

**GLOBAL SPECTRUM ENERGY SERVICES PLC.**

**UNADITED FINANCIAL STATEMENT**

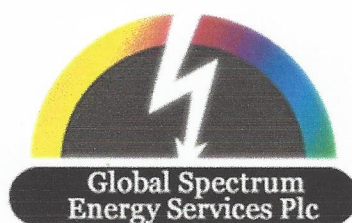
**FOR THE PERIOD 30<sup>TH</sup> JUNE, 2019**

**&**

**2ND QUARTER REPORT**

**FOR**

**THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2019**



**Global Spectrum Energy Services Plc**

# **GLOBAL SPECTRUM ENERGY SERVICES PLC**

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**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**STATEMENT OF FINANCIAL POSITION**

<b>PERIOD</b>	<b>NOTES</b>	<b>6/30/2019 Quarter 2</b>	<b>12/31/2018 Quarter 4</b>
<b>Assets</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	1	1,762,641,921	1,787,382,000
Investment Property	23	2,486,342,000	2,486,342,000
<b>CURRENT ASSETS</b>			
Bank and cash balances	7	194,402,421	104,886,464
Intangible Assets	2		
Inventory	3	73,841,640	73,690,000
Trade Receivables	4	603,963,217	682,809,000
Other Receivables	5	38,155,516	133,463,000
Prepayments	6	15,949,724	15,949,000
Other Assets	8	115,918,783	60,246,000
<b>Total Assets (A)</b>		<b><u>5,291,215,222</u></b>	<b><u>5,344,767,464</u></b>
<b>LONG-TERM LIABILITIES</b>			
Borrowings	9	0	0
Trade payables	10	418,039,199	509,312,000
Other Payables	11	14,041,042	38,550,000
Tax payable	12	17,450,810	38,810,000
Deferred Tax	13	64,353,988	64,353,988
Deposit for Shares	14	<u>2,486,440,000</u>	<u>2,486,440,000</u>
<b>Total Liabilities (B)</b>		<b><u>3,000,325,039</u></b>	<b><u>3,137,465,988</u></b>
<b>Net Assets (A-B)</b>		<b><u>2,290,890,182</u></b>	<b><u>2,207,301,476</u></b>
<b>Equity</b>			
Share Capital	15	400,000,000	400,000,000
Retained earnings	16	1,504,548,182	1,420,959,476
Revaluation Reserves	17	386,342,000	386,342,000
Other Reserves			
<b>Total Equity</b>		<b><u>2,290,890,182</u></b>	<b><u>2,207,301,476</u></b>



**COLM DOYLE**  
**Managing Director**



**CLEMENT AKANIBO**  
**Director**

FRC/2014/ICAN/00000008266



**AKINDELE WASIU**  
**Chief Financial Officer**

FRC/2018/ICAN/00000018056

BOARD APPROVAL DATED 26TH JULY, 2019

**GLOBAL SPECTRUM ENERGY SERVICES PLC****STATEMENT OF COMPREHENSIVE INCOME**

<b>PERIOD</b>	<b><u>NOTES</u></b>	<b>Apr - Jun 2019</b>	<b>Apr - Jun 2018</b>	<b>JAN-JUN 2019</b>	<b>JAN-JUN 2018</b>
		<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>
<b>Revenue</b>	18	565,997,642	429,417,675	1,075,282,912	877,111,049
Direct cost	19	433,258,709	288,797,736	821,561,281	589,485,652
<b>Gross profit</b>		<b>132,738,932</b>	<b>140,619,939</b>	<b>253,721,630</b>	<b>287,625,397</b>
Other Income			8,819	14,386,495	8,316,971
Administrative expenses	20	85,787,574	67,351,008	165,066,982	149,182,710
Other operating expenses	21		2,680,536	0	3,873,632
<b>Operating profit</b>		<b>46,951,359</b>	<b>70,597,215</b>	<b>103,041,143</b>	<b>142,886,027</b>
Finance costs	22	388,345	1,152,602	<u>2,001,627</u>	2,044,936
<b>Profit before taxation</b>		<b>46,563,013</b>	<b>69,444,613</b>	<b>101,039,516</b>	<b>140,841,091</b>
Taxation	12	6,210,500	9,423,882	17,450,810	19,510,432
Other comprehensive income		-	-	-	-
Exchange differences on translation of foreign operations		-	-	-	-
Income tax effect		-	-	-	-
Other comprehensive income for the quarter, net of tax		-	-	-	-
<b>Total comprehensive income for the quarter</b>		<b>40,352,513</b>	<b>60,020,731</b>	<b>83,588,706</b>	<b>121,330,659</b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**STATEMENT OF CHANGES IN EQUITY**

PERIOD	Jan - June 2019 N	Jan - June 2018 N
<b>Opening Balance</b>	1,820,959,476	1,652,472,476
Revaluation Reserves	386,342,000	-
Profit for the period	83,588,706	121,330,659
Other Comprehensive Income	-	-
Tax effect	-	-
<b>Closing Balance</b>	<b>2,290,890,182</b>	<b>1,773,803,135</b>



**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**STATEMENT OF CASHFLOW**

<b>PERIOD</b>	<b>Jan - Jun 2019</b>	<b>Jan - Jun 2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	101,065,873	140,841,090
Adjustment for:		
- Depreciation	24,729,580	24,912,082
Amortization of intangible assets		
	<b>125,795,453</b>	<b>165,753,172</b>
Changes in trade receivables	174,153,267	-139,596,514
Changes in prepayments	-724	-2,500,000
Changes in Inventory	-151,640	14,526
Changes in other assets	-55,672,783	-8,665,392
Changes in trade payables	-91,272,801	19,759,603
Changes in other payables	-24,508,958	9,020,433
	<b>128,341,815</b>	<b>43,785,828</b>
Income tax paid	38,810,000	19,610,612
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>89,531,815</b>	<b>24,175,216</b>
<b>CASHFLOWS FROM INVESTMENT ACTIVITIES</b>		
Acquisition of property, plant and equipment		-9,483,800
Proceeds from sale of property and equipment		
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>0</b>	<b>-9,483,800</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares		0
Deposit for Shares		0
Loan Repayment		0
Employee Contribution Plan		0
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>89,531,815</b>	<b>14,691,416</b>
Cash and Cash Equivalents at beginning of quarter	104,870,607	33,559,948
<b>Cash and Cash Equivalents at end of quarter</b>	<b>194,402,421</b>	<b>48,251,364</b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC****NOTES TO THE ACCOUNTS****PERIOD****30-Jun-19****1. PROPERTY, PLANT & EQUIPMENT**

	LAND & BUILDING N	MARINE EQUIPMENT N	PLANT & MACHINERY N	MOTOR VEHICLES N	FURNITURE & FITTINGS N	TOTAL
<b>Cost</b>						
Balance as at June 30, 2018	350,000,000	1,867,443,000	10,100,000	8,982,000	6,950,000	<b>2,243,475,000</b>
Additions						
Disposals						
<b>Balance as at end of quarter</b>	<b>350,000,000</b>	<b>1,867,443,000</b>	<b>10,100,000</b>	<b>8,982,000</b>	<b>6,950,000</b>	<b>2,243,475,000</b>
<b>Depreciation and impairment losses</b>						
Balance as at previous quarter	70,710,000	376,377,017	7,740,300	8,981,500	4,659,473	<b>468,468,290</b>
Depreciation for the quarter	4,375,000	7,781,017	39,300		169,473	<b>12,364,790</b>
impairment losses						
Disposals						
<b>Balance as at end of quarter</b>	<b>75,085,000</b>	<b>384,158,034</b>	<b>7,779,600</b>	<b>8,981,500</b>	<b>4,828,945</b>	<b>480,833,079</b>
<b>Carrying amounts</b>						
<b>Balance as at end of quarter</b>	<b><u>274,915,000</u></b>	<b><u>1,483,284,966</u></b>	<b><u>2,320,400</u></b>	<b><u>500</u></b>	<b><u>2,121,055</u></b>	<b><u>1,762,641,921</u></b>
<b>Balance as at March 31, 20</b>	<b><u>279,290,000</u></b>	<b><u>1,491,065,983</u></b>	<b><u>2,359,700</u></b>	<b><u>500</u></b>	<b><u>2,290,528</u></b>	<b><u>1,775,006,710</u></b>

**2. INTANGIBLE ASSETS**

	GOODWILL N	PURCHASED SOFTWARE N	DEVELOPED SOFTWARE N
<b>Cost</b>			
Balance as at previous quarter	0	0	0
Acquisition			
Internal development			
<b>Balance as at end of quarter</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Depreciation and impairment losses</b>			
Balance as at previous quarter	0	0	0
Amortization for the quarter			
impairment losses			
<b>Balance as at end of quarter</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Carrying amounts</b>			
<b>Balance as at end of quarter</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Balance as at previous quarter</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**NOTES TO THE ACCOUNTS**

<b>PERIOD</b>	<b>Jun-19</b>	<b>Dec-18</b>
<b>3. INVENTORY</b>		
Sundries	<u>73,841,640</u>	<u>73,690,000</u>
	<b><u>73,841,640</u></b>	<b><u>73,690,000</u></b>
<b>4. TRADE RECEIVABLES</b>		
Trade Receivables	603,963,217	682,809,000
Associated Companies		
	<b><u>603,963,217</u></b>	<b><u>682,809,000</u></b>
<b>5. OTHER RECEIVABLES</b>		
Other Receivables	37,450,516	132,420,000
Staff loan & Advances	<u>705,000</u>	<u>1,043,000</u>
	<b><u>38,155,516</u></b>	<b><u>133,463,000</u></b>
<b>6. PREPAYMENTS</b>		
Prepayment	15,949,724	15,949,000
Prepaid - Rent		<u>0</u>
	<b><u>15,949,724</u></b>	<b><u>15,949,000</u></b>
<b>7. BANK AND CASH BALANCES</b>		
Diamond Plc	766,990	24,391,236
United Bank for Africa Plc	509,638	68,525,116
Fidelity Bank Plc	142,975,250	7,809,255
Zenith Bank Plc	2,615,848	2,758,000
POLARIS BANK	44,665,715	650,000
Access Bank		100,000
Cash at hand	<u>2,868,980</u>	<u>637,000</u>
	<b><u>194,402,421</u></b>	<b><u>104,870,607</u></b>
<b>8. OTHER ASSETS</b>		
Quoted and Unquoted Investment		
Withholding Tax Receivables	<u>115,918,783</u>	<u>60,246,000</u>
	<b><u>115,918,783</u></b>	<b><u>60,246,000</u></b>
<b>9. BORROWINGS</b>		
Bank loan		<u>0</u>
<b>10. TRADE PAYABLES</b>		
Trade Payables	<u>418,039,199</u>	<u>509,312,000</u>
	<b><u>418,039,199</u></b>	<b><u>509,312,000</u></b>



**GLOBAL SPECTRUM ENERGY SERVICES PLC****NOTES TO THE ACCOUNTS**

<b>PERIOD</b>	<b>Jun-19</b>	<b>Dec-18</b>
<b>11. OTHER PAYABLES</b>		
Other Payables	6,516,796	<u>38,550,000</u>
Accruals	7,524,246	
	<b><u>14,041,042</u></b>	<b><u>38,550,000</u></b>
<b>12. TAX PAYABLE</b>		
Balance as at previous quarter	11,240,310	38,673,000
Charge for the Quarter	6,210,500	38,810,000
Paid during the quarter		-38,673,000
Balance as at end of quarter	<b><u>17,450,810</u></b>	<b><u>38,810,000</u></b>
<b>Tax Expense</b>		
Company Income tax		32,341,000
Education tax		<u>6,469,000</u>
	<b><u>0</u></b>	<b><u>38,810,000</u></b>
<b>13. DEFERRED TAX</b>		
Balance brought forward	64,353,988	55,233,836
(Write back)/charged for the year		9,120,152
Asset/Liability carried forward	<b><u>64,353,988</u></b>	<b><u>64,353,988</u></b>
<b>14. DEPOSIT FOR SHARES</b>		
As at previous quarter	<u>2,486,440,000</u>	<u>2,486,440,000</u>
Transactions within the quarter		
Balance as at end of quarter	<b><u>2,486,440,000</u></b>	<b><u>2,486,440,000</u></b>
<b>15. SHARE CAPITAL</b>		
Authorised		
800,000,000 ordinary shares of 50k eac	<u>400,000,000</u>	<u>400,000,000</u>
Issued and fully paid		
800,000,000 ordinary shares of 50k eac	<b><u>400,000,000</u></b>	<b><u>400,000,000</u></b>
<b>16. RETAINED EARNINGS</b>		
Balance as at previous quarter	1,464,195,669	1,252,472,476
Profit and loss	40,352,513	168,487,000
Balance as at end of quarter	<b><u>1,504,548,182</u></b>	<b><u>1,420,959,476</u></b>
<b>17. OTHER RESERVES</b>		
Revaluation reserves	386,342,000	386,342,000
General reserves		
	<b><u>386,342,000</u></b>	<b><u>386,342,000</u></b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC****NOTES TO THE ACCOUNTS****PERIOD****Jun-19****Jun-18****18. REVENUE**

Revenue from services	565,997,641.70	<u>429,417,675</u>
Other Income		
	<b><u>565,997,642</u></b>	<b><u>429,417,675</u></b>

**19. DIRECT COST**

Direct Labour	46,510,500.00	17,596,015
Vessel Expenses	7,095,000.00	6,212,000
Berthing Expenses	3,150,000.00	1,870,000
Overheads	26,002,320.00	19,336,500
Vessel and Boat Hiring	334,885,609.16	232,929,657
Carbotage Surcharge & Development Le	15,615,280.14	<u>10,853,564</u>
	<b><u>433,258,709</u></b>	<b><u>288,797,736</u></b>

**20. ADMINISTRATIVE EXPENSES**

	-	
Directors Remuneration	695,000	1,020,000
Salaries and Wages	21,052,814.71	21,931,941
Transport and Travelling	6,985,176.36	7,478,938
Rent and Rates	5,648,994.00	1,147,375
Electricity and water	3,203,900.00	2,662,300
Stationeries	1,094,980.00	1,477,862
Motor Running Expenses	2,029,735.00	1,229,000
Repairs and Maintenance	8,267,170.00	2,933,100
Office and General Expenses	1,594,759.00	663,315
Telephone ,Internet and Postages	1,065,309.00	1,470,827
Security expenses	2,976,000.00	4,988,800
Staff Training and Development	300,000.00	186,590
Insurance and Hse	49,200.00	1,598,000
Medical Expenses	135,000.00	23,450
Business Development Expenses	5,810,817.00	962,300
Depreciation	12,364,790	12,395,910
Legal and Professional charges	8,417,929.00	5,181,300
Governance & Compliances	4,096,000.00	
Board Meeting		
	<b><u>85,787,574</u></b>	<b><u>67,351,008</u></b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC****NOTES TO THE ACCOUNTS****Jun-19****Jun-18****PERIOD****21. OTHER OPERATING EXPENSES**

other operating expenses		2,680,536
		<b><u>2,680,536</u></b>

**22. FINANCE COST**

Bank charges	388,345	1,152,602
	<b><u>388,345</u></b>	<b><u>1,152,602</u></b>

**23. INVESTMENT PROPERTY**

As at January 1	2,486,342,000	2,100,000,000
Revaluation Surplus		386,342,000
Balance as at December 31	<b><u>2,486,342,000</u></b>	<b><u>2,486,342,000</u></b>

The company uses fair value model in accounting for investment property.

The properties were revalued by Diya Fatimilehin & Co. on May 30, 2017.

Investment property is remeasured at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. [IAS 40.5] Gains or losses arising from changes in the fair value of investment property must be included in net profit or loss for the period in which it arises.