

GLOBAL SPECTRUM ENERGY SERVICES PLC.

UNADITED FINANCIAL STATEMENT

FOR THE PERIOD 31ST MARCH, 2020

&

1ST QUARTER REPORT

FOR

THE PERIOD ENDED 31ST MARCH, 2020



Global Spectrum Energy Services Plc

GLOBAL SPECTRUM ENERGY SERVICES PLC

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GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF FINANCIAL POSITION

PERIOD		31/03/2020	31/12/2019
	<u>NOTES</u>	Quarter 1	Quarter 4
Assets			
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	1	1,430,955,496	1,463,020,000
Investment Property	23	2,486,342,000	2,486,342,000
<u>CURRENT ASSETS</u>			
Bank and cash balances	7	65,632,711	125,085,002
Intangible Assets	2		
Inventory	3	73,841,640	73,841,640
Trade Receivables	4	1,156,661,995	954,193,000
Other Receivables	5	119,178,454	92,466,818
Prepayments	6	5,200,000	7,600,000
Other Assets	8	199,354,994	153,667,738
Total Assets (A)		<u>5,537,167,291</u>	<u>5,356,216,198</u>
<u>LONG-TERM LIABILITIES</u>			
Borrowings	9	0	0
Trade payables	10	602,992,617	508,579,682
Other Payables	11	8,190,473	16,843,938
Tax payable	12	43,878,434	26,348,000
Deferred Tax	13	75,606,000	75,606,000
Total Liabilities (B)		<u>730,667,525</u>	<u>627,377,619</u>
Net Assets (A-B)		<u>4,806,499,766</u>	<u>4,728,838,578</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	1,533,717,765	1,456,056,578
Revaluation Reserves	17	386,342,000	386,342,000
Total Equity		<u>4,806,499,765</u>	<u>4,728,838,578</u>



AUSTIN OYAGHA (Rtd) FRC/2019/003/00000020275

Managing Director



CLEMENT AKANIBO FRC/2014/ICAN/00000008266

Director



AKINDELE WASIU FRC/2018/ICAN/00000018056 ³

Chief Financial Officer

GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF COMPREHENSIVE INCOME

PERIOD	<u>NOTES</u>	Jan-Mar 2020	Jan-Mar 2019
		N	N
Revenue	18	895,552,393	509,285,270
Direct cost	19	696,912,888	388,302,572
Gross profit		198,639,505	120,982,698
Other Income			14,386,495
Administrative expenses	20	99,898,197	79,279,409
Other operating expenses	21	-	
Operating profit		98,741,308	56,089,784
Finance costs	22	3,551,008	1,613,282
Profit before taxation		95,190,300	54,476,502
Taxation	12	17,531,434	11,240,310
Other comprehensive income		-	-
Exchange differences on translation of foreign oper		-	-
Income tax effect		-	-
Other comprehensive income for the quarter, net of		-	-
Total comprehensive income for the quarter		77,658,865	43,236,192

GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2020

	Issued Share Capital	Retained Earnings	Deposit for Shares	Total Equity
	N'000	N'000		N'000
As at 1 January 2019	400,000	1,807,302	2,486,440	4,693,742
<u>Changes in 2019</u>				
Adjustment in Retained Earning	0		0	
Profit for the Quarter	<u>0</u>	<u>43,236</u>	<u>-</u>	<u>43,236</u>
As at 31 March, 2019	400,000	1,850,538	2,486,440	2,250,538
<u>Changes in 2020</u>				
As at 1 January 2020	400,000	1,842,399	2,486,440	2,242,399
Profit for the quarter	0	77,659	0	77,659
As at 31 March, 2020	400,000	1,920,058	2,486,440	2,320,058

GLOBAL SPECTRUM ENERGY SERVICES PLC
STATEMENT OF CASHFLOW

<u>PERIOD</u>	Jan - March 2020	Jan - Mar 2019
	N'000	N'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before Taxation	95,190	54,477
Adjustment for:		
- Depreciation	23,750	12,365
	118,940	66,842
Changes in trade & Other receivables	-274,868	38,248
Changes in prepayments	2,400	-4,885
Changes in Inventory	0	-152
Changes in trade & Other payables	85,759	-48,085
	-186,708	-14,874
Income tax paid	0	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	-67,768	51,968
CASHFLOWS FROM INVESTMENT ACTIVITIES		
Acquisition of property,plant and equipment	-5,897	0
WIP ADJUSTED	14,214	
Proceeds from sale of property and equipment		-
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,317	0
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares		0
Deposit for Shares		0
Loan Repayment		0
Dividend Paid		-
NET CASH FROM FINANCING ACTIVITIES	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	-59,451	51,968
Cash and Cash Equivalents at beginning of quarter	<u>125,086</u>	<u>104,887</u>
Cash and Cash Equivalents at end of quarter	<u>65,635</u>	<u>156,855</u>

GLOBAL SPECTRUM ENERGY SERVICES PLC

NOTES TO THE ACCOUNTS

PERIOD

1. PROPERTY, PLANT & EQUIPMENT

	LAND & BUILDING N	MARINE EQUIPMENT N	PLANT & MACH N	MOTOR VEHICLES N	FURNITURE & FITTINGS N	TOTAL
Cost						
Balance as at June 30, 2018	350,000,000	1,485,470,200	10,100,000	10,932,000	8,358,000	1,864,860,200
Additions			5,897,199			5,897,199
Disposals						
Balance as at end of quarter	350,000,000	1,485,470,200	15,997,199	10,932,000	8,358,000	1,870,757,399
Depreciation and impairment losses						
Balance as at previous quarter	83,825,000	309,179,482	8,301,000	9,469,500	5,279,776	416,054,758
Depreciation for the quarter	4,375,000	18,568,379	444,860	121,875	239,898	23,750,011
impairment losses						
Disposals						
Balance as at end of quarter	88,200,000	327,747,861	8,745,860	9,591,375	5,519,673	439,804,770
						0
Carrying amounts						0
Balance as at end of quarter	<u>261,800,000</u>	<u>1,157,722,339</u>	<u>7,252,339</u>	<u>1,341,542</u>	<u>2,839,277</u>	<u>1,430,955,496</u>
Balance as at Dec 31, 2019	<u>266,175,000</u>	<u>1,176,290,718</u>	<u>1,800,000</u>	<u>1,463,417</u>	<u>3,079,174</u>	<u>1,448,808,308</u>

2. INTANGIBLE ASSETS

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

GLOBAL SPECTRUM ENERGY SERVICES PLC
NOTES TO THE ACCOUNTS

PERIOD	Mar-20	Dec-19
3. INVENTORY		
Sundries	<u>73,841,640</u>	<u>73,841,640</u>
	<u>73,841,640</u>	<u>73,841,640</u>
4. TRADE RECEIVABLES		
Trade Receivables	1,156,661,995	954,193,000
Associated Companies		
	<u>1,156,661,995</u>	<u>954,193,000</u>
5. OTHER RECEIVABLES		
Other Receivables	116,273,854	90,140,718
Staff loan & Advances	2,904,600	<u>2,326,100</u>
	<u>119,178,454</u>	<u>92,466,818</u>
6. PREPAYMENTS		
Prepayment		
Prepaid - Rent	<u>5,200,000</u>	<u>7,600,000</u>
	<u>5,200,000</u>	<u>7,600,000</u>
7. BANK AND CASH BALANCES		
Diamond Plc	766,928	766,927
United Bank for Africa Plc	508,859	508,858
Fidelity Bank Plc	22,340,819	80,145,884
Zenith Bank Plc	5,988,598	37,754,223
POLARIS BANK	18,635,763	5,412,594
Access Bank	0	0
Cash at hand	<u>17,391,744</u>	<u>496,516</u>
	<u>65,632,711</u>	<u>125,085,002</u>
8. OTHER ASSETS		
Quoted and Unquoted Investment		
Withholding Tax Receivables	199,354,994	<u>153,667,738</u>
	<u>199,354,994</u>	<u>153,667,738</u>
9. BORROWINGS		
Bank loan	0	<u>0</u>
10. TRADE PAYABLES		
Trade Payables	<u>602,992,617</u>	<u>508,579,682</u>
	<u>602,992,617</u>	<u>508,579,682</u>

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

	Mar-20	Dec-19
11. OTHER PAYABLES		
Other Payables	3,329,727	11,983,192
Accruals	4,860,746	4,860,746
	<u>8,190,473</u>	<u>16,843,938</u>
12. TAX PAYABLE		
Balance as at previous quarter	26,347,000	38,810,000
Charge for the Quarter	17,531,434	26,347,000
Paid during the quarter		<u>-38,810,000</u>
Balance as at end of quarter	<u>43,878,434</u>	<u>26,347,000</u>
Tax Expense		
Company Income tax	15,152,628	21,956,000
Education tax	2,378,806	4,392,000
	<u>17,531,434</u>	<u>26,348,000</u>
13. DEFERRED TAX		
Balance brought forward	75,606,000	64,354,000
(Write back)/charged for the year		11,252,000
Asset/Liability carried forward	<u>75,606,000</u>	<u>75,606,000</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 and fully issued share capital 800,000,000 ordinary shares of 50k each	<u>400,000,000</u>	<u>400,000,000</u>
	<u>400,000,000</u>	<u>400,000,000</u>
16. RETAINED EARNINGS		
Balance as at previous quarter	1,456,058,000	1,420,960,000
Profit and loss	77,658,865	75,098,000
Dividend paid during the quarter		-40,000,000
Balance as at end of quarter	<u>1,533,716,865</u>	<u>1,456,058,000</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

18. REVENUE

	Mar-20	Mar-19
Revenue from services	895,552,393	509,285,270
Other Income		<u>14,386,495</u>
	<u>895,552,393</u>	<u>523,671,765</u>

19. DIRECT COST

Direct Labour	51,806,720	15,330,000
Vessel Expenses	26,420,000	19,140,000
Berthing Expenses	0	1,950,000
Overheads	19,734,140	21,784,300
Vessel and Boat Hiring	571,691,613	321,155,853
Carbotage Surcharge & Development Levy	27,260,414	<u>8,942,419</u>
	<u>696,912,888</u>	<u>388,302,572</u>

20. ADMINISTRATIVE EXPENSES

Directors Remuneration	7,460,568	6,500,000
Salaries and Wages	30,633,841	25,089,474
Transport and Travelling	9,166,705	5,551,202
Rent and Rates	2,865,270	511,221
Electricity and water	3,889,300	3,305,380
Stationeries	887,775	1,369,635
Motor Running Expenses	1,669,450	1,640,930
Repairs and Maintenance	5,160,901	1,794,740
Office and General Expenses	1,008,975	1,529,054
Telephone ,Internet and Postages	1,208,800	2,069,270
Security expenses	6,420,070	3,087,100
Staff Training and Development	645,546.82	491,318
Insurance and Hse	50,000	-
Medical Expenses	266,100	101,100
Regulatory and Annual filing expenses	3,000,570	-
Business Development Expenses	12,202,732	2,659,195
Depreciation	5,181,632	12,364,790
Legal and Professional charges	8,018,961	10,545,000
CSR	161,000	670,000.00
	<u>99,898,197</u>	<u>79,279,409</u>

GLOBAL SPECTRUM ENERGY SERVICES PLC
NOTES TO THE ACCOUNTS
PERIOD

	<u>Mar-20</u>	<u>Mar-19</u>
21. OTHER OPERATING EXPENSES		
other operating expenses	0	0
	<u>0</u>	<u>0</u>
22. FINANCE COST		
Bank charges	3,431,622	<u>1,613,282</u>
Exchange Loss	119,386	
	<u>3,551,008</u>	<u>1,613,282</u>
23. INVESTMENT PROPERTY		
As at January 1	2,486,342,000	2,486,342,000
Revaluation Surplus		-
Balance as at March 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.

