

**GLOBAL SPECTRUM ENERGY SERVICES PLC.**

**UNADITED FINANCIAL STATEMENT**

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

**&**

**3RD QUARTER REPORT**

**FOR**

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



**Global Spectrum Energy Services Plc**

# **GLOBAL SPECTRUM ENERGY SERVICES PLC**

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

	<u>NOTES</u>	<b>9/30/2019</b> <b>Quarter 3</b>	<b>12/31/2018</b> <b>Quarter 4</b>
<b><u>Assets</u></b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant and Equipment	1	1,752,227,131	1,787,382,000
Investment Property	23	2,486,342,000	2,486,342,000
<b><u>CURRENT ASSETS</u></b>			
Bank and cash balances	7	97,951,577	104,886,464
Intangible Assets	2	-	-
Inventory	3	73,841,640	73,690,000
Trade Receivables	4	806,138,628	682,809,000
Other Receivables	5	7,326,097	133,463,000
Prepayments	6	18,649,724	15,949,000
Other Assets	8	148,126,227	60,246,000
<b>Total Assets (A)</b>		<b><u>5,390,603,026</u></b>	<b><u>5,344,767,464</u></b>
<b><u>LONG-TERM LIABILITIES</u></b>			
Borrowings	9	0	0
Trade payables	10	326,836,577	509,312,000
Other Payables	11	129,283,236	38,550,000
Tax payable	12	37,255,280	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>3,044,169,081</u></b>	<b><u>3,137,465,988</u></b>
<b>Net Assets (A-B)</b>		<b><u>2,346,433,945</u></b>	<b><u>2,207,301,476</u></b>
<b><u>Equity</u></b>			
Share Capital	15	400,000,000	400,000,000
Retained earnings	16	1,560,091,945	1,420,959,476
Revaluation Reserves	17	386,342,000	386,342,000
Other Reserves			
<b>Total Equity</b>		<b><u>2,346,433,945</u></b>	<b><u>2,207,301,476</u></b>

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

  
**CLEMENT AKANIBO** FRC/2014/ICAN/00000008266  
**Director**

  
**AKINDELE WASIU** FRC/2018/ICAN/00000018056  
**Chief Financial Officer**  
**BOARD APPROVAL DATED 25TH OCTOBER, 2019**

**GLOBAL SPECTRUM ENERGY SERVICES PLC****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

<b>PERIOD</b>	<b><u>NOTES</u></b>	<b>JUL-SEP 2019</b>	<b>JUL-SEP 2018</b>	<b>JAN-SEP 2019</b>	<b>JAN-SEP 2018</b>
		<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>
<b>Revenue</b>	18	575,011,329	413,735,237	1,650,294,241	1,290,846,286
Direct cost	19	396,852,310	288,283,856	1,218,413,591	877,769,508
<b>Gross profit</b>		<b>178,159,019</b>	<b>125,451,381</b>	<b>431,880,650</b>	<b>413,076,778</b>
Other Income		-	6,819	14,386,495	8,323,790
Administrative expenses	20	98,165,748	75,557,260	263,232,730	224,739,970
Other operating expenses	21	-	-	-	3,873,632
<b>Operating profit</b>		<b>79,993,272</b>	<b>49,900,940</b>	<b>183,034,416</b>	<b>192,786,966</b>
Finance costs	22	645,040	797,422	<u>2,646,667</u>	2,842,358
<b>Profit before taxation</b>		<b>79,348,232</b>	<b>49,103,518</b>	<b>180,414,105</b>	<b>189,944,608</b>
Taxation	12	23,804,470	14,731,055	50,192,745	22,284,006
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>55,543,762</b>	<b>34,372,463</b>	<b>130,221,360</b>	<b>167,660,602</b>

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

PERIOD	Jan - Sep 2019 N	Jan - Sep 2018 N
<b>Opening Balance</b>	2,290,890,182	1,652,472,476
Revaluation Reserves		-
Profit for the period	55,543,762	167,660,601
Other Comprehensive Income	-	-
Tax effect	-	-
<b>Closing Balance</b>	<b>2,346,433,944</b>	<b>1,820,133,077</b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**STATEMENT OF CASH FLOW**

<b><u>PERIOD</u></b>	<b>Jan - Sept 2019</b>	<b>Jan - Sept 2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	180,414,105	189,944,607
Adjustment for:		
- Depreciation	37,094,370	36,866,878
Amortization of intangible assets		
	<b>217,508,475</b>	<b>226,811,485</b>
Changes in trade receivables	-123,329,628	-117,298,643
Changes in other receivables	126,136,903	-20,084,713
Changes in prepayments	-2,700,724	-24,634,900
Changes in Inventory	-151,640	3,181,675
Changes in other assets	-87,880,227	19,923,206
Changes in trade payables	-182,475,423	58,455,693
Changes in other payables	90,733,236	13,128,834
	<b>-179,667,503</b>	<b>-67,328,848</b>
Income tax paid	42,810,000	58,126,740
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-4,969,029</b>	<b>101,355,897</b>
<b>CASHFLOWS FROM INVESTMENT ACTIVITIES</b>		
Acquisition of property, plant and equipment	(1,950,000.00)	-15,805,619
Proceeds from sale of property and equipment		
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>-1,950,000</b>	<b>-15,805,619</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>-6,919,029</b>	<b>85,550,278</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><u>97,951,578</u></b>	<b><u>119,110,226</u></b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC**

**NOTES TO THE ACCOUNTS**

**PERIOD**

**30-Sep-19**

**1. PROPERTY, PLANT & EQUIPMENT**

	<b>LAND &amp; BUILDING N</b>	<b>MARINE EQUIPMENT N</b>	<b>PLANT &amp; MACHINERY N</b>	<b>MOTOR VEHICLES N</b>	<b>FURNITURE &amp; FITTINGS N</b>	<b>TOTAL</b>
<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	2,243,475,000
Additions				1,950,000		
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>10,932,000</b>	<b>6,950,000</b>	<b>2,245,425,000</b>
<b>Depreciation and impairment losses</b>						
Balance as at previous quarter	75,085,000	384,158,034	7,779,600	8,981,500	4,828,945	480,833,079
Depreciation for the quarter	4,375,000	7,781,017	39,300		169,473	12,364,790
impairment losses						
Disposals						
<b>Balance as at end of quarter</b>	<b>79,460,000</b>	<b>391,939,051</b>	<b>7,818,900</b>	<b>8,981,500</b>	<b>4,998,418</b>	<b>493,197,869</b>
<b>Carrying amounts</b>						
<b>Balance as at end of quarter</b>	<b><u>270,540,000</u></b>	<b><u>1,475,503,949</u></b>	<b><u>2,281,100</u></b>	<b><u>1,950,500</u></b>	<b><u>1,951,583</u></b>	<b><u>1,752,227,131</u></b>
<b>Balance as at June 30, 2019</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>

**2. INTANGIBLE ASSETS**

	<b>GOODWILL N</b>	<b>PURCHASED SOFTWARE N</b>	<b>DEVELOPED SOFTWARE N</b>
<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****PERIOD****Sep-19****Dec-18****3. INVENTORY**

Sundries	<u>73,841,640</u>	<u>73,690,000</u>
	<u><b>73,841,640</b></u>	<u><b>73,690,000</b></u>

**4. TRADE RECEIVABLES**

Trade Receivables	806,138,628	682,809,000
Associated Companies		
	<u><b>806,138,628</b></u>	<u><b>682,809,000</b></u>

**5. OTHER RECEIVABLES**

Other Receivables	6,317,097	132,420,000
Staff loan & Advances	<u>1,009,000</u>	<u>1,043,000</u>
	<u><b>7,326,097</b></u>	<u><b>133,463,000</b></u>

**6. PREPAYMENTS**

Prepayment	15,949,724	15,949,000
Prepaid - Rent	<u>2,700,000</u>	<u>0</u>
	<u><b>18,649,724</b></u>	<u><b>15,949,000</b></u>

**7. BANK AND CASH BALANCES**

Diamond Plc	766,990	24,391,236
United Bank for Africa Plc	509,638	68,525,116
Fidelity Bank Plc	86,698,792	7,809,255
Zenith Bank Plc	3,354,377	2,758,000
POLARIS BANK	416,718	650,000
Access Bank		100,000
Cash at hand	<u>6,205,063</u>	<u>637,000</u>
	<u><b>97,951,577</b></u>	<u><b>104,870,607</b></u>

**8. OTHER ASSETS**

Quoted and Unquoted Investment		
Withholding Tax Receivables	<u>148,126,227</u>	<u>60,246,000</u>
	<u><b>148,126,227</b></u>	<u><b>60,246,000</b></u>

**9. BORROWINGS**

Bank loan	<u>0</u>	<u>0</u>
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**10. TRADE PAYABLES**

Trade Payables	<u>326,836,577</u>	<u>509,312,000</u>
	<u><b>326,836,577</b></u>	<u><b>509,312,000</b></u>

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

<b>PERIOD</b>	<b>Sep-19</b>	<b>Dec-18</b>
<b>11. OTHER PAYABLES</b>		
Other Payables	<u>121,758,991</u>	<u>38,550,000</u>
Accruals	<u>7,524,246</u>	
	<b><u>129,283,236</u></b>	<b><u>38,550,000</u></b>
<b>12. TAX PAYABLE</b>		
Balance as at previous quarter	17,450,810	38,673,000
Charge for the Quarter	23,804,470	38,810,000
Paid during the quarter	- 4,000,000	-38,673,000
Balance as at end of quarter	<b><u>37,255,280</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	1,504,548,182	1,252,472,476
Profit and loss	55,543,762	168,487,000
Balance as at end of quarter	<b><u>1,560,091,944</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**

<b><u>PERIOD</u></b>	<b>Sep-19</b>	<b>Sep-18</b>
<b>18. REVENUE</b>		
Revenue from services	575,011,329	<u>1,290,846,286</u>
Other Income		
	<b><u>575,011,329</u></b>	<b><u>1,290,846,286</u></b>
<b>19. DIRECT COST</b>		
Direct Labour	34,061,700	46,815,427
Vessel Expenses	17,773,500	24,361,450
Berthing Expenses	0	3,695,040
Overheads	601,000	57,481,352
Vessel and Boat Hiring	327,217,607	724,026,414
Carbottage Surcharge & Development Le	17,198,502	<u>21,389,826</u>
	<b><u>396,852,310</u></b>	<b><u>877,769,509</u></b>
<b>20. ADMINISTRATIVE EXPENSES</b>	-	
Directors Remuneration	2,310,000	9,992,700
Salaries and Wages	28,724,411	68,010,703
Transport and Travelling	6,036,251	23,717,750
Rent and Rates	2,844,550	4,546,960
Electricity and water	4,718,670	7,372,250
Stationeries	952,510	4,054,387
Motor Running Expenses	1,623,200	4,723,031
Repairs and Maintenance	13,472,332	11,840,320
Office and General Expenses	2,847,004	3,124,793
Telephone ,Internet and Postages	2,315,470	5,561,273
Security expenses	3,266,500	8,778,300
Staff Training and Development	5,000	616,590
Insurance and Hse	1,669,500	1,920,000
Medical Expenses	263,760	206,630
Business Development Expenses	1,403,700	6,830,380
Depreciation	12,364,790	36,866,878
Legal and Professional charges	10,052,100	20,922,930
CSR	3,046,000	
Board Meeting	250,000	<u>5,654,095</u>
	<b><u>98,165,748</u></b>	<b><u>224,739,970</u></b>

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

other operating expenses

0

3,873,632

03,873,632**22. FINANCE COST**

Bank charges

645,040

2,842,358645,0402,842,358**23. INVESTMENT PROPERTY**

As at January 1

2,486,342,000

2,486,342,000

Revaluation Surplus

-

Balance as at December 31

2,486,342,0002,486,342,000**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.

**24. PROPOSED DIVIDEND**

INTERIM

**Sep-19**

5k

**Sep-18**

0