

Accugas Holdings UK PLC
Annual Report and Financial Statements
for the period ended 31 December 2019

Registered number: 11950135

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Company information

Directors

Nicholas Beattie	(British)	Director	Appointed 27 November 2019
Olusola Ajose Akinkunmi Lawson	(Nigerian)	Director	Appointed 27 November 2019
Sean Gerard MacDonald	(British)	Director	Appointed 27 November 2019
Jessica Kate Ross	(British)	Director	Appointed 27 November 2019
Isatou Semega-Janneh	(British)	Director	Appointed 27 November 2019
Rafiqul Alam	(British)	Director	Appointed 16 April 2019
			Resigned 27 November 2019
Christopher Charles Arnold Thomas	(British)	Director	Appointed 16 April 2019
			Resigned 27 November 2019

Secretary

Jessica Ross
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

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 period from 16 April 2019 to 31 December 2019.

Legal form

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

Principal activities

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

Business review and outlook

The Company was incorporated in the United Kingdom on 16 April 2019 by its previous parent company, Seven Energy International Limited ("SEIL"). On 11 October 2019, the Company incorporated a wholly owned subsidiary in the United Kingdom, Accugas UK Limited. Both companies were incorporated as holding companies to facilitate part of a larger transaction whereby the ultimate parent of the Company, Savannah Energy PLC ("Savannah"), acquired certain operational entities and assets of SEIL on 14 November 2019.

On 14 November 2019, SEIL assigned to the Company (before its acquisition by Savannah), an inter-company loan receivable owing from Accugas Limited, a Nigerian subsidiary., in exchange for one ordinary share at fair value. The Company then acquired Exoro Holding B.V. ("EHBV"), the direct parent of Accugas Limited, from SEIL. On the same day, the subsidiary Accugas UK Limited, acquired EHBV from the Company. EHBV is the parent of Accugas Limited, which is the primary cash generating entity of Savannah owned entities.

In addition, approximately US\$31.5 million of third-party debt was assigned from SEIL as part of the transaction. Subsequently, US\$20.0 million of this debt was transferred to Savannah Energy PLC. The Company also issued US\$20.0 million Senior Secured Notes which have an early prepayment option which allows the notes to be repaid at a discount. The proceeds from the note were passed to Savannah as the Company does not operate a bank account.

Also, on 14 November 2019, the Company issued 12,500 new ordinary shares. The newly issued shares were issued to funds managed by Africa Investment Infrastructure Manager ("AIIM") representing a 20% shareholding in the Company.

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 Company has no comparative financial information for the prior period.

Profit before tax was a US\$1.9 million. The Company's net assets at period-end were US\$154.3 million.

Key performance indicators

Savannah Energy PLC and its subsidiaries ("the Group") 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 and performance of the Company's position.

Principal risks and uncertainties

The Group and the Company's activities expose it to a number of financial risks including foreign currency risk, credit risk and liquidity risk. The Group has mechanisms in place that seek to limit the adverse impacts of these risks on the financial performance of the Group and the Company. These are highlighted below from a general Group perspective.

Foreign currency risk

Foreign currency risk arises because the Group operates in Nigeria whose currency is not the same as the functional currency in which the Group is operating. The net assets from such overseas operations are exposed to currency risk giving rise to gains or losses on retranslation into the presentational currency. The primary exchange rate movements that the Group is exposed to is US\$:NGN. No foreign exchange instruments were used to manage foreign currency risk. The Directors keep these measures under review.

Credit risk

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision. The credit quality review process aims to allow the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective actions. The Group's treasury, trading and intercompany relationships and counterparties comprise financial services institutions. For these relationships, the Group analyses publicly available information such as financial information and other external data.

The Group maintains good relationships with its banks. Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate cash reserves and continuously monitoring forecast and actual cash flows.



Isatou Semega-Janneh
Director
11 January 2021

Directors' Report

In accordance with section 414C (11) of the Companies Act 2006 the Company has chosen to set out in the Strategic Report, the financial risk management objectives and policies of the Company and the capital structure.

Dividends

The directors do not intend to propose a dividend in respect of the period ended 31 December 2019 and no dividends have been declared.

Going concern

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

Funding is provided by the Company's ultimate parent company Savannah Energy PLC and will continue to be provided for the foreseeable future and the Company has received a letter of support from its ultimate parent company. Therefore, the Directors have a reasonable expectation that the Company has access to 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.

Events after the reporting period

Post the balance sheet date, because of the COVID-19 pandemic, there is a possible impact on future earnings and cash flows of the Group which would hinder Savannah Energy PLC's ability to support the Company. However, the 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.

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

Directors

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

J Ross	Appointed 27 November 2019
N Beattie	Appointed 27 November 2019
O Lawson	Appointed 27 November 2019
S MacDonald	Appointed 27 November 2019
I Semega-Janneh	Appointed 27 November 2019

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that ought to have been 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.

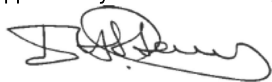
This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Details pertaining to events relating to the future of the Company can be found in the Business review and outlook section in the Strategic Report.

Throughout the period and at the date of signing of these financial statements, the Company has in place Directors and Officers insurance.

Appointment of auditors

Pursuant to Section 487 of the Companies Act 2006, Grant Thornton UK LLP (the auditors) are deemed to have been reappointed and remain in office as the auditors of the Company.

Approved by the Board and signed on its behalf by:



Isatou Semega-Janneh
Director
11 January 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 Group and 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 Financial Reporting Standard 101 Reduced Disclosure Framework has 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 responsibility for the prevention and detection of fraud and other irregularities

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

Opinion

We have audited the financial statements of Accugas Holdings UK Plc (the 'company') for the period ended 31 December 2019, which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, 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 Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with 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 set out on page 6, 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.

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

11/1/2021

Statement of Comprehensive Income
for the period ended 31 December 2019

		Period ended 31 December 2019 US\$'000
	Note	
Revenue		—
Cost of sales		—
Gross profit		—
Administrative and other operating expenses		—
Operating profit		—
Finance income	7	2,609
Finance costs	8	(400)
Profit before tax		2,209
Tax expense	9	(332)
Net profit and total comprehensive income		1,877

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

The notes on pages 12 to 20 form part of these financial statements.

Statement of Financial Position
as at 31 December 2019

	Note	2019 US\$'000
Assets		
Non-current assets		
Investment in subsidiaries	10	6,381
Total non-current assets		6,381
Current assets		
Related party receivable	15	180,109
Total current assets		180,109
Total assets		186,490
Equity and liabilities		
Capital and reserves		
Share capital	11	82
Share premium	11	152,332
Retained earnings		1,877
Total equity		154,291
Non-current liabilities		
Borrowings	13	22,333
Total non-current liabilities		22,333
Current liabilities		
Trade and other payables	12	322
Related party payables	15	9,544
Total current liabilities		9,866
Total equity and liabilities		186,490

The notes on pages 12 to 20 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 11 January 2021 and are signed on its behalf by:



Isatou Semega-Janneh
 Director

Statement of Cash Flows
for the period ended 31 December 2019

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 period ended 31 December 2019

	Share capital US\$'000	Share premium US\$'000	Retained earnings US\$'000	Total US\$'000
On incorporation at 16 April 2019	—	—	—	—
Comprehensive income for the period	—	—	1,877	1,877
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

The notes on pages 12 to 20 form part of these financial statements.

Notes to the Financial Statements for the period ended 31 December 2019

1. Corporate information

The financial statements of the Company for the period ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 11 January 2021.

The Company was incorporated in the United Kingdom on 16 April 2019 by its previous parent company SEIL. It presents its first financial statements for the period from 16 April 2019 to 31 December 2019.

The Company incorporated a wholly owned subsidiary, Accugas UK Limited, on 11 October 2019.

On 14 November 2019 the Company acquired Exoro Holding B.V. ("EHBV") from SEIL and on the same day, the subsidiary Accugas UK Limited, acquired EHBV from the Company. EHBV is the parent entity of Accugas Limited, the Nigerian gas marketing and transportation entity. This company reorganisation was part of a larger transaction in which the ultimate parent of the Company, Savannah Energy PLC and its subsidiaries ("the Group") acquired certain operational entities and assets from SEIL and has resulted in a significant expansion of the Group ("the Transaction").

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 ultimate parent company is Savannah Energy PLC. Savannah Energy PLC, which is incorporated in England and Wales, is the parent undertaking of the largest 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 as adopted by the European Union ("IFRSs as adopted by the EU"), IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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.

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 and the wider 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.

As the Company is reliant on its ultimate parent Savannah Energy PLC and the Group, the basis of the going concern review needs to consider the underlying cash flows of the Group which is set out below.

The Group is now a material cash generative business, but this also brings exposure to a wider range of risks that require to be considered when looking at the overall Group funding and liquidity position.

The Group's Directors have reviewed the Group's forecasted cash flows as well as the funding requirements of the Group for the 12 months from the date of publication of this set of financial statements. The capital expenditure and operating costs used in these forecasted cash flows are based on the Company's approved corporate budget which includes operating budgets for each of the operating subsidiaries and an estimate of the corporate general and administrative costs for the period. Management regularly monitors performance against budget and the Directors believe it reflects a fair and realistic basis for future performance.

The Group has a range of financing arrangements in place with different groups of lenders. Certain financing agreements contain forward-looking financial covenants and management monitors performance against these covenants as part of the cash flow forecasting and monitoring processes. The Group is forecasting to meet its financial covenant obligations.

The Directors have considered the impact on the forecasted cash flows of the potential impact on demand resulting from the COVID-19 virus, as well as counterparty credit risk. In reviewing the potential impact of COVID-19, the Directors have considered a wide range of matters including: (i) wellbeing of our staff, (ii) the overall business environment in Nigeria, (iii) impact on operational efficiency from the restrictions on movement of people and goods imposed by Governments, (iv) foreign currency liquidity constraints and (v) potential need for further currency devaluation of the Naira following a decline in foreign currency revenues.

The Group has undertaken significant sensitivity analysis on its cashflow forecasts during 2020 both internally and with external advisers. The following key areas were considered in sensitivity analysis: (i) timing and quantum of payment from customers, (ii) commodity pricing, (iii) accelerated payment required for accrued expenses, (iv) increased inflationary pressures in Nigeria and (v) delays to capital projects and impact on production volumes.

The funding and liquidity position of the Group together with its robust business model largely mitigates the risks arising from these sensitivities. Firstly, the Group benefits from underlying long-term, take-or-pay gas contracts in Accugas and these contracts are underpinned by external credit support and over 90% of the revenue base is investment grade calibre and the risk of non-payment is considered by the Directors to be mitigated.

Given its high equity ownership levels and operatorship of all key assets, the Group has significant levels of control over capital and operating spend. The Group has only minimal committed capital spend and therefore the Group can directly manage costs where necessary. The operating cashflows and funding available to the Group are sufficient at all times during the forecast period to meet obligations as required whilst maintaining an appropriate level of headroom.

As a result, the Directors consider that, in a low-price environment the Company has access to sufficient resources at its disposal to continue operating for the foreseeable future. The foreseeable future is defined as being not less than 12 months from the date of publication of these financial statements. On this basis, the Directors continue to adopt the going concern basis in preparing the financial statements.

3. Significant accounting policies

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

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 14 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.

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.

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.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are 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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short-term deposits with an original maturity of three months. The Company does not maintain a bank account as its ultimate parent company Savannah Energy PLC manages all of its funding requirements.

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*Fair value hierarchy*

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. The fair value of cash and cash equivalents, accounts receivable and accounts payable is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At each year end presented, the fair value of these balances approximated their carrying value due to their short term to maturity.

US\$20 million SSN and call option

As described above and set out at note 13, 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\$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 immediate 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 period. 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

	2019
Period ended 31 December	US\$'000
Interest income from Accugas Limited	2,609
	2,609

8. Finance costs

	2019
Period ended 31 December	US\$'000
Refinancing costs	400
	400

9. Income tax

The tax expense for the Company is:

	2019
Period ended 31 December	US\$'000
Current tax	
- Current period	332
Total tax expense for the period	332

Corporation tax is calculated at the applicable tax rate for each jurisdiction based on the estimated taxable profit for the period. The Company's outstanding current tax liabilities of 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 15). The tax rate used for 2019 reconciliation is 19%, as income generating activities occur principally in that jurisdiction.

	2019
Period ended 31 December	US\$'000
The (credit)/charge for the period can be reconciled per the Statement of Comprehensive Income as follows:	
Profit on ordinary activities before taxes	2,209
Profit before taxation multiplied by the tax rate of 19.0%	420
Tax effects of:	
Non-taxable income	(88)
Tax charge for the period	332

10. Investment in subsidiaries

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

On 11 October 2019 the Company incorporated its wholly owned subsidiary, Accugas UK Limited. On 14 November 2019 the Company acquired the entire share capital of Exoro Holding B.V. from SEIL, by issuing one share with a nominal value of £1.00 per share. On the same day, Accugas UK Limited acquired the entire share capital of Exoro Holdings B.V. from the Company by issuing one share with a nominal value of £1.00 per share. In addition, the Company also assigned an inter-company receivable balance to Accugas UK Limited in exchange for one new ordinary share and recorded an increase in its investment in this entity by the amount of the inter-company receivable balance which amounted to approximately US\$6.4 million.

11. Capital and reserves

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

	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	62,502	82	152,332	152,414

In April 2019 the Company issued 50,000 new ordinary shares to the value of GBP£50,000 on incorporation.

Prior to Savannah Energy PLC's acquisition of the Company, SEIL assigned to the Company net inter-company loan receivables, owing from an indirectly held subsidiary, Accugas Limited and other SEIL entities in exchange for one ordinary share to the nominal value of GBP£1.00. The fair value of this share was US\$152.3 million. The difference between the nominal value and fair value of the share was recognised as share premium.

In November 2019 the Company issued 12,500 new ordinary shares to the value of GBP£12,500. The newly issued shares were issued to funds managed by Africa Investment Infrastructure Manager for consideration of GBP£12,500 representing a 20% shareholding in the Company.

12. Trade and other payables

As at 31 December	2019
	US\$'000
Interest payable	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.

13. Borrowings

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

The following borrowing arrangements are a combination of existing facilities and those that were issued at the time of the Transaction.

The Company has a promissory note of 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 Company also issued Senior Secured Notes amounting to US\$20 million on 14 November 2019. The term of the notes are for repayment in full by 14 November 2025. The note carries a cash interest rate of 6% per annum, with a payment-in-kind interest option of 8% per annum. The notes also include a voluntary prepayment redemption option whereby early repayment of the principal amount will result in a discount to the contractual note value. Full repayment in the 12-month period from 14 November 2019 will result in a 50% redemption amount of 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 notes 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 accretion amount for the period amounted to US\$47,000. 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 estimated to be US\$7.1 million and will be re-measured as FVTPL. The option has been recorded within Non-current borrowings. The amount at initial recognition and at 31 December 2019 was not materially different.

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

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

	2019
As at 31 December	US\$'000
Financial assets	
Cash and cash equivalents	—
Trade receivables and contract assets	—
Related party receivable	180,109
Restricted cash	—
	180,109
Financial liabilities	
Trade payables	—
Related party payable	(9,544)
Borrowings	(22,333)
	(31,877)
Net financial instruments	148,232

The value of the Call option has been disclosed within Non-current borrowings (note 13).

(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 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 period ended 31 December 2019 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.

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

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

Amounts payable

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

The Company considers all related party balances recoverable and any potential expected credit losses are judged to be immaterial.

16. Related party transactions

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

	Period ended 31 December 2019 US\$'000
Interest income from Accugas Limited	2,609

Compensation of key management personnel

Key management are the Directors. Further information about the remuneration of certain individual Directors is provided in the Directors' Remuneration Report of the ultimate parent entity Savannah Energy PLC.

17. Changes in the Company's borrowings

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

	2019 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)
At 31 December (note 13)	22,333

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

18. Capital commitments

At the reporting date, the Company had no material capital commitments.

19. Events after the reporting period

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 Group which would hinder Savannah Energy PLC's ability to support the Company. However, the Group has mainly 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.

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