

***QUANTUM TERMINALS LIMITED***

***FINANCIAL STATEMENTS***

***31 DECEMBER 2016***

**QUANTUM TERMINALS LIMITED  
ANNUAL FINANCIAL STATEMENTS**

**I N D E X**

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**QUANTUM TERMINALS LIMITED**  
**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Emmanuel Egyei-Mensah - *Executive Chairman*  
Felix Gyekye  
Amma Addo-Fening  
Abena Amoah

**REGISTERED OFFICE**

E17/9 Ablade Road, Kanda  
P. O. Box CT 4377  
Cantonments  
Accra

**SECRETARY**

Damaris Tanoh-Rivers  
E17/9 Ablade Road, Kanda  
P. O. Box CT 4377  
Cantonments  
Accra

**AUDITOR**

KPMG  
Chartered Accountants  
13 Yiyiwa Drive  
Abelenkpe  
P. O. Box GP 242  
Accra

**BANKERS**

CAL Bank Ghana Limited  
First Atlantic Bank  
Guaranty Trust Bank  
Standard Chartered Bank Ghana Limited

## **REPORT OF THE DIRECTORS TO THE MEMBERS OF QUANTUM TERMINALS LIMITED**

The Directors present their report and the financial statements of the Company for the year ended 31 December 2016.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of Quantum Terminals Limited, comprising the statement of financial position at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179). In addition, the directors are responsible for the preparation of the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable reporting framework.

### **GOING CONCERN CONSIDERATION**

The Group's current liabilities exceeded current assets by GH¢44,293,052 (2015: GH¢ 41,857,299) at year ended 31 December 2016. The Group reported a profit of GH¢2,260,349 and the directors have made an assessment of the cash flow projections of the company for the next twelve (12) months which shows a positive business outlook. The Group expects the completion and operationalization of two projects in the year 2017; that is the Quantum Oil Terminal's Tema Oil Tank Farm and the Quantum Gas Terminal's Tema Propane Tank Farm. The Directors therefore believe that the company will be able to generate enough cash flows from its operations to settle its liabilities.

The financial statements have been prepared on going concern basis. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of the Company and that the settlement of liabilities will occur in the ordinary course of business.

### **FINANCIAL STATEMENTS AND DIVIDEND**

The financial results of the company for the year ended 31 December, 2016 is reflected in the accompanying consolidated and separate financial statements.

**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
QUANTUM TERMINALS LIMITED - (CONT'D)**

**NATURE OF BUSINESS**

The company is authorized under its regulations to build, own and operate tank farms in Ghana, and also to process and blend petroleum products.

**SUBSIDIARIES**

Quantum Oil Terminals Limited, a company incorporated in Ghana to engage in the construction and management of liquids, oil storage and terminals, is a wholly owned subsidiary of Quantum Terminals Limited.

Quantum Gas Terminals Limited, a company incorporated in Ghana to undertake the construction, processing, investments of gas tank farms and to transport, store and re-export gas products .

**SHAREHOLDING**

Quantum Terminals Limited is 99.99% owned subsidiary of Quantum Group Limited and 0.01% owned by Arch Investments Limited, a company incorporated in Ghana.

**APPROVAL OF FINANCIAL STATEMENTS**

The consolidated and separate financial statements of the Quantum Terminals Limited, as identified in the first paragraph, were approved by the board of directors on .....<sup>22<sup>nd</sup></sup> April....., 2017 and signed on their behalf by:

  
.....  
**EXECUTIVE CHAIRMAN**

  
.....  
**DIRECTOR**



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
QUANTUM TERMINALS LIMITED**

**Report on the Financial Statements**

*Opinion*

We have audited the consolidated and separate financial statements of Quantum Terminals Limited which comprise the statements of financial position at 31 December 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 34.

In our opinion, these financial statements give a true and fair view of the consolidated and separate financial position of Quantum terminals Limited at 31 December, 2016, and of its consolidated and separate financial performance and consolidation and separate cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the companies Act, 1963 (Act 179).

*Basis of Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibility under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) together with the ethical requirement that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Directors' Responsibility for the Consolidated and Separate Financial Statements*

The directors are responsible for the preparation of consolidated and Separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.





**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
QUANTUM TERMINALS LIMITED - (CONT'D)**

*Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
QUANTUM TERMINALS LIMITED - (CONT'D)**

**Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)*

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept and the statements of financial position, the statement of profit and loss and comprehensive income are in agreement with the books of account.

The engagement Partner on the audit resulting in this independent auditor's report is **Nathaniel D. Harlley (ICAG/P/1056)**

*KPMG*

.....  
For and on behalf of:  
**KPMG: (ICAG/F/2017/038)**  
**CHARTERED ACCOUNTANTS**  
**13 YIYIWA DRIVE, ABELINKPE**  
**P O BOX GP 242**  
**ACCRA**

*22 April*  
....., 2017



**QUANTUM TERMINALS LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2016**

	Note	2016 Company GH¢	2016 Group GH¢	2015 Company GH¢	2015 Group GH¢
<b>ASSETS</b>					
Property, plant and equipment	12	101,153,705	253,855,870	102,075,290	224,482,812
Investments	13	99,390,000	-	14,290,000	-
Amount due from related parties	19(c)	1,975	-	64,105,955	-
		=====	=====	=====	=====
Non-current assets		200,545,680	253,855,870	180,471,245	224,482,812
		=====	=====	=====	=====
Inventory	14	61,034	61,034	10,847	10,847
Trade and other receivables	15	4,359,447	4,361,600	3,766,024	3,929,709
Cash and cash equivalent	16	3,764,189	3,904,671	3,091,550	3,091,550
		=====	=====	=====	=====
Current assets		8,184,670	8,327,305	6,868,421	7,032,106
		=====	=====	=====	=====
<b>TOTAL ASSETS</b>		<b>208,730,350</b>	<b>262,183,175</b>	<b>187,339,666</b>	<b>231,514,918</b>
		=====	=====	=====	=====
<b>EQUITY</b>					
Stated capital	20(a)	70,000,000	70,000,000	10,000	10,000
Deposit for shares	20(b)	35,100,000	35,100,000	18,990,000	18,990,000
Revaluation reserve	20(c)	34,551,995	34,551,995	37,835,208	37,835,208
Retained earnings		14,439,229	3,118,773	6,230,995	(2,424,789)
		=====	=====	=====	=====
Total equity		154,091,224	142,770,768	63,066,203	54,410,419
		=====	=====	=====	=====
<b>LIABILITIES</b>					
Amount due to related parties	19(b)	13,530	36,521,086	79,439,270	92,152,000
Deferred tax liability	11(e)	13,524,754	13,524,754	11,874,124	11,874,124
Loans and borrowings	17	16,746,210	16,746,210	24,188,970	24,188,970
		=====	=====	=====	=====
Non-current Liabilities		30,284,494	66,792,050	115,502,364	128,215,094
		=====	=====	=====	=====
Loans and borrowings	17	7,442,760	7,442,760	5,375,220	5,375,220
Accounts payable	18	16,911,872	45,177,597	3,395,879	43,514,185
		=====	=====	=====	=====
Current liabilities		24,354,632	52,620,357	8,771,099	48,889,405
		=====	=====	=====	=====
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>208,730,350</b>	<b>262,183,175</b>	<b>187,339,666</b>	<b>231,514,918</b>
		=====	=====	=====	=====

  
 EXECUTIVE CHAIRMAN

  
 DIRECTOR

*The notes on pages 13 to 34 are an integral part of these financial statements.*

**QUANTUM TERMINALS LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Revenue	5	23,738,368	23,738,368	13,723,252	13,723,252
Direct costs	6	(1,682,831)	(1,682,831)	(1,717,939)	(1,717,939)
		-----	-----	-----	-----
Gross profit		22,055,537	22,055,537	12,005,313	12,005,313
Other income	7	1,534,196	1,536,125	1,771,254	1,771,254
General and administrative expenses	8	(9,712,010)	(9,870,161)	(8,213,905)	(8,478,978)
		-----	-----	-----	-----
		(8,177,814)	(8,334,037)	(6,442,651)	(6,707,724)
		-----	-----	-----	-----
<b>Operating profit</b>		13,877,723	13,721,500	5,562,662	5,297,589
Finance cost	9	(5,669,551)	(5,933,400)	(6,037,902)	(6,049,830)
Net Foreign exchange loss	10	(1,632,520)	(3,877,121)	(1,455,840)	(5,997,661)
		-----	-----	-----	-----
<b>Profit / (loss) before tax</b>		6,575,651	3,910,979	(1,931,080)	(6,749,902)
Income tax (expense)/ gain	11(a)	(1,650,630)	(1,650,630)	1,119,263	1,119,263
		-----	-----	-----	-----
<b>Profit / (loss) after tax</b>		4,925,021	2,260,349	(811,817)	(5,630,639)
		=====	=====	=====	=====
<b>OTHER COMPREHENSIVE INCOME</b>					
<i>Items that will not be reclassified to profit and loss</i>					
Revaluation of property, plant and equipment		-	-	51,973,547	51,973,547
Tax on revaluation of PPE		-	-	(12,993,387)	(12,993,387)
		---	---	-----	-----
Other comprehensive income, net of tax		-	-	38,980,160	38,980,160
		==	==	=====	=====
		-----	-----	-----	-----
<b>Total Comprehensive Income</b>		4,925,021	2,260,349	38,168,343	33,349,521
		=====	=====	=====	=====

*The notes on pages 13 to 34 are an integral part of these financial statements.*

**QUANTUM TERMINALS LIMITED**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

**COMPANY**

<b>2016</b>	<b>Stated Capital GH¢</b>	<b>Deposit for Shares GH¢</b>	<b>Revaluation Reserve GH¢</b>	<b>Retained Earnings GH¢</b>	<b>Total GH¢</b>
Balance at 1 January	10,000	18,990,000	37,835,208	6,230,995	63,066,203
Deposits made for shares	-	86,100,000	-	-	86,100,000
Share issue	69,990,000	(69,990,000)	-	-	-
<b>Other Comprehensive Income, Net of Income Tax</b>					
Transfer from revaluation to retained earnings			(3,283,213)	3,283,213	-
Profit for the year				4,925,021	4,925,021
<b>Balance at 31 December 2016</b>	<b>70,000,000</b>	<b>35,100,000</b>	<b>34,551,995</b>	<b>14,439,229</b>	<b>154,091,224</b>
<b>2015</b>					
Balance at 1 January 2015	10,000	4,800,000	8,263,742	(2,365,882)	10,707,860
Deposits made for shares	-	14,190,000	-	-	14,190,000
<b>Other Comprehensive Income, Net of Income Tax</b>					
Revaluation gain	-	-	38,980,160	-	38,980,160
Transfer from revaluation to retained earning	-	-	(9,408,694)	9,408,694	-
Loss for the year	-	-	-	(811,817)	(811,817)
<b>Balance at 31 December 2015</b>	<b>10,000</b>	<b>18,990,000</b>	<b>37,835,208</b>	<b>6,230,995</b>	<b>63,066,203</b>

*The notes on pages 13 to 34 are an integral part of these financial statements.*

**QUANTUM TERMINALS LIMITED**  
**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>GROUP</b>	<b>Stated Capital GH¢</b>	<b>Deposit for Shares GH¢</b>	<b>Revaluation Reserve GH¢</b>	<b>Retained Earnings GH¢</b>	<b>Total GH¢</b>
<b>2016</b>					
Balance at 1 January	10,000	18,990,000	37,835,208	(2,424,789)	54,410,419
Deposits made for shares	-	86,100,000	-	-	86,100,000
Share issue	69,990,000	(69,990,000)	-	-	-
<b>Other Comprehensive Income, Net of Income Tax</b>					
Transfer from revaluation to retained earnings			(3,283,213)	3,283,213	-
Profit for the year				2,260,349	2,258,118
<b>Balance at 31 December 2016</b>	<u><u>70,000,000</u></u>	<u><u>35,100,000</u></u>	<u><u>34,551,995</u></u>	<u><u>3,118,773</u></u>	<u><u>142,768,537</u></u>
Balance at 1 January 2015	10,000	18,990,000	8,263,742	(6,202,844)	21,060,898
Loss for the year	-	-	-	(5,630,639)	(5,630,639)
<b>Other Comprehensive Income, Net of Income Tax</b>					
Revaluation gain	-	-	38,980,160	-	38,980,160
Transfer from revaluation to retained earnings	-	-	(9,408,694)	9,408,694	-
<b>Balance at 31 December 2015</b>	<u><u>10,000</u></u>	<u><u>18,990,000</u></u>	<u><u>37,835,208</u></u>	<u><u>(2,424,789)</u></u>	<u><u>54,410,419</u></u>

*The notes on pages 13 to 34 are an integral part of these financial statements.*

**QUANTUM TERMINALS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
<b>Cash flow from operating activities</b>				
Profit/ (Loss) after taxation	4,925,021	2,260,349	(811,817)	(5,630,639)
<i>Adjustments for:</i>				
Depreciation	5,511,682	5,511,682	4,177,566	4,177,566
Net exchange loss	1,632,520	3,879,352	1,455,840	5,997,661
Tax expense	1,650,630	1,650,630	(1,119,263)	(1,119,263)
	13,719,853	13,302,013	3,702,326	3,425,325
<i>Changes in:</i>				
Inventories	(50,187)	(50,187)	(10,847)	(10,847)
Trade and other receivables	(593,421)	(431,891)	(323,549)	(167,502)
Accounts payable	13,515,992	1,663,410	(7,069,217)	8,923,432
Net movement in related parties	(2,321,760)	(4,630,912)	(4,207,992)	13,432,710
<b>Cash (used)/generated from operating activities</b>	10,550,624	(3,449,580)	(11,611,605)	22,177,793
<b>Net Cash used in/from Operating Activities</b>	24,270,477	9,852,433	(7,909,279)	25,603,118
<b>Cash flow from Investing Activities</b>				
Acquisition of property, plant and equipment	(4,590,098)	(34,884,740)	(1,449,554)	(30,420,131)
Investment in subsidiary	(47,100,000)	-	(14,190,000)	-
<b>Net Cash used in investing activities</b>	(51,690,098)	(34,884,740)	(15,639,554)	(30,420,131)
<b>Cash flows from financing activities</b>				
Loan repayments	(5,375,220)	(5,375,220)	-	-
Proceeds from loan drawdown	-	-	13,865,555	13,865,555
Proceeds from deposit for shares	16,110,000	16,110,000	14,190,000	-
Share issue	18,990,000	18,990,000	-	-
<b>Net cash from financing activities</b>	29,724,780	29,724,780	28,055,555	13,865,555
<b>Net Increase in Cash and Cash Equivalents</b>	2,305,159	4,692,473	4,506,721	9,048,542
Net exchange loss	(1,632,520)	(3,879,352)	(1,455,840)	(5,997,661)
Restricted cash as at 1 January	1,739,070	1,739,070	-	-
Cash and Cash Equivalents at 1 January	1,352,480	1,352,480	40,669	40,669
<b>Cash and Bank Balances at 31 December</b>	3,764,189	3,904,671	3,091,550	3,091,550

*The notes on pages 13 to 34 are an integral part of these financial statements.*



**QUANTUM TERMINALS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2016**

**1. REPORTING ENTITY**

Quantum Terminals Limited is incorporated in Ghana under the Companies Code 1963 (Act 179) as a Private Limited Liability Company, and is domiciled in Ghana. The address of the company's registered office and principal place of business can be found on page 2 of the annual report. The group is primarily involved in the building, ownership and operation of tank farms in Ghana, and also in the processing and blending of petroleum products. These consolidated financial statements comprise the company and its subsidiaries (together referred to as "the Group").

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the statement of profit or loss and other comprehensive income in these financial statements.

**2. BASIS OF PREPARATION**

**a. Statement of compliance**

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).

**b. Basis of measurement**

These consolidated financial statements have been prepared on the historical cost basis except for those financial instruments recognized at fair values.

**c. Functional and presentation currency**

These consolidated financial statements are presented in Ghana cedis (GH¢) which is the company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**d. Use of estimates and judgments**

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and underlying assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) Basis of Consolidation

##### (i) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investment in subsidiary is measured at cost in the separate financial statements of the company.

##### (ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### (iii) Transactions Eliminated on Consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (GH¢) of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing on the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Foreign currency gains and losses are reported on a net basis under selling, general and administrative expenses or other income.

#### (c) Financial Instruments

##### *Non-derivative financial assets - recognition and de-recognition*

The group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the group is recognised as a separate asset or liability.

The group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Financial Instruments- Cont'd

##### *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of consolidated financial position when, and only when, the group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### *Measurement*

##### *Loans and receivables*

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables comprise trade and other receivables, amount due from related parties, cash and cash equivalents.

##### *Cash and cash equivalent*

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### *Non-derivative financial liabilities:*

A financial liability is classified as fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The group's non-derivative financial liabilities include trade and other payables, amounts due to related parties and borrowings.

##### *Share capital (Stated capital)*

##### *Ordinary Shares*

Proceeds from issue of ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects are recognised as a deduction from equity.

#### (d) Impairment

##### (i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Impairment –cont'd

In assessing collective impairment, the group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

##### (ii) *Non-financial assets*

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax asset) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (d) **Property, Plant and Equipment**

##### (i) *Recognition and measurement*

Property, plant and equipment are carried at fair value less subsequent depreciation except for undeveloped land which is measured at cost. The fair values are determined every three (3) years by external, independent, professional valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of the asset as a result of revaluation is recognised in other comprehensive income and accumulated in equity under revaluation surplus. However, a decrease in the carrying amount of the asset as a result of revaluation is recognised in profit or loss. The decrease is recognised in other comprehensive to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Subsequent after revaluation, relevant portions of the revaluation reserve is transferred to retained earnings as the asset is depreciated, with the balance being transferred on ultimate disposal.

The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs and any other costs directly attributable to bringing the asset into a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of property, plant, and equipment.

Any gain or loss on the disposal of an item of property, plant and equipment is recognised in profit or loss as other income.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Property, Plant and Equipment – cont'd

##### (ii) *Subsequent costs*

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss, as incurred.

##### (iii) *Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Undeveloped land is not depreciated

The depreciation rates used for each significant class of plant and equipment are as follows:

Land and Buildings	-	10.00%
Motor Vehicle	-	33.33%
Furniture and Fittings	-	20.00% - 47.11%
Civil Works	-	2.00% - 10.00%
Plant and Machinery	-	5.00% - 50.00%

Depreciation methods, useful lives, and residual values are reassessed at each reporting date and adjusted if appropriate.

#### (e) Revenue

Revenue is measured at the fair value of the consideration received or receivable, net of sales taxes, returns, discounts, and other similar deductions.

Revenue from the storage of petroleum products is recognized when significant risks and rewards of ownership have been transferred from the customer, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.

The transfer of risks and rewards occurs when the product is loaded onto to the customer's vessel or relevant carrier.

#### (f) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### (i) *Current tax*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (f) Income tax – cont'd

##### (ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### g. Post-Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the accounts and the effect is material.

#### h. Comparatives

Where necessary the comparative information has been changed to agree to the current year presentation.

#### i. New standards and interpretations not yet adopted

At the date of authorisation of the financial statements of Quantum Terminals Limited for the year ended 31 December 2016, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date Periods beginning on or after
IFRS 9	<i>Financial Instruments</i>	1 January 2018
IFRS 15	<i>Revenue from contracts with customers</i>	1 January 2018

#### i. New standards and interpretations not yet adopted

##### ***IFRS 9 Financial Instruments***

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will have a significant impact on the Group, which will include changes in the measurement bases of the Group's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### i. New standards and interpretations not yet adopted – cont'd

Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an “incurred loss” model from IAS 39 to an “expected credit loss” model, which is expected to increase the provision for bad debts recognised in the Group.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

#### *IFRS 15 Revenue from contracts with customers*

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. This new standard will most likely have a significant impact on the Group, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The Group is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ended 30 September 2016 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

### 4. DETERMINATION OF FAIR VALUES

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset and liability that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in determining fair values is included in note 24 financial instrument – fair value and risk management.

**5. REVENUE**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Throughput fees	3,660,701	3,660,701	4,017,126	4,017,226
Rack loading fees	-	-	10,103	10,103
Development support fees	20,077,667	20,077,667	9,696,023	9,696,023
	<u>23,738,368</u>	<u>23,738,368</u>	<u>13,723,252</u>	<u>13,723,252</u>

**6. DIRECT COSTS**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Utilities	326,706	326,706	289,664	289,664
Other direct cost	283,704	283,704	340,600	340,600
Wages and Salaries	1,072,421	1,072,421	1,087,675	1,087,675
	<u>1,682,831</u>	<u>1,682,831</u>	<u>1,717,939</u>	<u>1,717,939</u>

**7. OTHER INCOME**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Hiring/Rental fees	-	-	21,629	21,629
Interest income	749,401	751,330	42,814	42,814
Residual gas	784,795	784,795	1,446,025	1,446,025
Insurance claim	-	-	260,786	260,786
	<u>1,534,196</u>	<u>1,536,125</u>	<u>1,771,254</u>	<u>1,771,254</u>

**8(a). STAFF COSTS**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Staff bonus	113,400	113,400	124,835	124,835
Salaries and wages	585,597	585,597	387,371	387,371
Other staff cost	178,605	178,605	183,385	183,385
	<u>877,602</u>	<u>877,602</u>	<u>695,591</u>	<u>695,591</u>

The number of persons employed by the Company at the end of the year was 45 (2015: 42).

**8(b). GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Staff costs (Note 8a)	877,602	877,602	695,591	695,591
Accounting, Audit and legal Fees	-	-	5,651	5,651
Advertisement and Promotion	3,000	3,000	10,139	10,139
Communication expenses	14,974	14,974	14,247	14,247
Consultancy and Professional fees	288,910	312,023	562,908	573,208
Donations and CSR	265,179	265,179	81,115	81,115
Employee pension plan	56,105	56,105	35,614	35,614
Fuel Cost	90,287	90,287	82,853	82,853
Other expenses	358,514	366,244	248,127	249,321
Health and safety	96,888	96,888	76,919	76,919
Insurance	201,354	201,354	163,449	163,449
Internet and IT expenses	314,723	315,673	324,699	324,699
License and fees	69,059	69,059	72,119	72,119
Office stationery and consumables	21,747	21,747	9,517	9,517
Operational supplies and consumables	-	34,968	96,796	96,796
Project research expenditure	25,000	25,000	-	-
Registrations and documentations	155	155	5,680	218,472
Rent and rates	141,714	141,714	82,858	82,858
Repairs and maintenance	735,709	735,709	886,950	886,950
Security services	276,820	276,820	244,530	244,530
Travel, Accommodation and entertainment	169,413	169,443	227,017	227,802
Utilities	140,195	140,195	64,562	64,562
Auditor's Remuneration	52,980	144,340	45,000	85,000
Depreciation	5,511,682	5,511,682	4,177,566	4,177,566
	<u>9,712,010</u>	<u>9,870,161</u>	<u>8,213,907</u>	<u>8,478,978</u>

**9. FINANCE COSTS**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Finance charges and fees	591,413	852,483	162,895	163,095
Interest and bank charges	5,078,138	5,080,917	5,875,007	5,886,735
	<u>5,669,551</u>	<u>5,933,400</u>	<u>6,037,902</u>	<u>6,049,830</u>

**10. NET FOREIGN EXCHANGE**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Foreign exchange gain	(84,254)	(84,389)	(1,280,850)	(1,291,983)
Loans and Project exchange gain	(636,090)	(2,827,958)	(1,855,520)	(1,955,482)
Foreign exchange loss	66,416	161,768	157,602	178,620
Loans and Project exchange loss	2,286,448	6,627,700	4,434,608	9,066,506
	<u>1,632,520</u>	<u>3,877,121</u>	<u>1,455,840</u>	<u>5,997,661</u>

## 11. TAXATION

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
(a) Amount recognised in profit or loss				
Current tax Income (c)	-	-	-	-
Deferred tax charge/ credit	1,650,630	1,650,630	(1,119,263)	(1,119,263)
	<u>1,650,630</u>	<u>1,650,630</u>	<u>(1,119,263)</u>	<u>(1,119,263)</u>

(b) Amount recognised in OCI				
Revaluation of property, plant and equipment	-	-	51,973,547	51,973,547
Tax on revaluation of PPE	-	-	(12,993,387)	(12,993,387)
	-	-	<u>38,980,160</u>	<u>38,980,160</u>

(c) Current tax asset/liabilities				
	Balance at 1/1 GH¢	Payments during the year GH¢	Charge for the year GH¢	Balance at 31/12 GH¢
2016	-	-	-	-
	--	--	--	--
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The above tax position is subject to agreement with the Ghana Revenue Authority.

(d) Reconciliation of effective tax rate				
	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Profit/ (Loss) before taxation	6,575,651	3,908,748	(1,931,080)	(6,749,902)
Income tax using the statutory rate of 25%	(1,643,913)	(977,187)	(482,770)	(6,749,902)
Non-deductible expenses	1,887,857	1,887,857	2,153,267	3,311,241
Deductible expenses	1,108,652	1,108,652	1,670,497	1,404,188
Tax (gain) / losses	298,034	(368,692)	(3,340,994)	(3,027,953)
Current tax charge	<u>1,650,630</u>	<u>1,650,630</u>	<u>-</u>	<u>-</u>
Effective Tax Rate	25%	42%	0%	0%

(e) Deferred tax liability				
	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Balance at 1 January	11,874,124	11,874,124	-	-
Charge/ (Release) to profit or loss	1,650,630	1,650,630	(1,119,263)	(1,119,263)
Charge to OCI	-	-	12,993,387	12,993,387
Balance at 31 December	<u>13,524,754</u>	<u>13,524,754</u>	<u>11,874,124</u>	<u>11,874,124</u>



## 12. PROPERTY, PLANT AND EQUIPMENT

### COMPANY 2016

#### Cost

	Undeveloped Land GH¢	Land and Building GH¢	Civil Works GH¢	Motor Vehicles GH¢	Office Equipment GH¢	Plant and Machinery GH¢	Capital work -in- Progress GH¢	Total GH¢
At 1/1	7,477,831	12,869,074	38,418,158	557,013	1,440,952	43,765,032	969,165	105,497,225
Additions	4,282,667	-	16,686	-	95,876	24,671	170,197	4,590,097
At 31/12	<u>11,760,498</u>	<u>12,869,074</u>	<u>38,434,844</u>	<u>557,013</u>	<u>1,536,828</u>	<u>43,789,703</u>	<u>1,139,362</u>	<u>110,087,322</u>

#### Accumulated Depreciation

At 1/1	-	101,866	473,487	303,355	249,659	2,293,568	-	3,421,935
Charge for the year	-	174,824	817,940	253,657	414,613	3,850,648	-	5,511,682
At 31/12	<u>-</u>	<u>276,690</u>	<u>1,291,427</u>	<u>557,012</u>	<u>664,272</u>	<u>6,144,216</u>	<u>-</u>	<u>8,933,617</u>

#### Carrying amounts

At 31/12/2016	<u>11,760,498</u>	<u>12,592,384</u>	<u>37,143,417</u>	<u>1</u>	<u>872,556</u>	<u>37,645,487</u>	<u>1,139,362</u>	<u>101,153,705</u>
At 31/12/2015	<u>7,477,831</u>	<u>12,767,208</u>	<u>37,944,671</u>	<u>253,658</u>	<u>1,191,293</u>	<u>41,471,464</u>	<u>969,165</u>	<u>102,075,290</u>

## 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### GROUP 2016

#### Cost

	Undeveloped Land GH¢	Land and Building GH¢	Civil Works GH¢	Motor Vehicles GH¢	Office Equipment GH¢	Plant and Machinery GH¢	Capital work - in- Progress GH¢	Total GH¢
At 1/1	7,477,831	31,059,303	38,419,377	557,013	1,440,952	43,765,032	105,185,239	227,904,747
Additions	4,282,667	3,665,939	15,467	-	95,876	24,671	26,800,120	34,884,740
At 31/12	<u>11,760,498</u>	<u>34,725,242</u>	<u>38,434,844</u>	<u>557,013</u>	<u>1,536,828</u>	<u>43,789,703</u>	<u>131,985,359</u>	<u>262,789,487</u>
<b>Accumulated Depreciation</b>								
At 1/1	-	101,866	473,487	303,355	249,659	2,293,568	-	3,421,935
Charge for the year	-	174,824	817,940	253,657	414,613	3,850,648	-	5,511,682
At 31/12	<u>-</u>	<u>276,690</u>	<u>1,291,427</u>	<u>557,012</u>	<u>664,272</u>	<u>6,144,216</u>	<u>-</u>	<u>8,933,616</u>
<b>Carrying amounts</b>								
At 31/12/2016	<u>11,760,498</u>	<u>34,448,552</u>	<u>37,143,417</u>	<u>1</u>	<u>872,556</u>	<u>37,645,487</u>	<u>131,985,359</u>	<u>253,855,870</u>
At 31/12/2015	<u>7,477,831</u>	<u>30,957,437</u>	<u>37,945,890</u>	<u>253,658</u>	<u>1,191,293</u>	<u>41,471,464</u>	<u>105,185,239</u>	<u>224,482,812</u>

## 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### COMPANY 2015

#### Cost

	Undeveloped Land GH¢	Land and Building GH¢	Civil Works GH¢	Motor Vehicles GH¢	Office Equipment GH¢	Plant and Machinery GH¢	Capital work -in- Progress GH¢	Total GH¢
At 1/1	7,477,831	6,080,544	18,392,760	248,575	940,839	19,487,400	921,430	53,549,379
Additions	-	32,576	464,897	-	73,112	142,001	737,050	1,449,636
Transfers In/(Out)	-	-	-	-	-	689,315	(689,315)	-
Revaluation	-	6,755,954	19,560,501	308,438	427,001	23,446,316	-	50,498,210
At 31/12	<u>7,477,831</u>	<u>12,869,074</u>	<u>38,418,158</u>	<u>557,013</u>	<u>1,440,952</u>	<u>43,765,032</u>	<u>969,165</u>	<u>105,497,225</u>

#### Accumulated Depreciation

At 1/1	-	7,936	34,350	71,700	49,893	99,854	-	263,733
Charge for the year	-	139,788	639,838	296,743	333,832	2,767,365	-	4,177,566
Revaluation	-	(45,858)	(200,701)	(65,088)	(134,066)	(573,651)	-	(1,019,364)
At 31/12	<u>-</u>	<u>101,866</u>	<u>473,486</u>	<u>303,355</u>	<u>249,659</u>	<u>2,293,568</u>	<u>-</u>	<u>3,421,935</u>

#### Carrying amounts

At 31/12/2015	<u>7,477,831</u>	<u>12,767,208</u>	<u>37,944,671</u>	<u>253,658</u>	<u>1,191,293</u>	<u>41,471,464</u>	<u>969,165</u>	<u>102,075,290</u>
At 31/12/2014	<u>7,477,831</u>	<u>6,072,608</u>	<u>18,358,410</u>	<u>176,875</u>	<u>890,946</u>	<u>19,387,546</u>	<u>921,430</u>	<u>53,285,646</u>

Leasehold Land and Buildings, Civil Works, Plant and Machinery, Office Equipment and Motor Vehicles were revalued by Assenta Property Consulting (International Property and Development Consultants, Valuers and Property Managers) on 14th May, 2015 on the basis of their open market values. These figures were incorporated in the financial statements as at 31 May 2015.

## 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### GROUP 2015

#### Cost

	Undeveloped Land GH¢	Land and Building GH¢	Civil Works GH¢	Motor Vehicles GH¢	Office Equipment GH¢	Plant and Machinery GH¢	Capital work -in- Progress GH¢	Total GH¢
At 1/1	7,477,831	24,165,273	18,392,759	248,575	940,839	19,487,400	76,249,123	146,963,020
Additions	-	138,076	464,897	-	73,112	142,001	29,625,431	30,443,517
Transfers In /(Out)	-	-	-	-	-	689,315	(689,315)	-
Revaluation	-	6,755,954	19,560,501	308,438	427,001	23,446,316	-	50,498,210
At 31/12	<u>7,477,831</u>	<u>31,059,303</u>	<u>38,419,377</u>	<u>557,013</u>	<u>1,440,952</u>	<u>43,765,032</u>	<u>105,185,239</u>	<u>227,904,747</u>

#### Accumulated Depreciation

At 1/1	-	7,936	34,350	71,700	49,893	99,854	-	263,733
Charge for the year	-	139,788	639,838	296,743	333,832	2,767,365	-	4,177,566
Revaluation	-	(45,858)	(200,701)	(65,088)	(134,066)	(573,651)	-	(1,019,364)
At 31/12	<u>-</u>	<u>101,866</u>	<u>473,487</u>	<u>303,355</u>	<u>249,659</u>	<u>2,293,568</u>	<u>-</u>	<u>3,421,935</u>

#### Carrying amounts

At 31/12/2015	<u>7,477,831</u>	<u>30,957,437</u>	<u>37,945,890</u>	<u>253,658</u>	<u>1,191,293</u>	<u>41,471,464</u>	<u>105,186,457</u>	<u>224,482,812</u>
At 31/12/2014	<u>7,477,831</u>	<u>24,157,337</u>	<u>18,359,629</u>	<u>176,875</u>	<u>890,946</u>	<u>19,387,546</u>	<u>76,250,341</u>	<u>146,699,287</u>

Leasehold Land and Buildings, Civil Works, Plant and Machinery, Office Equipment and Motor Vehicles were revalued by Assenta Property Consulting (International Property and Development Consultants, Valuers and Property Managers) on 14th May, 2015 on the basis of their open market values. These figures were incorporated in the financial statements as at 31 May 2015.

**13. INVESTMENTS**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Investment in Subsidiary	53,290,000	-	100,000	-
Deposit for Equity Investment	46,100,000	-	14,190,000	-
	-----	--	-----	--
	99,390,000	-	14,290,000	-
	=====	==	=====	==

**14. INVENTORY**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Spare parts	19,441	19,441	-	-
Fuel stock	41,594	41,594	10,847	10,847
	-----	-----	-----	-----
	61,034	61,034	10,847	10,847
	=====	=====	=====	=====

**15. OTHER RECEIVABLES**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Trade receivables*	2,333,497	2,333,497	200,946	200,946
Other receivables	1,700,454	1,702,607	3,280,167	3,443,852
Staff receivables	56,000	56,000	65,000	65,000
Prepayments	269,496	269,496	219,911	219,911
	-----	-----	-----	-----
	4,359,447	4,361,600	3,766,024	3,929,709
	=====	=====	=====	=====

The maximum amount due from staff of the Company during the year was GH¢56,000 (2015; GH¢65,000).

\*Trade receivable consist of amount receivable from Sage Petroleum Limited.

**16. CASH AND CASH EQUIVALENTS**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
Bank balances	1,820,270	1,958,768	1,348,520	1,348,520
Cash balances	83,229	85,213	3,960	3,960
Restricted cash 16(b)	1,860,690	1,860,690	1,739,070	1,739,070
	-----	-----	-----	-----
Cash and cash equivalents	3,764,189	3,904,671	3,091,550	3,091,550
	=====	=====	=====	=====



**16(b). RESTRICTED CASH**

	<b>Company 2016 GH¢</b>	<b>Group 2016 GH¢</b>	<b>Company 2015 GH¢</b>	<b>Group 2015 GH¢</b>
SCB GHS Debt Service Account	600,000	600,000	600,000	600,000
SCB GHS Debt Service Account	1,260,690	1,260,690	1,139,070	1,139,070
	<u>1,860,690</u>	<u>1,860,690</u>	<u>1,739,070</u>	<u>1,739,070</u>

Restricted cash relates to a long term loan of GH¢ 12,000,000.00 and USD 6,000,000.00 obtained from Standard Chartered Bank (SCB) in February 2015 for a period of 5 years. The purpose of the loan was to finance the construction and commissioning of its LPG tank farm plant at Atuabo. Interest is to be charged at 28.50 % per annum and 7.00% per annum respectively. Instalment repayment is done every quarter. As per the agreement, SCB withholds the next principal instalment repayment as guarantee for both facilities and disbursed the net as the principal.

**17. LOAN AND BORROWINGS****COMPANY****2016**

	<b>Balance at 1/1/16 GH¢</b>	<b>Drawdown GH¢</b>	<b>Repayments GH¢</b>	<b>Balance at 31/12/16 GH¢</b>
Standard Chartered Bank Loan (a)	29,564,190	-	5,375,220	24,188,970
	<u>29,564,190</u>	<u>-</u>	<u>5,375,220</u>	<u>24,188,970</u>
Amount Payable within one year				7,442,760
Amount Payable after one year				16,746,210
				<u>24,188,970</u>

**GROUP****2016**

Standard Chartered Bank Loan (a)	29,564,190	-	5,375,220	24,188,970
	<u>29,564,190</u>	<u>-</u>	<u>5,375,220</u>	<u>24,188,970</u>
Amount Payable within one year				7,442,760
Amount Payable after one year				16,746,210
				<u>24,188,970</u>

## 17. LOAN AND BORROWINGS – (CONT'D)

**COMPANY**

2015

	Balance at 1/1/15 GH¢	Drawdown GH¢	Repayments GH¢	Balance at 31/12/15 GH¢
Standard Chartered Bank Loan	-	32,804,080	3,239,890	29,564,190
NDK Financial Services	13,198,635	-	13,198,635	-
Bond Financial Services	2,500,000	-	2,500,000	-
	=====	=====	=====	=====
	15,698,635	32,804,080	18,938,525	29,564,190
	=====	=====	=====	=====
Amount Payable within one year				5,375,220
Amount Payable after one year				24,188,970
				=====
				29,564,190
				=====

**GROUP**

2015

Standard Chartered Bank Loan	-	32,804,080	3,239,890	29,564,190
NDK Financial Services	13,198,635	-	13,198,635	-
Bond Financial Services	2,500,000	-	2,500,000	-
	=====	=====	=====	=====
	15,698,635	32,804,080	18,938,525	29,564,190
	=====	=====	=====	=====
Amount Payable within one year				5,375,220
Amount Payable after one year				24,188,970
				=====
				29,564,190
				=====

**a. Standard Chartered Loan**

The company obtained a long term loan facility of GH¢ 12,000,000.00 and USD 6,000,000.00 respectively from Standard Chartered Bank in February and March 2015. Both facilities have a tenor of five (5) years. The purpose of the loan was to finance the construction and commissioning of the LPG tank farm at Atuabo. The Ghana cedis loan facility attracts an interest of 28.50% per annum and repayment is done every quarter. The USD denominated facility attracts an interest of 7% +LIBOR per annum. The interest is payable every quarter.

## 18. ACCOUNTS PAYABLE

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Payable – Tank Farm	407,775	28,446,894	1,494,577	41,050,706
Accruals	898,033	586,101	699,713	772,917
Sundry payables	982,686	1,521,224	1,201,589	1,690,563
Trade Payable	14,623,378	14,623,378	-	-
	=====	=====	=====	=====
	16,911,872	45,177,597	3,395,879	43,514,185
	=====	=====	=====	=====

## 19. RELATED PARTY TRANSACTIONS

### (a) Parent and ultimate controlling party

The Company is a subsidiary of the Quantum Group Limited. Quantum Group Limited and Arch Investment Limited owns 55% and 45% of the issued shares of the company respectively. Quantum Group Limited is a company incorporated in Ghana. There are other companies that are related to Quantum Terminals Limited through common shareholding and/or common directorship. This includes Quantum Group Limited, Sage Petroleum Limited and Cardinal Petroleum Limited amongst others.

### (b) Amount due to related parties

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Advances due to Director (i)	-	-	152,194	2,430,334
Quantum Group Limited	13,530	13,530	51,004,119	52,104,119
Sage Petroleum Limited	-	5,896,543	1,881,286	11,215,877
Sage Loans (ii)	-	30,611,013	26,401,671	26,401,671
	-----	-----	-----	-----
	13,530	36,521,086	79,439,270	92,152,000
	=====	=====	=====	=====

(i) This relates to amounts paid by the Executive Chairman of the Group to some contractors on behalf of the group.

(ii) Sage Petroleum Limited advanced monies of US\$ 4,953,480.73 and US\$ 2,000,000 to Quantum Terminals Limited in 2013 and 2014 respectively. Both facilities would be terminated upon full repayment of the sum disbursed. The purpose of the loan was to finance the construction of tank farm in Tema. The US\$ 4,953,480.73 loan facility attracts an interest of 10% per annum and the US\$ 2,000,000 loan facility attracts an interest of 8.256%. Repayment of the loan is to be made in block after repaying all other loans subscribed from other companies. In 2014, Quantum Terminals Limited then lent the same amount with the same terms to Quantum Oil Terminals Limited, a subsidiary of Quantum Terminals Limited, licensed by the National Petroleum Authority and authorised to construct and manage petroleum storage facilities. On 23 December, 2016, Sage Petroleum Limited entered into a tripartite agreement with Quantum Terminals and Quantum Oil Terminals Limited for Quantum Terminals Limited to transfer its loan obligation to Quantum Oil Terminals Limited.

### (c) Amount due from related parties

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Quantum Gas Terminals Limited	1,189	-	-	-
Quantum Oil Terminals Limited	786	-	64,105,955	-
	-----	--	-----	--
	1,975	-	64,105,955	-
	=====	==	=====	==

## 19. RELATED PARTY TRANSACTIONS

### (d) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly including any Director (whether executive or otherwise) of the Company.

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Short term benefits	158,400	158,400	158,400	158,400
Defined Contribution (SSNIT)	8,712	8,712	8,712	8,712

Compensation of the Group's key management personnel includes salaries, and contributions to a postemployment defined contribution plan.

## 20. CAPITAL AND RESERVES

### (a) Stated capital

	No. of Shares		Proceeds	
	2016 '000	2015 '000	2016 GH¢	2015 GH¢
<b>Authorised</b>				
Ordinary shares of no par value	500,000	500,000		
	=====	=====		
<b>Issued</b>				
For cash	70,000	10	70,000,000	10,000
	=====	=====	=====	=====

There is no share in treasury and no call or instalment unpaid on any share.

## 20. CAPITAL AND RESERVES

### (b) Deposit for Shares

Deposits for shares relates to funds deposited by Quantum Group Limited in respect of share offer from the company. Quantum Group has deposit for shares of GH¢ 35,100,000 in 2016.

### (c) Revaluation reserve

The revaluation reserve relates to revaluation of leasehold land in property, plant and equipment and details include:

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Balance at 1 January	37,835,208	37,835,208	8,263,742	8,263,742
Revaluation of property, plant and equipment, net of tax	-	-	38,980,160	38,980,160
Transfer from revaluation to retained earnings	(3,283,213)	(3,283,213)	(9,408,694)	(9,408,694)
	=====	=====	=====	=====
Balance at 31 December	34,551,995	34,551,995	37,835,208	37,835,208

### (d) Retained earnings

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

## 21. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date and also as at 31 December 2015.

## 22. CAPITAL COMMITMENTS

The Group has capital commitments in respect of the construction of LPG and Oil Tank Farm Projects to the tune of GH¢ 195,471,012 outstanding as at the year ended 2016 and GH¢ Nil as at 31 December 2015.

## 23. GOING CONCERN CONSIDERATION

The Group's current liabilities exceeded current assets by GH¢44,293,052 (2015: GH¢ 41,857,299) at year ended 31 December 2016. The Group reported a profit of GH¢2,260,349 and the directors have made an assessment of the cash flow projections of the company for the next twelve (12) months which shows a positive business outlook. The Group expects the completion and operationalization of two projects in the year 2017; that is the Quantum Oil Terminal's Tema Oil Tank Farm and the Quantum Gas Terminal's Tema Propane Tank Farm. The Directors therefore believe that the company will be able to generate enough cash flows from its operations to settle its liabilities.

The financial statements have been prepared on going concern basis. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of the Company and that the settlement of liabilities will occur in the ordinary course of business.

## 24. FINANCIAL RISK MANAGEMENT

### Overview

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

These risks have been explained below together with the necessary measures put in place by management to mitigate the impact of such risks on the company.

### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. Management of the company also has the responsible for developing and monitoring the company's risk management policies.

The company's risk management policies are established to identify and analyse risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company's Board of Directors is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the company.

## 24. FINANCIAL RISK MANAGEMENT – CONT'D

### Risk management framework – cont'd

#### (i) Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risks arises from cash and cash equivalents and deposits with banks and financial institutions as well as credit exposure to customers, including outstanding receivables and committed transactions.

Maximum exposure to credit risk are as follows:

	Company 2016 GH¢	Group 2016 GH¢	Company 2015 GH¢	Group 2015 GH¢
Amount due from related parties	1,975	-	64,105,955	-
Other receivables*	4,089,951	4,092,104	3,546,113	3,709,798
Bank balance	1,820,272	1,958,768	1,348,520	1,348,520
	<u>5,912,198</u>	<u>6,050,872</u>	<u>69,000,588</u>	<u>5,058,318</u>

\* This excludes prepayments.

#### (ii) Liquidity risk

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

The following are contractual maturities of financial liabilities:

#### 31 December

	Amounts Company 2016 GH¢	Amounts Group 2016 GH¢	6-12 mths Company 2016 GH¢	6-12 mths Group 2016 GH¢
<b>Non-derivative financial liability</b>				
Other receivables	4,089,951	4,092,104	3,546,113	3,709,798
Bank balance	3,680,960	3,819,458	3,087,590	3,087,590
	<u>7,770,911</u>	<u>7,911,562</u>	<u>6,633,703</u>	<u>6,797,388</u>

#### (iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

## 24. FINANCIAL RISK MANAGEMENT - (CONT'D)

### (a) Foreign currency risk

The company is exposed to currency risk on purchases that are denominated in currencies other than the functional currency.

The following significant exchange rates applied during the year:

Rates of exchange (ROE)

	Average Rate		Reporting Rate	
	Company 2016 GH¢	Group 2015 GH¢	Company 2016 GH¢	Group 2015 GH¢
US\$ to GH¢	3.9319	3.9319	4.2023	2.9369
GBP to GH¢	5.2797	5.6833	5.2797	5.6202
	=====	=====	=====	=====

### Sensitivity analysis on currency risks

A 6.88% and 1.5% strengthening of the cedi against the US dollar and the Pound sterling at 31 December 2016 would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015.

### (b) Interest rate risk

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in interest rates. The Company currently does not have long term financial instruments that would be susceptible to interest rate risks.

### (c) Fair value hierarchy

The following table sets out the fair values of financial instruments measured at fair value and analyses them by the level in the fair value hierarchy into which each fair value measurement is categorised:

	Company 2016 Carrying GH¢	Group 2016 Fair Value GH¢	Company 2015 Fair Value GH¢	Group 2015 Fair Value GH¢
<b>Financial assets not measured at fair value</b>				
Other receivables	4,359,447	4,361,600	3,766,024	3,929,709
Cash and cash equivalent	3,764,189	3,904,671	3,091,550	3,091,550
	-----	-----	-----	-----
	8,123,636	8,266,271	6,857,574	7,021,259
	=====	=====	=====	=====
 Loans and borrowings	 24,188,970	 24,188,970	 29,564,190	 29,564,190
Accounts Payable	16,911,872	45,177,597	3,395,879	43,514,185
Amount due to related parties	13,530	36,521,086	79,439,270	92,152,000
	-----	-----	-----	-----
	41,114,372	105,887,653	112,399,339	165,230,375
	=====	=====	=====	=====

The carrying amounts approximate fair values due to the short maturity of these instruments.