

**GLOBAL SPECTRUM ENERGY SERVICES PLC.**

**UNADITED FINANCIAL STATEMENT**

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

**&**

**3RD QUARTER REPORT**

**FOR**

**THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER, 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****30/09/2020****31/12/2019****NOTES****Quarter 3****Quarter 4****Assets****NON CURRENT ASSETS**

Property, Plant and Equipment	1	1,383,455,474	1,463,020,000
Investment Property	23	2,486,342,000	2,486,342,000

**CURRENT ASSETS**

Bank and cash balances	7	294,261,368	125,085,002
Intangible Assets	2		
Inventory	3	73,841,640	73,841,640
Trade Receivables	4	992,680,033	954,193,000
Other Receivables	5	187,826,026	92,466,818
Prepayments	6	5,180,647	7,600,000
Other Assets	8	242,632,040	153,667,738

**Total Assets (A)****5,666,219,228****5,356,216,198****LONG-TERM LIABILITIES**

Borrowings	9	0	0
Trade payables	10	581,946,258	508,579,682
Other Payables	11	25,590,473	16,843,938
Tax payable	12	64,367,373	26,348,000
Deferred Tax	13	75,606,000	75,606,000

**Total Liabilities (B)****747,510,104****627,377,619****Net Assets (A-B)****4,918,709,124****4,728,838,578****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	1,645,927,124	1,456,056,578
Revaluation Reserves	17	386,342,000	386,342,000

**Total Equity****4,918,709,124****4,728,838,578**

**AUSTIN OYAGHA (Rtd)**

FRC/2019/003/00000020275

**Managing Director**

**CLEMENT AKANIBO**

FRC/2014/ICAN/00000008266

**Director**

**AKINDELE WASIU**

FRC/2018/ICAN/00000018056

**Chief Financial Officer**

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

PERIOD	NOTES	Jul - Sep 2020 N	Jul-Sep 2019 N	Jan-Sep 2020 N	Jan-Sep 2019 N
Revenue	18	349,844,679	575,011,329	1,794,988,545	1,650,294,241
Direct cost	19	275,076,998	396,852,310	1,350,675,530	1,218,413,591
<b>Gross profit</b>		<b>74,767,681</b>	<b>178,159,019</b>	<b>444,313,015</b>	<b>431,880,650</b>
Other Income		6,608,807	-	9,494,818	14,386,495
Administrative expenses	20	57,092,334	98,165,748	219,544,152	263,232,730
Other operating expenses	21	-	-	-	-
<b>Operating profit</b>		<b>24,284,153</b>	<b>79,993,272</b>	<b>234,263,682</b>	<b>183,034,416</b>
Finance costs	22	1,449,198	645,040	5,375,086	<u>2,646,667</u>
<b>Profit before taxation</b>		<b>22,834,955</b>	<b>79,348,232</b>	<b>228,888,596</b>	<b>180,387,749</b>
Taxation	12	3,425,243	23,804,470	39,020,372	50,192,745
Other comprehensive income		-	-	0	-
Exchange differences on translation of foreign oper		-	-	0	-
Income tax effect		-	-	0	-
Other comprehensive income for the quarter, net of		-	-	0	-
<b>Total comprehensive income for the quarter</b>		<b>19,409,712</b>	<b>55,543,762</b>	<b>189,868,224</b>	<b>130,195,004</b>

**GLOBAL SPECTRUM ENERGY SERVICES PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 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 period	<u>0</u>	<u>130,195</u>	<u>-</u>	<u>130,195</u>
<b>As at 30 Sep, 2019</b>	<b>400,000</b>	<b>1,937,497</b>	<b>2,486,440</b>	<b>2,337,497</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	189,868	0	189,868
<b>As at 30 Sep, 2020</b>	<b>400,000</b>	<b>2,032,267</b>	<b>2,486,440</b>	<b>2,432,267</b>

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

<b><u>PERIOD</u></b>	<b>Jan - Sep 2020</b>	<b>Jan - Sep 2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before Taxation	228,889	180,414
Adjustment for:		
- Depreciation	71,250	37,094
	<b>300,139</b>	<b>217,508</b>
Changes in trade & Other receivables	-133,847	2,807
Changes in prepayments	2,419	-2,701
Changes in Inventory	0	-152
Changes in other assets	-88,964	-87,880
Changes in trade payables	73,367	-182,475
Changes in Other payables	8,747	90,733
	<b>-138,279</b>	<b>-179,668</b>
Income tax paid	1,000	42,810
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>160,859</b>	<b>-4,969</b>
<b>CASHFLOWS FROM INVESTMENT ACTIVITIES</b>		
Acquisition of property, plant and equipment	-5,897	-1,950
WIP ADJUSTED	14,214	
Proceeds from sale of property and equipment		-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>8,317</b>	<b>-1,950</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>169,176</b>	<b>-6,919</b>
Cash and Cash Equivalents at beginning	125,085	104,871
<b>Cash and Cash Equivalents at end of quarter</b>	<b><u>294,261</u></b>	<b><u>97,952</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	1,864,860,200
Additions			5,897,199			5,897,199
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	92,575,000	346,316,240	9,190,720	9,713,250	5,759,571	463,554,781
Depreciation for the quarter	4,375,000	18,568,379	444,860	121,875	239,898	23,750,011
impairment losses						
Disposals						
<b>Balance as at end of quarter</b>	<b>96,950,000</b>	<b>364,884,619</b>	<b>9,635,580</b>	<b>9,835,125</b>	<b>5,999,469</b>	<b>487,304,792</b>
<b>Carrying amounts</b>						
<b>Balance as at end of quarter</b>	<b><u>253,050,000</u></b>	<b><u>1,120,585,581</u></b>	<b><u>6,362,619</u></b>	<b><u>1,097,792</u></b>	<b><u>2,359,482</u></b>	<b><u>1,383,455,474</u></b>
<b>Balance as at 30 June, 2020</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>

**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**  
**PERIOD**

	<b>Sep-20</b>	<b>Dec-19</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	992,680,033	954,193,000
Associated Companies		
	<b><u>992,680,033</u></b>	<b><u>954,193,000</u></b>
<b>5. OTHER RECEIVABLES</b>		
Other Receivables	184,563,426	90,140,718
Staff loan & Advances	3,262,600	<u>2,326,100</u>
	<b><u>187,826,026</u></b>	<b><u>92,466,818</u></b>
<b>6. PREPAYMENTS</b>		
Prepayment	4,780,647	0
Prepaid - Rent	<u>400,000</u>	<u>7,600,000</u>
	<b><u>5,180,647</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	84,296,899	80,145,884
Zenith Bank Plc	27,369,537	37,754,223
POLARIS BANK	5,750,797	5,412,594
Access Bank		0
Sterling Bank PLC	172,028,916	0
Cash at hand	<u>3,539,432</u>	<u>496,516</u>
	<b><u>294,261,368</u></b>	<b><u>125,085,002</u></b>
<b>8. OTHER ASSETS</b>		
Quoted and Unquoted Investment		
Withholding Tax Receivables	242,632,040	<u>153,667,738</u>
	<b><u>242,632,040</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>581,946,258</u>	<u>508,579,682</u>
	<b><u>581,946,258</u></b>	<b><u>508,579,682</u></b>



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

**PERIOD**

	<b>Sep-20</b>	<b>Dec-19</b>
<b>11. OTHER PAYABLES</b>		
Other Payables	13,329,727	11,983,192
Accruals	12,260,746	4,860,746
	<b><u>25,590,473</u></b>	<b><u>16,843,938</u></b>
<b>12. TAX PAYABLE</b>		
Balance as at previous quarter	61,942,129	38,810,000
Charge for the Quarter	3,425,243	26,347,000
Paid during the quarter	-1,000,000	-38,810,000
Balance as at end of quarter	<b><u>64,367,373</u></b>	<b><u>26,347,000</u></b>
<b>Tax Expense</b>		
Company Income tax		21,956,000
Education tax		4,392,000
	<b><u>0</u></b>	<b><u>26,348,000</u></b>
<b>13. DEFERRED TAX</b>		
Balance brought forward	75,606,000	64,354,000
(Write back)/charged for the year		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	<b><u>2,486,440,000</u></b>	<b><u>2,486,440,000</u></b>
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	<b><u>400,000,000</u></b>	<b><u>400,000,000</u></b>
	<b><u>400,000,000</u></b>	<b><u>400,000,000</u></b>
<b>16. RETAINED EARNINGS</b>		
Balance as at previous quarter	1,626,516,511	1,420,960,000
Profit and loss	19,409,712	75,098,000
Dividend paid during the quarter	-	-40,000,000
Balance as at end of quarter	<b><u>1,645,926,223</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**

**PERIOD**

**Sep-20**

**Sep-19**

**18. REVENUE**

Revenue from services	349,844,679	575,011,329
Other Income	6,608,807	-
	<b><u>356,453,486</u></b>	<b><u>575,011,329</u></b>

**19. DIRECT COST**

Direct Labour	27,065,000	34,061,700
Vessel Expenses	21,668,580	17,773,500
Berthing Expenses	0	-
Overheads	18,568,379	601,000
Vessel and Boat Hiring	197,871,900	327,217,607
Carbotage Surcharge & Development Levy	9,903,139	17,198,502
	<b><u>275,076,998</u></b>	<b><u>396,852,310</u></b>

**20. ADMINISTRATIVE EXPENSES**

Directors Remuneration	0	2,310,000
Salaries and Wages	29,085,092	28,724,411
Transport and Travelling	1,594,240	6,036,251
Rent and Rates	2,495,750	2,844,550
Electricity and water	1,289,260	4,718,670
Stationeries	634,400	952,510
Motor Running Expenses	1,148,450	1,623,200
Repairs and Maintenance	1,262,660	13,472,332
Office and General Expenses	1,616,303	2,847,004
Telephone ,Internet and Postages	784,000	2,315,470
Security expenses	3,277,300	3,266,500
Staff Training and Development	0	5,000
Insurance and Hse	1,527,000	1,669,500
Medical Expenses	0	263,760
Regulatory and Annual filing expenses	2,606,728	-
Business Development Expenses	1,080,250	1,403,700
Depreciation	5,181,632	12,364,790
Legal and Professional charges	2,415,600	10,052,100
Governance & Compliances	1,093,669	250,000
CSR	0	3,046,000
	<b><u>57,092,334</u></b>	<b><u>98,165,748</u></b>

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

**Sep-20**

**Sep-19**

**21. OTHER OPERATING EXPENSES**

other operating expenses

0

0

0

0

**22. FINANCE COST**

Bank charges

1,449,198

645,040

**1,449,198**

**645,040**

**23. INVESTMENT PROPERTY**

As at January 1

2,486,342,000

2,486,342,000

Revaluation Surplus

-

Balance as at Jun 30

**2,486,342,000**

**2,486,342,000**

**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.

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

**24. 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.





