

INTEGRATED DATA SERVICES LIMITED

(A subsidiary of Nigerian National Petroleum Corporation)

Tax Identification Number: 000728609-0001

RC No. 121769

FINANCIAL STATEMENTS **For the year ended 31st December, 2019**

TAMUNO GEORGE & CO

(Chartered Accountants)

219A Ikorodu Crescent

Dolphin Estate,

Ikoyi, Lagos State.

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INTEGRATED DATA SERVICES LIMITED

Financial Statements for the year ended 31st December, 2019.

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CORPORATE INFORMATION

Registration with Corporate Affairs Commission

RC No. 121769

Registration with Federal Inland Revenue Service

Tax Identification Number: 000728609-0001

Directors

Engr. Diepiriye M. Tariah	-Managing Director (Appointed 14/3/2018)
Mrs. Dorathy B. Umoetok	-Executive Director, Operations (Appointed 14/3/2018)
Mr. Olufemi A. Sijuade	-Executive Director, Services (Appointed 14/3/2018)

Company Secretary/Legal Adviser

Mr. Paul U. Madu	-Company Secretary (Appointed 14/3/2018)
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External Auditors

Tamuno George & Co
(Chartered Accountants)
219A Ikorodu Crescent,
Dolphin Estate,
Ikoyi, Lagos State.

Registered Office Address

No. 36 Ogba Road, Oko,
P.M.B. 1003,
Benin City,
Edo State.

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CORPORATE INFORMATION CONT'D

Bankers

Central Bank of Nigeria

Actuarial Valuers

Ernst & Young
10th Floor, UBA House,
57, Marina, Lagos Island,
Lagos State.

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REPORT OF THE DIRECTORS

The Directors welcome you to the company's 24th Annual General Meeting (AGM) and are pleased to present, to the members of the company, the Report of their stewardship together with the Financial Statements of the company for the year ended 31st December, 2019.

RESULTS AT A GLANCE

	2019	2018
	₦'m	₦'m
Revenue	<u>31,359</u>	<u>19,033</u>
Profit before tax	<u>26,969</u>	<u>603</u>
Taxation	<u>(3,767)</u>	<u>(449)</u>
Profit for the year	<u>23,202</u>	<u>154</u>
Total comprehensive income for the year	<u>22,154</u>	<u>3,213</u>
	2019	2018
Number of employees	<u>174</u>	<u>192</u>

Note:

- Revenue increased significantly by about ₦12,326 million (or 64.76%) in 2019 from 2018.
- Direct costs increased from ₦10,684 million in 2018 to ₦15,363 million in 2019 by 43.79%.
- Other operating income of ₦17,717 million was earned in 2019 as a result of impairment gain/reversal of impairment loss on financial assets as against a nil amount in 2018.

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REPORT OF THE DIRECTORS CONT'D

- Operating expenses increased from ₦7,778 million in 2018 to ₦7,872 million in 2019 by 1.2085%.
- Profit for the year increased from ₦154 million in 2018 to ₦23,202 million in 2019 by 14,966.33%.
- Increase in tax provision from ₦449 million to ₦3,767 million is as a result of increase in profit before tax from ₦603 million in 2018 to ₦26,969 million in 2019.

Legal Form

Integrated Data Services Limited ("IDSL" or "the Company") was incorporated as a private limited liability company on 30th November 1988. The Company is a wholly owned subsidiary of Nigerian National Petroleum Corporation (NNPC).

Brief History

IDSL is one of the subsidiaries of Nigerian National Petroleum Corporation (NNPC), which is Nigeria's Frontier Petroleum Company. IDSL was set up to offer services in the upstream sector of the oil and gas industry. IDSL offers Geo-physical and Petroleum Engineering Services in the upstream sector of the oil and gas industry.

NNPC set up the first indigenous seismic acquisition crew (Party X) in 1978. Following the success of Party X, a second crew (Party Y) was set up in 1984. The first indigenous Data Processing Centre (DPC) was established in 1984.

In 1986 National Hydrocarbon Reserve Evaluation Centre (NHREC) was set up and merged with DPC. The impressive performance of the two seismic crews, DPC and NHREC, prompted the merger of all these units into IDSL during the 1988 commercialization in NNPC.

IDSL was established in 1988 as a business unit of NNPC with a focus on seismic data acquisition/processing and reservoir engineering services. Also in

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REPORT OF THE DIRECTORS CONT'D

1988, IDSL won the first international seismic data acquisition contract in Ghana. The Ghana contract was successfully executed within schedule.

Vision Statement

IDSL shall be the Centre of Technological Excellence in the provision of Geophysical, Geological and Reservoir Engineering and Data Management Services in the global oil and gas industry, leveraging on the best talent in Nigeria and internationally

Mission Statement

IDSL operates commercially and markets world-class Geophysical, Geological, Reservoir Engineering and Data Management Services.

Business Objectives

1. Acquire Quality Seismic Data on Land, Swamp and Marine (sq.km)
2. Process Quality 2D, 3D and 4D Data on Land, Swamp and Marine (sq.km)
3. Carry out Qualitative Exploration and Reservoirs Management/Well Site Services
4. Carry out Data Storage and Management Services
5. Ensure a safe operating environment both in the offices and field locations

Principal Activities

IDSL's Core Businesses:

- Seismic Data Acquisition
- Seismic Data Processing
- Reservoir Management Services
- Data Storage and Management Services

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REPORT OF THE DIRECTORS CONT'D

Directors and Directors Interests

The Directors who served during the year are:

Engr. Diepiriye M. Tariah	-Managing Director (Appointed 14/3/2018)
Mrs. Dorathy B. Umoetok	-Executive Director, Operations (Appointed 14/3/2018)
Mr. Olufemi A. Sijuade	-Executive Director, Services (Appointed 14/3/2018)

None of the Directors has any shareholding interest in the share capital of the company.

Management Executive Committee

The members of the Management Executive Committee (MEXCOM) that served during the year are:

Engr. Diepiriye M. Tariah	-Managing Director
Mrs. Dorathy B. Umoetok	-Executive Director, Operations
Mr. Olufemi A. Sijuade	-Executive Director, Services
Mr. Fenibo J. Opusunju	-Manager, Finance and Accounts
Mr. Josiah A. Ikusemoro	-Manager, Supply Chain Management
Mr. Bala M. Haruna	-Manager, Planning and Budget Monitoring
Mr. Paul U. Madu	-Company Secretary/Legal Adviser

Property, Plant and Equipment

Changes in the value of the company's property, plant and equipment were as shown in the notes to the financial statements. In the opinion of the directors, the value of the company's property, plant and equipment is not less than the value shown in the financial statements.

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REPORT OF THE DIRECTORS CONT'D

Shareholding

All the shares of the company are held by the NNPC and its representatives as at 31st December, 2019. Hence, the company is a wholly owned subsidiary of the NNPC.

S/N	Names of shareholders	Nationality	No. of shares held (units)	2019 Value ₦	2018 Value ₦
1	NNPC	Corporate body	4,999,997	4,999,997	4,999,997
2	Engr. Andrew Yakubu	Nigerian	1	1	1
3	Joseph Dawha	Nigerian	1	1	1
4	Dan Efebo	Nigerian	1	1	1
			5,000,000	5,000,000	5,000,000

Directors Responsibilities

The directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss for the year and comply with the Companies and Allied Matters Act, CAP C20 LFN 2004 and the requirements of the Financial Reporting Council of Nigeria.

In doing so they ensure that:

- proper accounting records are maintained;
- internal control procedures are instituted which as far as reasonably possible safeguard the assets and prevent and detect fraud and other irregularities;
- applicable accounting policies are followed;
- suitable accounting policies are adopted and consistently applied;
- judgements and estimates made are reasonable and prudent; and

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REPORT OF THE DIRECTORS CONT'D

- the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

Business Review and Future Developments

The company intends to continue fulfilling its objectives as stated in its Memorandum and Articles of Association.

Financial Year End

The company' financial year end is 31 December of every year.

Donations

The company made the following donations during the year in furtherance to her commitment to the principles of corporate social responsibility and sponsorship of staff unionism (NUPENG and PENGASSAN):

	2019	2018
	₦	₦
NUPENG & PENGASSAN	13,544,259	32,417,909
NIGERIAN RED CROSS SOCIETY	-	200,000
NIGERIAN SOCIETY OF ENGINEERS	-	830,000
PETROLEUM TRAINING INSTITUTE	-	125,000
NIGERIAN UNION OF JOURNALISM	-	400,000
INSTITUTE OF SAFETY PROFESSIONALS OF NIGERIA	-	500,000
KEN SARO WIWA POLYTECHNIC	-	500,000
SOCIETY OF PETROLEUM ENGINEERS	500,000	-
OTHERS	9,450,000	20,981,505
	<u>23,494,259</u>	<u>55,954,414</u>

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REPORT OF THE DIRECTORS CONT'D

Post Balance Sheet Events

There are no post balance sheet events, which could have had a material effect on the state of affairs of the company as at 31 December, 2019, which have not been considered in these financial statements.

Company's major customers

The company's major customers during the year are:

- CHEVRON NIGERIA LIMITED
- TOTAL/ELF NIGERIA LTD.
- MOBIL PRODUCING NIGERIA UNLIMITED
- ENAGEED RESOURCES LTD
- MONIPULO LTD
- PANOCEAN OIL NIG LTD
- SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED
- SHELL NIG. E & P CO LTD
- WESTERNGECO LTD
- SEPLAT PETROLUEM DEVELOPMENT CO, LTD
- TRANSCORP CORPORATION ON NIGERIA PLC
- CROWNWELL PETROLEUM DEVELOPMENT LTD
- AITEO EASTERN E & P COMPANY LIMITED
- BELEMA OIL PRODUCING LIMITED
- FIRST E & P DEVELOPMENT COMPANY LTD

Company's major suppliers

The company's major suppliers during the year are:

- BGP/CNPC INT NIGERIA LIMITED
- WESTERNGECO SEISMIC NIGERIA LTD.
- PIONEER ALFA PETROLEUM SERVICES LIMITED
- ALFA D AND O LIMITED
- METHANES NIG. COMPANY LTD
- RALDEX GEOPHYSICAL VENTURES LTD

