

GLOBAL SPECTRUM ENERGY SERVICES PLC.

UNAUDITED FINANCIAL STATEMENT

FOR THE PERIOD 31ST DECEMBER, 2019

&

4TH QUARTER REPORT

FOR

THE PERIOD ENDED 31ST DECEMBER, 2019



Global Spectrum Energy Services Plc

GLOBAL SPECTRUM ENERGY SERVICES PLC

TABLE OF CONTENT

	<u>PAGE</u>
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF PROFIT / LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENT OF CHANGES IN EQUITY	5
STATEMENT OF CASH FLOW	6
NOTES TO THE ACCOUNTS	7- 11

GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF FINANCIAL POSITION
PERIOD

	NOTES	12/31/2019 Quarter 4	12/31/2018 Quarter 4
Assets			
NON CURRENT ASSETS			
Property, Plant and Equipment	1	1,587,586,610	1,787,382,000
Investment Property	23	2,486,342,000	2,486,342,000
CURRENT ASSETS			
Bank and cash balances	7	125,122,496	104,886,464
Intangible Assets	2	-	
Inventory	3	73,841,640	73,690,000
Trade Receivables	4	1,006,199,424	682,809,000
Other Receivables	5	95,623,855	133,463,000
Prepayments	6	7,600,000	15,949,000
Other Assets	8	155,812,590	60,246,000
Total Assets (A)		<u>5,538,128,616</u>	<u>5,344,767,464</u>
LONG-TERM LIABILITIES			
Borrowings	9	0	0
Trade payables	10	591,957,438	509,312,000
Other Payables	11	4,860,746	38,550,000
Tax payable	12	49,575,204	38,810,000
Deferred Tax	13	64,353,988	64,353,988
Total Liabilities (B)		<u>710,747,376</u>	<u>651,025,988</u>
Net Assets (A-B)		<u>4,827,381,240</u>	<u>4,693,741,476</u>
Equity			
Share Capital	15	400,000,000	400,000,000
Deposit for Shares	14	2,486,440,000	2,486,440,000
Retained earnings	16	1,554,599,239	1,420,959,476
Revaluation Reserves	17	386,342,000	386,342,000
Total Equity		<u>4,827,381,240</u>	<u>4,693,741,476</u>

Oyagha (Rtd)
Managing Director

FRC/2019/003/00000020275

CLEMENT AKANIBO
Director

FRC/2014/ICAN/00000008266

AKINDELE WASIU
Chief Financial Officer

BOARD APPROVAL DATED 31st January, 2020

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

PERIOD	<u>NOTES</u>	Oct-Dec 2019	Oct-Dec 2018	JAN-DEC 2019	JAN-DEC 2018
		N	N	N	N
Revenue	18	816,423,151	583,094,188	2,451,570,705	1,872,453,000
Direct cost	19	-652,592,171	-451,410,265	-1,878,385,316	-1,405,934,000
Gross profit		163,830,979	131,683,923	573,185,389	466,519,000
Other Income		429		1,326	
Revaluation of Investment Property					386,342,000
Administrative expenses	20	-113,860,704	-82,252,616	-331,839,939	-256,935,000
Other operating expenses	21	-	-	-	
Operating profit		49,970,704	49,431,307	241,346,776	595,926,000
Finance costs	22	-674,567	-	<u>-3,321,234</u>	-
Profit before taxation		49,296,136	49,431,307	238,025,542	595,926,000
Taxation	12	-14,788,841	-3,210,050	-64,981,586	-47,930,000
Other comprehensive income		-	-	-	-
Exchange differences on translation of foreign operations		-	-	-	-
Income tax effect		-	-	-	-
Other comprehensive income for the quarter, net of tax		-	-	-	-
Total comprehensive income for the quarter		34,507,295	46,221,257	173,043,956	547,996,000

GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF CHANGES IN EQUITY

PERIOD	Jan - Dec 2019	Jan - Dec 2018
	N	N
	('000)	('000)
Opening Balance	4,832,874	4,145,746
Revaluation Reserves		386,342
Profit for the period	34,507	161,653
Other Comprehensive Income	-	-
Tax effect	-	-
Closing Balance	4,867,381	4,693,741

GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF CASHFLOW

<u>PERIOD</u>	Jan - Dec 2019	Jan - Dec 2018
	N'000	N'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	238,026	595,926
Adjustment for:		
Revaluation Surplus		-386,342
- Depreciation	111,745	113,862
Amortization of intangible assets		
	349,771	323,446
Changes in trade & other receivables	-380,523	-491,443
Changes in prepayments	8,349	-13,449
Changes in Inventory	-152	3,183
Changes in trade and other payables	48,956	399,402
	-323,369	-102,307
Income tax paid	-54,216 -	38,673
NET CASH FLOWS FROM OPERATING ACTIVITIES	-27,815	182,466
CASHFLOWS FROM INVESTMENT ACTIVITIES		
Acquisition of property, plant and equipment	-1,950	-111,138
Proceeds from sale of property and equipment	90,000	
NET CASH FLOWS USED IN INVESTING ACTIVITIES	88,050	-111,138
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares		0
Deposit for Shares		0
Loan Repayment		0
Employee Contribution Plan		0
Dividend	-40,000	
NET CASH FROM FINANCING ACTIVITIES	-40,000	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,235	71,328
Cash and Cash Equivalents at beginning of quarter	<u>104,887</u>	<u>33,559</u>
Cash and Cash Equivalents at end of quarter	<u>125,122</u>	<u>104,887</u>

GLOBAL SPECTRUM ENERGY SERVICES PLC
NOTES TO THE ACCOUNTS
PERIOD

1. PROPERTY, PLANT & EQUIPMENT

	LAND & BUILDING N	MARINE EQUIPMENT N	PLANT MACHINERY N	MOTOR VEHICLES N	FURNITURE & FITTINGS N	TOTAL
Cost						
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		90,000,000				
Balance as at end of quarter	350,000,000	1,777,443,000	10,100,000	10,932,000	6,950,000	2,155,425,000
Depreciation and impairment losses						
Balance as at previous quarter	79,460,000	391,939,051	7,818,900	8,981,500	4,998,418	493,197,868
Depreciation for the quarter	4,375,000	68,903,949	1,192,100		169,473	74,640,522
impairment losses						
Disposals						
Balance as at end of quarter	83,835,000	460,843,000	9,011,000	8,981,500	5,167,891	567,838,390
Carrying amounts						
Balance as at end of quarter	<u>266,165,000</u>	<u>1,316,600,000</u>	<u>1,089,000</u>	<u>1,950,500</u>	<u>1,782,110</u>	<u>1,587,586,610</u>
Balance as at Sept 30, 2019	<u>270,540,000</u>	<u>1,475,503,949</u>	<u>2,281,100</u>	<u>1,950,500</u>	<u>1,951,583</u>	<u>1,752,227,131</u>

2. INTANGIBLE ASSETS

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

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

<u>PERIOD</u>	<u>Dec-19</u>	<u>Dec-18</u>
3. INVENTORY		
Sundries	<u>73,841,640</u>	<u>73,690,000</u>
	<u>73,841,640</u>	<u>73,690,000</u>
4. TRADE RECEIVABLES		
Trade Receivables	1,044,112,492	682,809,000
Associated Companies		
	<u>1,044,112,492</u>	<u>682,809,000</u>
5. OTHER RECEIVABLES		
Other Receivables	93,297,755	132,420,000
Staff loan & Advances	2,326,100	<u>1,043,000</u>
	<u>95,623,855</u>	<u>133,463,000</u>
6. PREPAYMENTS		
Prepayment	7,600,000	15,949,000
Prepaid - Rent	<u>0</u>	<u>0</u>
	<u>7,600,000</u>	<u>15,949,000</u>
7. BANK AND CASH BALANCES		
Diamond Plc	766,928	24,391,236
United Bank for Africa Plc	508,859	68,525,116
Fidelity Bank Plc	80,145,885	7,809,255
Zenith Bank Plc	37,791,714	2,758,000
POLARIS BANK	5,412,594	650,000
Access Bank	0	100,000
Cash at hand	<u>496,517</u>	<u>637,000</u>
	<u>125,122,496</u>	<u>104,870,607</u>
8. OTHER ASSETS		
Quoted and Unquoted Investment	12949724	
Withholding Tax Receivables	142,862,866	<u>60,246,000</u>
	<u>155,812,590</u>	<u>60,246,000</u>
9. BORROWINGS		
Bank loan	<u>0</u>	<u>0</u>
10. TRADE PAYABLES		
Trade Payables	<u>560,199,819</u>	<u>509,312,000</u>
	<u>560,199,819</u>	<u>509,312,000</u>

GLOBAL SPECTRUM ENERGY SERVICES PLC
NOTES TO THE ACCOUNTS

<u>PERIOD</u>	<u>Dec-19</u>	<u>Dec-18</u>
11. OTHER PAYABLES		
Other Payables		<u>38,550,000</u>
Accruals	4,860,746	
	<u>4,860,746</u>	<u>38,550,000</u>
12. TAX PAYABLE		
Balance as at previous quarter	37,255,280	38,673,000
Charge for the Quarter	14,788,841	38,810,000
Paid during the quarter	-2,468,917	-38,673,000
Balance as at end of quarter	<u>49,575,204</u>	<u>38,810,000</u>
Tax Expense		
Company Income tax		32,341,000
Education tax		<u>6,469,000</u>
	<u>0</u>	<u>38,810,000</u>
13. DEFERRED TAX		
Balance brought forward	64,353,988	55,233,836
(Write back)/charged for the year		9,120,152
Asset/Liability carried forward	<u>64,353,988</u>	<u>64,353,988</u>
14. DEPOSIT FOR SHARES		
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	<u>2,486,440,000</u>	<u>2,486,440,000</u>
15. SHARE CAPITAL		
Authorised		
800,000,000 ordinary shares of 50k each	<u>400,000,000</u>	<u>400,000,000</u>
Issued and fully paid		
800,000,000 ordinary shares of 50k each	<u>400,000,000</u>	<u>400,000,000</u>
16. RETAINED EARNINGS		
Balance as at previous quarter	1,560,091,944	1,252,472,476
Profit and loss	34,507,295	168,487,000
Dividend paid during the quarter	(40,000,000.00)	0
Balance as at end of quarter	<u>1,554,599,239</u>	<u>1,420,959,476</u>
17. OTHER RESERVES		
Revaluation reserves	386,342,000	386,342,000
General reserves		
	<u>386,342,000</u>	<u>386,342,000</u>

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

PERIOD	Dec-19	Dec-18
18. REVENUE		
Revenue from services	816,423,151	<u>583,094,188</u>
Other Income	428.51	<u>0</u>
	<u>816,423,579</u>	<u>583,094,188</u>
19. DIRECT COST		
Direct Labour	42,348,000	19,500,000
Vessel Expenses	49,395,600	14,494,000
Berthing Expenses	0	1,000,000
Depreciation	68,903,949	32,543,910
Vessel and Boat Hiring	467,478,040	376,086,925
Carbotage Surcharge & Development Le	24,466,583	7,785,430
	<u>652,592,171</u>	<u>451,410,265</u>
20. ADMINISTRATIVE EXPENSES		
Directors Remuneration	290,000	0
Salaries and Wages	36,783,669	19,495,545
Transport and Travelling	6,303,980	11,162,983
Accomodation expenses	900,500	0
recruitment expenses	553,668	
Rent and Rates	6,607,500	5,057,280
Electricity and water	4,002,050	2,801,050
Stationeries	1,492,370	1,097,380
Motor Running Expenses	1,761,000	1,136,230
Repairs and Maintenance	6,500,717	1,400,000
Office and General Expenses	3,601,447	702,991
Telephone ,Internet and Postages	2,083,000	1,795,230
Security expenses	3,215,500	3,587,799
Staff Training and Development	-	
Insurance and Hse	178,000	7,500
Medical Expenses	60,000	14,800
Regulatory and Annual filing expenses	10,411,000	
Business Development Expenses	3,141,250	5,671,212
Depreciation	5,736,573	11,954,796
Legal and Professional charges	7,755,000	9,867,820
CSR	6,515,500	6,500,000
Board Meeting	5,967,980	
Audit Fee		
	<u>113,860,704</u>	<u>82,252,616</u>

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

other operating expenses	0	0
	<u>0</u>	<u>0</u>

22. FINANCE COST

Bank charges	674,567	<u>2,842,358</u>
	<u>674,567</u>	<u>2,842,358</u>

23. INVESTMENT PROPERTY

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

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.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Global Spectrum Energy Services Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.