

**GLOBAL SPECTRUM ENERGY SERVICES PLC.**

**UNADITED FINANCIAL STATEMENT**

**FOR THE PERIOD 30<sup>TH</sup> JUNE, 2020**

**&**

**2ND QUARTER REPORT**

**FOR**

**THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2020**



**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		30/06/2020	31/12/2019
	<u>NOTES</u>	Quarter 2	Quarter 4
<b>Assets</b>			
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant and Equipment	1	1,407,205,485	1,463,020,000
Investment Property	23	2,486,342,000	2,486,342,000
<b><u>CURRENT ASSETS</u></b>			
Bank and cash balances	7	106,105,238	125,085,002
Intangible Assets	2		
Inventory	3	73,841,640	73,841,640
Trade Receivables	4	1,368,497,473	954,193,000
Other Receivables	5	123,539,226	92,466,818
Prepayments	6	2,800,000	7,600,000
Other Assets	8	226,078,221	153,667,738
<b>Total Assets (A)</b>		<b><u>5,794,409,283</u></b>	<b><u>5,356,216,198</u></b>
<b><u>LONG-TERM LIABILITIES</u></b>			
Borrowings	9	0	0
Trade payables	10	722,599,975	508,579,682
Other Payables	11	25,400,473	16,843,938
Tax payable	12	61,942,265	26,348,000
Deferred Tax	13	75,606,000	75,606,000
<b>Total Liabilities (B)</b>		<b><u>885,548,712</u></b>	<b><u>627,377,619</u></b>
<b>Net Assets (A-B)</b>		<b><u>4,908,860,570</u></b>	<b><u>4,728,838,578</u></b>
<b>Equity</b>			
Share Capital	15	400,000,000	400,000,000
Deposit for Shares	14	2,486,440,000	2,486,440,000
Retained earnings	16	1,636,078,570	1,456,056,578
Revaluation Reserves	17	386,342,000	386,342,000
<b>Total Equity</b>		<b><u>4,908,860,570</u></b>	<b><u>4,728,838,578</u></b>



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

**Managing Director**



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

**Director**



**AKINDELE WASIU** FRC/2018/ICAN/00000018056 <sup>3</sup>

**Chief Financial Officer**

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

<b>PERIOD</b>	<b>NOTES</b>	<b>Apr - Jun 2020</b>	<b>Apr - Jun 2019</b>	<b>Jan-Jun 2020</b>	<b>Jan-Jun 2019</b>
		<b>N</b>	<b>N</b>	<b>N</b>	<b>N</b>
Revenue	18	549,591,473	565,997,642	1,445,143,866	1,075,282,912
Direct cost	19	378,685,644	433,258,709	1,075,598,532	821,561,281
<b>Gross profit</b>		<b>170,905,829</b>	<b>132,738,932</b>	<b>369,545,334</b>	<b>253,721,631</b>
Other Income		2,886,012		2,886,012	17,272,507
Administrative expenses	20	52,991,425	85,787,574	152,891,710	165,066,982
Other operating expenses:	21	-		-	0
<b>Operating profit</b>		<b>120,800,416</b>	<b>46,951,359</b>	<b>219,539,636</b>	<b>105,927,156</b>
Finance costs	22	374,880	388,345	3,925,888	<u>2,001,627</u>
<b>Profit before taxation</b>		<b>120,425,536</b>	<b>46,563,013</b>	<b>215,613,748</b>	<b>103,925,529</b>
Taxation	12	18,063,830	6,210,500	35,595,130	17,450,810
Other comprehensive income		-	-	-	-
Exchange differences on translation of foreign oper		-	-	-	-
Income tax effect		-	-	-	-
Other comprehensive income for the quarter, net of		-	-	-	-
<b>Total comprehensive income for the quarter</b>		<b>102,361,705</b>	<b>40,352,513</b>	<b>180,018,619</b>	<b>86,474,719</b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 JUNE 2020**

	<b>Issued Share Capital</b>	<b>Retained Earnings</b>	<b>Deposit for Shares</b>	<b>Total Equity</b>
	<b>N'000</b>	<b>N'000</b>		<b>N'000</b>
<b>As at 1 January 2019</b>	400,000	1,807,302	2,486,440	4,693,742
<b><u>Changes in 2019</u></b>				
Adjustment in Retained Earning	0		0	
Profit for the Quarter	<b>0</b>	43,236	-	43,236
<b>As at 30 Jun, 2019</b>	<b>400,000</b>	<b>1,850,538</b>	<b>2,486,440</b>	<b>2,250,538</b>
<b><u>Changes in 2020</u></b>				
<b>As at 1 January 2020</b>	400,000	1,842,399	2,486,440	<b>2,242,399</b>
Profit for the period	0	180,019	0	180,019
<b>As at 30 Jun, 2020</b>	<b>400,000</b>	<b>2,022,418</b>	<b>2,486,440</b>	<b>2,422,418</b>

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

<b><u>PERIOD</u></b>	<b>Jan - Jun 2020</b>	<b>Jan - Jun 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	215,613,748	101,065,873
Adjustment for:		
- Depreciation	47,500,023	24,729,580
	<b>263,113,771</b>	<b>125,795,453</b>
Changes in trade & Other receivables	-445,376,880	174,153,267
Changes in prepayments	4,800,000	-724
Changes in Inventory	0	-151,640
Changes in other assets	-72,410,483	-55,672,783
Changes in trade payables	214,020,293	-91,272,801
Changes in Other payables	8,556,536	-24,508,958
	<b>-290,410,535</b>	<b>2,546,361</b>
Income tax paid	0	38,810,000
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-27,296,764</b>	<b>89,531,814</b>
<b>CASHFLOWS FROM INVESTMENT ACTIVITIES</b>		
Acquisition of property, plant and equipment	-5,897,000	0
WIP ADJUSTED	14,214,000	
Proceeds from sale of property and equipment		-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>8,317,000</b>	<b>0</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Shares		0
Deposit for Shares		0
Loan Repayment		0
Dividend Paid		-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-18,979,764</b>	<b>89,531,814</b>
Cash and Cash Equivalents at beginning	125,085,002	104,870,607
<b>Cash and Cash Equivalents at end of quarter</b>	<b><u>106,105,238</u></b>	<b><u>194,402,421</u></b>

**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
<b>Cost</b>						
Balance as at June 30, 2018	350,000,000	1,485,470,200	10,100,000	10,932,000	8,358,000	<b>1,864,860,200</b>
Additions			5,897,199			<b>5,897,199</b>
Disposals						
<b>Balance as at end of quarter</b>	<b>350,000,000</b>	<b>1,485,470,200</b>	<b>15,997,199</b>	<b>10,932,000</b>	<b>8,358,000</b>	<b>1,870,757,399</b>
<b>Depreciation and impairment losses</b>						
Balance as at previous quarter	88,200,000	327,747,861	8,745,860	9,591,375	5,519,673	<b>439,804,769</b>
Depreciation for the quarter	4,375,000	18,568,379	444,860	121,875	239,898	<b>23,750,011</b>
impairment losses						
Disposals						
<b>Balance as at end of quarter</b>	<b>92,575,000</b>	<b>346,316,240</b>	<b>9,190,720</b>	<b>9,713,250</b>	<b>5,759,571</b>	<b>463,554,780</b>
<b>Carrying amounts</b>						
<b>Balance as at end of quarter</b>	<b><u>257,425,000</u></b>	<b><u>1,139,153,960</u></b>	<b><u>6,807,479</u></b>	<b><u>1,219,667</u></b>	<b><u>2,599,379</u></b>	<b><u>1,407,205,485</u></b>
<b>Balance as at 31 Mar, 2020</b>	<b><u>261,800,000</u></b>	<b><u>1,157,722,339</u></b>	<b><u>7,252,339</u></b>	<b><u>1,341,542</u></b>	<b><u>2,839,277</u></b>	<b><u>1,430,955,496</u></b>

**2. INTANGIBLE ASSETS**

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

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

<b><u>PERIOD</u></b>	<b><u>Jun-20</u></b>	<b><u>Dec-19</u></b>
<b>3. INVENTORY</b>		
Sundries	<u>73,841,640</u>	<u>73,841,640</u>
	<b><u>73,841,640</u></b>	<b><u>73,841,640</u></b>
<b>4. TRADE RECEIVABLES</b>		
Trade Receivables	1,368,497,473	954,193,000
Associated Companies		
	<b><u>1,368,497,473</u></b>	<b><u>954,193,000</u></b>
<b>5. OTHER RECEIVABLES</b>		
Other Receivables	120,523,626	90,140,718
Staff loan & Advances	3,015,600	<u>2,326,100</u>
	<b><u>123,539,226</u></b>	<b><u>92,466,818</u></b>
<b>6. PREPAYMENTS</b>		
Prepayment		
Prepaid - Rent	<u>2,800,000</u>	<u>7,600,000</u>
	<b><u>2,800,000</u></b>	<b><u>7,600,000</u></b>
<b>7. BANK AND CASH BALANCES</b>		
Diamond Plc	766,928	766,927
United Bank for Africa Plc	508,859	508,858
Fidelity Bank Plc	15,357,648	80,145,884
Zenith Bank Plc	15,138,358	37,754,223
POLARIS BANK	16,495,044	5,412,594
Access Bank	0	0
Sterling Bank PLC	56,209,166	0
Cash at hand	<u>1,629,236</u>	<u>496,516</u>
	<b><u>106,105,238</u></b>	<b><u>125,085,002</u></b>
<b>8. OTHER ASSETS</b>		
Quoted and Unquoted Investment		
Withholding Tax Receivables	226,078,221	<u>153,667,738</u>
	<b><u>226,078,221</u></b>	<b><u>153,667,738</u></b>
<b>9. BORROWINGS</b>		
Bank loan	<b>0</b>	<b><u>0</u></b>
<b>10. TRADE PAYABLES</b>		
Trade Payables	<u>722,599,975</u>	<u>508,579,682</u>
	<b><u>722,599,975</u></b>	<b><u>508,579,682</u></b>



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

<b>PERIOD</b>	<b>Jun-20</b>	<b>Dec-19</b>
<b>11. OTHER PAYABLES</b>		
Other Payables	13,329,727	11,983,192
Accruals	12,070,746	4,860,746
	<b><u>25,400,473</u></b>	<b><u>16,843,938</u></b>
<b>12. TAX PAYABLE</b>		
Balance as at previous quarter	43,878,434	38,810,000
Charge for the Quarter	18,063,830	26,347,000
Paid during the quarter		<u>-38,810,000</u>
Balance as at end of quarter	<b><u>61,942,265</u></b>	<b><u>26,347,000</u></b>
<b>Tax Expense</b>		
Company Income tax		21,956,000
Education tax		<u>4,392,000</u>
	<b><u>0</u></b>	<b><u>26,348,000</u></b>
<b>13. DEFERRED TAX</b>		
Balance brought forward	64,354,000	64,354,000
(Write back)/charged for the year	11,252,000	11,252,000
Asset/Liability carried forward	<b><u>75,606,000</u></b>	<b><u>75,606,000</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 and fully issued share capital		
800,000,000 ordinary shares of 50k each	<u>400,000,000</u>	<u>400,000,000</u>
	<b><u>400,000,000</u></b>	<b><u>400,000,000</u></b>
<b>16. RETAINED EARNINGS</b>		
Balance as at previous quarter	1,533,716,865	1,420,960,000
Profit and loss	102,361,705	75,098,000
Dividend paid during the quarter	-	-40,000,000
Balance as at end of quarter	<b><u>1,636,078,570</u></b>	<b><u>1,456,058,000</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><u>Jun-20</u></b>	<b><u>Jun-19</u></b>
<b>18. REVENUE</b>		
Revenue from services	549,591,473	565,997,641.70
Other Income	2,886,012	
	<b><u>552,477,485</u></b>	<b><u>565,997,642</u></b>
<b>19. DIRECT COST</b>		
Direct Labour	41,979,615	46,510,500.00
Vessel Expenses	21,649,400	7,095,000.00
Berthing Expenses	0	3,150,000.00
Overheads	18,568,379	26,002,320.00
Vessel and Boat Hiring	280,691,722	334,885,609.16
Carbotage Surcharge & Development Lev	15,796,528	15,615,280.14
	<b><u>378,685,644</u></b>	<b><u>433,258,709</u></b>
<b>20. ADMINISTRATIVE EXPENSES</b>		-
Directors Remuneration	0	695,000
Salaries and Wages	24,230,430	21,052,814.71
Transport and Travelling	1,146,185	6,985,176.36
Rent and Rates	2,607,800	5,648,994.00
Electricity and water	955,403	3,203,900.00
Stationeries	430,400	1,094,980.00
Motor Running Expenses	446,200	2,029,735.00
Repairs and Maintenance	2,078,700	8,267,170.00
Office and General Expenses	1,484,094	1,594,759.00
Telephone ,Internet and Postages	554,472	1,065,309.00
Security expenses	2,312,700	2,976,000.00
Staff Training and Development	150,000.00	300,000.00
Insurance and Hse	0	49,200.00
Medical Expenses	0	135,000.00
Regulatory and Annual filing expenses	3,347,859	-
Business Development Expenses		5,810,817.00
Depreciation	5,181,632	12,364,790
Legal and Professional charges	6,515,550	8,417,929.00
Governance & Compliances	550,000	4,096,000.00
CSR	1,000,000	
	<b><u>52,991,425</u></b>	<b><u>85,787,574</u></b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC****NOTES TO THE ACCOUNTS****PERIOD****Jun-20****Jun-19****21. OTHER OPERATING EXPENSES**

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

**22. FINANCE COST**

Bank charges	374,880	388,345
	<u>374,880</u>	<u>388,345</u>

**23. INVESTMENT PROPERTY**

As at January 1	2,486,342,000	2,486,342,000
Revaluation Surplus		-
Balance as at Jun 30	<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.





