139458/60

Company Registration Number: FC036199

Incorporation number (Jersey): 128339

Stubb Creek HoldCo Limited

Financial statements
For the year ended 31 December 2020

Directors' report

The directors submitted herewith their report and the unaudited accounts of the Company for the year ended 31 December 2020.

Country of incorporation: Jersey

Incorporation number: 128339

Date of incorporation: 15 February 2019

Principal activities: The Company's principal activity is a holding company, holding an investment in its subsidiary, Universal Energy Resources Limited ("UERL"). Income is derived from finance income from a loan provided to UERL.

Directors:

	Appointed	Resigned
Nicholas Beattie	4 March 2020	-
Jessica Kate Ross	4 March 2020	26 February 2021
Isatou Semega-Janneh	4 March 2020	12 August 2021
Christopher Thomas	26 February 2021	-
Robin Drage	13 August 2021	-

Registered office: 11 Bath Street
St. Helier
Jersey
JE4 8UT

Secretary: Trident Secretarial Services (Jersey) Limited

Results and dividends
The profit for the year ended 31 December 2020 was US$2,147,074 (2019: US$688,171). The Directors do not propose the payment of a dividend for the year.

By order of the board

Nicholas Beattie
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Nicholas Beattie

Date 18 August 2021

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 Financial Reporting Standard 101 have been followed; 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 (Jersey) Law 1991. 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.

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2020

	Note	**Year ended 31 December 2020 US$**	For the period 15 February to 31 December 2019 US$
Administrative and other operating expenses		**(31,170)**	-
Finance income	5	**2,293,837**	683,815
Foreign exchange gain		**195**	4,356
Profit before taxation		**2,262,862**	688,171
Tax expense	6	**(115,788)**	-
Net profit and total comprehensive profit		**2,147,074**	688,171

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

The notes on pages 7 to 11 form part of these financial statements.

These accounts are unaudited

Co. No. FC036199

Statement of financial position
As at 31 December 2020

	Note	2020 US$	2019 US$
Assets			
Non-current assets			
Investment in subsidiary	7	**10,983,338**	10,983,338
Amounts owed from group undertakings	8	**2,952,349**	2,952,349
Total non-current assets		**13,935,687**	13,935,687
Current assets			
Amounts owed from group undertakings	8	**2,840,796**	683,815
Total current assets		**2,840,796**	683,815
Total assets		**16,776,483**	14,619,502
Equity and liabilities			
Capital and reserves			
Share capital	9	**3**	3
Share premium	9	**13,931,328**	13,931,328
Retained earnings		**2,835,245**	688,171
Total equity		**16,766,576**	14,619,502
Current liabilities			-
Amounts owed to group undertakings	8	**(9,907)**	-
Total current liabilities		**(9,907)**	-
Total equity and liabilities		**16,776,483**	14,619,502

The notes on pages 7 to 11 form part of these financial statements.

Nicholas Beattie
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Nicholas Beattie

Date 18 August 2021

These accounts are unaudited

Statement of changes in equity
For the year ended 31 December 2020

	Share capital US$	Share premium US$	Retained earnings US$	**Total US$**
As at 15 February 2019 (incorporation)	-	-	-	-
Issue of shares	3	13,931,328	-	13,931,331
Total comprehensive income	-	-	688,171	688,171
As at 31 December 2019	3	13,931,328	688,171	14,619,502
Total comprehensive income	-	-	2,147,074	2,147,074
As at 31 December 2020	**3**	**13,931,328**	**2,835,245**	**16,766,576**

The notes on pages 7 to 11 form part of these financial statements.

These accounts are unaudited

Notes to the financial statements

1. Corporate information

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.

The Company's immediate parent is Savannah Energy (Stubb Creek) Limited. Savannah Energy (Stubb Creek) Limited is incorporated in England and Wales. The smallest group that prepares consolidated financial statements and includes the Company is Savannah Energy PLC, the Company's ultimate parent.

Savannah Energy PLC is incorporated in England and Wales. 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, but makes amendments where necessary to comply with the Companies (Jersey) Law 1991 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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'.

Going concern

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

Capital and operational finance is provided by the Savannah Energy PLC and will continue to be provided for the foreseeable future. The Company has received a letter of support from Savannah Energy PLC. 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.

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	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

Phase 1 reforms and its associated amendments has 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	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

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.

Investment 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

Other receivables

Other receivables are measured at amortised cost using the effective interest method less any expected credit loss ("ECL").

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, 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.

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 as the difference between the proceeds received and the par value of the issued and paid up shares.

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 by the central treasury function of Savannah Energy PLC and its subsidiaries 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 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.

Provision for expected credit losses of trade and other receivables
The Company uses a 'repay over time' strategy when considering amounts due from group undertakings whereby the expected amount that can be recovered needs to be determined. This can be done through the use of cash flow forecasts to give an indication of expected trading cash flows. If these expected cash flows are in excess of the amount owed from the group undertaking, the expected credit loss will be limited to the effect of the discounting the amount due. As all the balances are currently due on demand, they are determined to be current and therefore the effect of discounted is deemed to be immaterial.

5. Finance income

	Year ended 31 December 2020 US$	Period ended 31 December 2019 US$
Interest income from group undertakings	**2,293,837**	178,573
Default interest income from group undertakings	**-**	505,242
	2,293,837	683,815

6. Taxation

The tax expense for the Group is:

	Year ended 31 December 2020 US$	Period ended 31 December 2019 US$
Tax expense	**115,788**	-

The tax assessed for the year/period is lower than the UK corporation tax rate of 19% as explained below:

Year/period ended 31 December	**Year ended 31 December 2020 US$**	Period ended 31 December 2019 US$
Profit before taxation	**2,262,862**	688,171
Profit before taxation multiplied by the UK corporation tax rate of 19% (2019: 19%)	**429,944**	130,752
Group relief	**(314,156)**	(130,752)
Tax expense	**115,788**	-

7. Investment in subsidiary

As at 31 December	**2020 US$**	2019 US$
Universal Energy Resources Limited	**10,983,338**	10,983,338
	10,983,338	10,983,338

The Company holds 100% of the ordinary share capital of Universal Energy Resources Limited, a company incorporated in Nigeria.

The Company's subsidiary information is disclosed below.

Name	Nature of business	Country of incorporation	Type of share	Shareholding
Universal Energy Resources Limited	Oil and gas exploration and development	Nigeria	Ordinary	100%

8. Amounts owed from group undertakings

As at 31 December	2020 US$	2019 US$
Non-current amounts owed from group undertakings		
Amounts owed from group undertakings	**2,952,349**	2,952,349
Current amounts owed from group undertakings		
Interest receivable owed to group undertakings	**2,840,796**	683,815
Current amounts owed to group undertakings		
Interest receivable owed to group undertakings	**(9,907)**	683,815

9. Share capital

As at 31 December	2020	2019
Ordinary shares in issue (number)	**303**	**303**
Par value per share (US$)	**0.01**	**0.01**

	No	Share capital US$	Share premium US$
B Ordinary	303	3	13,931,328
As at 31 December 2019 & 31 December 2020	**303**	**3**	**13,931,328**

On 15 February 2019, upon incorporation, the Company issued 1 share at a par value of US$0.01.

On 19 February 2019, a further 300 shares were issued for a value of US$3,000,000 with a par value of US$0.01. The proceeds from the share issue were then used to purchase a 37.5% minority equity share in the Company's subsidiary, UERL.

On 14 November 2019, 1 share was issued in exchange for the loan receivable owing from UERL to the Company's previous parent company, Seven Exploration & Production Limited, for a fair value of US$2,931,331 (par value US$0.01). The gross loan amount outstanding was US$50,242,253.

Also, on 14 November 2019, 1 share was issued for US$8,000,000 at a par value of US$0.01 as consideration for the remaining 62.5% shares held in UERL, by Savannah Energy (Stubb Creek) Limited, the Company's immediate parent. Following this transaction, the Company now owns 100% of UERL.

10. Events after the reporting date

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