 December 2020

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Statement of Directors' responsibilities

The Directors are responsible for the preparation of the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the financial statements for each financial year. Under the 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) including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 United Kingdom 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for preparing the Annual report in accordance with the applicable law and regulations. The Directors consider the Annual report and the financial statements, taken as a whole, provide the information necessary to assess the Company's position, performance, business model and strategy and is fair, balanced and understandable.

Approved by the Board and signed on its behalf by:



Isatou Semega-Janneh
Director
10 December 2020

Seven Energy (BVI) Limited
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Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

		Year ended 31 December 2019 US\$'000	Year ended 31 December 2018 US\$'000
	Note		
Revenue		-	-
Cost of sales		-	-
Gross Profit		-	-
Administrative and other operating expenses		-	(6)
Loss before tax		-	(6)
Tax expense	7	-	-
Net loss and total comprehensive loss		-	(6)

The results for the year are derived solely from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

Seven Energy (BVI) Limited
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Statement of financial position
As at 31 December 2019

	Note	2019 US\$'000	2018 US\$'000
Assets			
Non-current assets			
Investment in subsidiary	8	676	676
Total non-current assets		676	676
Total assets		676	676
Equity and liabilities			
Capital and reserves			
Share capital	9	22,687	22,687
Retained deficit		(22,021)	(22,021)
Total equity		666	666
Current liabilities			
Related party payable		10	10
Total current liabilities		10	10
Total equity and liabilities		676	676

The notes on pages 8 to 12 form part of these financial statements.

The financial statements of Seven Energy (BVI) Limited (Company number: FC027743) were approved by the Board of Directors and authorised for issue on 10 December 2020 and are signed on its behalf by:



Isatou Semega-Janneh
 Director

Seven Energy (BVI) Limited
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Statement of changes in equity
For the year ended 31 December 2019

	Share capital US\$'000	Retained deficit US\$'000	Total US\$
As at 1 January 2018	22,687	(22,015)	672
Loss for the year	-	(6)	(6)
As at 31 December 2018	22,687	(22,021)	666
Result for the year	-	-	-
As at 31 December 2019	22,687	(22,021)	666

The notes on pages 8 to 12 form part of these financial statements.

Seven Energy (BVI) Limited
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Notes to the financial statements

1. Corporate information

The financial statements of the Company for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 10 December 2020.

The Company was incorporated in the Virgin Islands as a private limited liability company on 23 October 2006. The Company was registered as a United Kingdom establishment of an overseas company on the same day.

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

No dividends have been declared or paid since incorporation.

The Company's registered address is Midocean Chambers PO BOX 805, Road Town Tortola, British Virgin Islands, Virgin Islands.

The Company's ultimate parent is Savannah Energy PLC. Savannah Energy PLC is incorporated in England and Wales, is the parent undertaking of the largest group to consolidate these financial statements. Copies of the Group consolidated accounts may be obtained from the Company Secretary, 40 Bank Street, London, E14 5NR.

2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), using historical cost convention, except for certain items measured at fair value.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirement of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Exemptions

The company is a wholly owned subsidiary undertaking of the Company's ultimate parent (see note 1) and is therefore exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Summary of disclosure exemptions

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) IFRS 7, 'Financial instruments: disclosures';
- b) Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- c) Paragraph 38 of IAS 1, 'Presentation of financial statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements';
- d) Paragraphs 10(d), 10(f), 16, 38A, 38B, 40A to 40D, 111 and 134 to 136 of IAS 1, 'Presentation of financial statements';
- e) IAS 7, 'Statement of cash flows';
- f) Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors';
- g) Paragraphs 17 and 18A of IAS 24, 'Related party disclosures';
- h) The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- i) Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets'.

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Going concern

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

The Company does not hold a bank statement and therefore is reliant on the ultimate parent company and the wider Savannah Energy 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 Company directors have considered the adequacy of the ultimate parent company's cash resources and assessed that they are sufficient to meet its liabilities as they fall due. With this support the directors believe that the Company is able to meet its financial liabilities as they fall due and hence continue to adopt the going concern basis in preparing the financial statements.

Subsequent to the end of the financial year, macro-economic uncertainty has arisen due to the COVID-19 pandemic. This has generally impacted oil and gas pricing, in addition to significant commodity market volatility. The ultimate parent company is dependent on oil and gas revenues of the wider Groups operating entities to support the Company. The Company directors have considered this as part of their assessment of the adequacy of the ultimate parent company's ability to provide support.

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 financial periods beginning on or after 1 January 2019:

Standard	Key requirements	Effective date as adopted by the EU
IFRS 16	Leases – Introduces a single lessee accounting model and eliminates the previous distinction between an operating and a finance lease.	1 January 2019
IFRIC 23 interpretation	Uncertainty over Income Tax Treatment – the interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12.	1 January 2019
Amendments to IAS 23	Borrowing Costs – clarifies that any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.	1 January 2019
Amendments to IAS 12	Income Taxes – clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits.	1 January 2019

IFRS 16: Leases

This standard has no impact on the Company's financial information.

IFRIC 23 interpretation: Uncertainty over Income Tax Treatment

The interpretation has no impact on the Company's financial information.

Amendments to IAS 23: Borrowing costs

The Company has determined that the amendment does not have an impact on their current or future reporting periods.

Amendments to IAS 12: Income taxes

The Company has determined that the amendment does not have an impact on their current or future reporting periods.

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Foreign currency translation

Transactions and balances

Transactions entered 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 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.

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.

Capital

The capital structure of the Company consists of equity attributable to the owners of the Company, comprising issued capital.

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.

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 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.

The Company believes that there are no specific judgements or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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5. Employees

The Company has had no employees since incorporation.

6. Directors' remuneration

The Directors received no (2018: nil) remuneration for their services to the Company during the year. Certain Directors are employed by Savannah Energy 1 Limited, and the remuneration costs are borne by Savannah Energy PLC, for carrying out services for the Savannah Energy Group as a whole. Directors not employed by Savannah Energy 1 Limited received no remuneration.

7. Taxation

The tax (credit)/expense for the Group is:

	2019 US\$'000	2018 US\$'000
Year ended 31 December		
Tax	-	-

The tax assessed for the year is lower than the UK corporation tax rate of 19% (2018: 19%) as explained below:

	2019 US\$'000	2018 US\$'000
Year ended 31 December		
Loss before taxation	-	(6)
Loss before taxation multiplied by the UK corporation tax rate of 19% (2018: 19%)	-	(1)
Group relief	-	1
Tax charge	-	-

8. Investment in subsidiaries

	2019 US\$'000	2018 US\$'000
As at 31 December		
Savannah Energy Upstream Gas Limited	676	676
	676	676

The Company's subsidiaries (direct and indirect) are disclosed below.

Name	Nature of business	Country of incorporation	Type of share	Shareholding ¹
Savannah Energy Upstream Gas Limited	Oil and gas exploration and development	Nigeria	Ordinary	100%

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

9. Capital and reserves

	2019	2018
As at 31 December		
Ordinary shares in issue (number)	56,068,924	56,068,924
Par value per share (US\$'000)	22,687	22,687

10. Events after the reporting date

Post the balance sheet date, as a result of the COVID-19 pandemic, there is a possible impact on future earnings and cash flows of the Savannah Energy Group which would hinder Savannah Energy PLC's ability to support the Company. However, the Savannah Energy Group has some fixed price revenue contracts in place and is largely unaffected from the current market volatility and, as such, can continue to support the Company to continue as a going concern.