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Quantum Terminals Limited (QTL)

Accountant's Report
31 May 2017

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INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON QUANTUM TERMINALS LIMITED (QTL)

30 May 2017

The Board of Directors,
Quantum Terminals Limited,
Kanda-Accra

Dear Sir,

LISTING OF QUANTUM TERMINALS' NOTES PROGRAM ON THE GHANA FIXED INCOME MARKET (GFIM) - ACCOUNTANTS' REPORT

We have reviewed the annual audited financial statements of QTL that comprise the statement of financial position as at end of 31 December 2013, 2014, 2015 and 2016, the statement of profit and loss and other comprehensive income and the statement of cash flows for the periods then ended and a summary of significant accounting policies and other explanatory notes as set in the financial statements.

KPMG have acted as auditors of QTL for 2016, 2015 and 2014 and Messrs Nexia Debrah & Co acted as auditors in 2013 which are the years relevant to this report. For each of the relevant years, the auditors issued an unqualified audit report. No audited financial statements have been prepared for submission to shareholders for any period subsequent to 31 December 2016.

The financial statements from 2013 to 2016 set out in the following sections have been prepared from the audited financial statements of QTL for 2013, 2014, 2015 and 2016.

Directors' Responsibility

The Company's directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of 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.

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Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the annual financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400; Engagement to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when we become aware of matters that cause us to believe that the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fair view, in all material respects, the financial position of QTL as at 31 December, 2013, 2014, 2015 and 2016 and of requirements of the International Financial Reporting Standards (IFRS) and the Companies Act 1963, (Act 179).

The purpose of this report is for QTL's intended listing on the GFIM and should not be disclosed to any third party for other purposes without our prior written consent.

Deloitte & Touche

Deloitte & Touche (ICAG/F/2016/129)
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QUANTUM TERMINALS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015, 2014 AND 2013

	Note	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Revenue	5	23,738,368	13,723,252	175,771	-
Direct costs	6	(1,682,831)	(1,717,939)	(135,569)	-
Gross profit		**22,055,537**	**12,005,313**	**40,202**	**-**
Other income	7	1,534,196	1,771,254	84,768	1,933
General and administrative expenses	8	(4,200,328)	(4,036,339)	(1,476,030)	(252,731)
EBITDA		**19,389,405**	**9,740,228**	**(1,351,060)**	**(250,798)**
Depreciation	8	(5,511,682)	(4,177,566)	(246,608)	(17,125)
Operating profit/(loss)		**13,877,723**	**5,562,662**	**(1,597,668)**	**(267,923)**
Finance cost	9	(5,669,551)	(6,037,902)	(199,343)	-
Foreign exchange loss	10	(1,632,520)	(1,455,840)	(37,547)	(263,402)
Profit/(Loss) before tax		**6,575,652**	**(1,931,080)**	**(1,834,558)**	**(531,325)**
Income tax expense	10(a)	(1,650,630)	1,119,263	(5,571)	5,571
Profit/(Loss) after tax		**4,925,022**	**(811,817)**	**(1,840,129)**	**(525,754)**
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Revaluation of property, plant and equipment		-	51,973,547	-	8,263,741
Tax on revaluation of PPE		-	(12,993,387)	-	-
Other comprehensive income, net of tax		**-**	**38,980,160**	**-**	**8,263,741**
Total Comprehensive Income		4,925,022	38,168,343	(1,840,129)	7,737,987

QUANTUM TERMINALS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016, 2015, 2014 AND 2013

Assets	Note	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Non-current assets					
Property, plant and equipment	13	101,153,705	102,075,290	53,285,644	70,943,225
Investment	14	99,390,000	14,290,000	100,000	-
Amount due from related parties	20(d)	1,975	64,105,955	29,095,459	-
Deferred tax asset		-	-	-	5,571
Total non-current assets		**200,545,680**	**180,471,245**	**82,481,103**	**70,948,796**
Current assets					
Inventory	15	61,034	10,847	-	-
Trade and other receivables	16	4,359,447	3,766,024	3,442,475	197,318
Cash and cash equivalents	17	3,764,189	3,091,550	40,669	214,459
Current assets		**8,184,670**	**6,868,421**	**3,483,144**	**411,777**
Total assets		**208,730,350**	**187,339,666**	**85,964,247**	**71,360,573**
Equity and liabilities					
Capital and reserves					
Share capital	21(a)	70,000,000	10,000	10,000	10,00
Deposit for shares	21(b)	35,100,000	18,990,000	4,800,000	
Revaluation reserve	21(c)	34,551,995	37,835,208	8,263,742	8,263,74
Retained earnings	21(d)	14,439,229	6,230,995	(2,365,882)	(525,75
Total equity		**154,091,224**	**63,066,203**	**10,707,860**	**7,747,987**
Non-current liabilities					
Loans and borrowings	18	16,746,210	24,188,970	-	-
Deferred tax liability	12	13,524,754	11,874,124	-	-
Amount due to related parties	20(b)	13,530	79,439,270	49,092,656	47,644,19
Total non-current liabilities		**30,284,494**	**115,502,364**	**49,092,656**	**47,644,19**
Current liabilities					
Loans and borrowings	18	7,442,760	5,375,220	15,698,635	9,398,63
Trade and other payables	19	16,911,872	3,395,879	10,465,096	6,569,75
Total current liabilities		**24,354,632**	**8,771,099**	**26,163,731**	**15,968,38**
Total liabilities		**54,639,126**	**124,273,463**	**75,256,387**	**63,612,58**
Total equity and liabilities		**208,730,350**	**187,339,666**	**85,964,247**	**71,360,57**

QUANTUM TERMINALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015, 2014 AND 2013

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Cash flows from operating activities				
Profit /(Loss) before taxation	6,575,651	(1,931,080)	(1,840,129)	(531,325)
Adjustment for:				
Depreciation	5,511,682	4,177,566	246,608	17,125
Net exchange loss	1,632,520	1,455,840	37,547	930
	13,719,853	3,702,326	(1,555,974)	(513,270)
Changes in:				
Inventories	(50,187)	(10,847)	-	-
Trade and other receivables	(593,421)	(320,682)	(3,111,347)	(114,013)
Prepayments	-	(2,867)	(133,810)	(83,235)
Trade and other payables	·13,515,992	(7,069,217)	(4,419,145)	6,568,772
Amount due to related parties	(2,321,760)	(4,207,992)	31,439,508	33,874,279
Amount due from related parties	-	-	-	10,000
Cash generated from operating activities	**10,550,624**	**(11,611,605)**	**23,775,206**	**40,255,803**
Net cash from operating Activities	24,270,477	(7,909,279)	22,219,232	39,742,533
Cash flows from investing activities				
Acquisition of property, plant and equipment	(4,590,098)	(1,449,554)	(33,355,475)	(50,538,437)
Investment in subsidiary	(47,100,000)	(14,190,000)	(100,000)	-
Net cash used in investing activities	**(51,690,098)**	**(15,639,554)**	**(33,455,475)**	**(50,538,437)**
Cash flows from financing activities				
Proceeds from loan drawdown	-	13,865,555	6,300,000	9,398,635
Loan repayment	(5,375,220)			
Proceeds from deposit for shares	16,110,000	14,190,000	4,800,000	-
Share issue	18,990,000	-	-	-
Net cash from financing activities	**29,724,780**	**28,055,555**	**11,100,000**	**9,398,635**
Net increase/(decrease) in cash and cash equivalents	2,305,159	4,506,722	(136,243)	(1,397,269)
Net exchange loss	(1,632,520)	(1,455,840)	(37,547)	
Restricted cash at 1 January	1,739,070	-	-	-
Cash and cash equivalents at 1 January	1,352,480	40,669	214,459	1,611,728
Cash and bank balance at 31 December	**3,764,189**	**3,091,551**	**40,669**	**214,459**

1. REPORTING ENTITY

QTL is incorporated in Ghana under the Companies Act 1963 (Act 179) as a Private Limited Liability Company, and is domiciled in Ghana.

2. BASIS OF PREPARATION

a. Statement of compliance

The 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

The financial statements are prepared on historical cost basis except for property, plant and equipment that have been stated at fair values.

c. Functional and presentation currency

The financial statements are presented in Ghana Cedis (GHS) which is the company's functional and presentation currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest Ghana cedi.

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. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (GHS) 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.

b. Financial instruments

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

The Company classifies non –derivative financial liabilities into the other financial liabilities category.

i. Non-derivative financial assets and liabilities – recognition and de-recognition

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The company 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 risk and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the company is recognized as a separate asset or liability.

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

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when and only when, the Company has the legal 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.
ii. Non-derivative financial assets – measurement

Loans and receivable

Loans and receivables comprises trade receivables, amount due from related parties, cash and cash equivalents and other receivables.

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents represent cash on hand, bank balances and short-term investments.

iii. Non-*derivative financial liabilities – measurement*

Non-derivative financial liabilities are initially recognized at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise loans and borrowings, trade payables and amount due to related parties.

iv. 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.

c. Impairment

i. Financial assets

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers, and economic conditions that correlate with defaults.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its 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 against loans and receivables. Interest on the impaired asset, where applicable, continues to be recognised.
When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

The Company 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.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

ii. Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

e. 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. The revaluation reserve arising on the PPE is credited to the revaluation surplus in the shareholders equity.

Decreases that offset previous increases of the same asset are charged against the non-distributable reserve. All decreases are charged to the statement of comprehensive income.

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.

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:

Asset Class	Depreciation Rate
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	2.00% - 10.00%

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

f. 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 the customer's vessel or relevant carrier.

g. 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.

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.

h. 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.

i. 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 QTL 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**
IAS 7 amendments	Disclosure Initiatives 1 January	1 January 2017
IAS 12 amendments	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from contracts with customers	1 January 2018

Amendments to IAS 7 Disclosure Initiatives

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

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. 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, and 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 ending 31 December 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

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Throughput fees	3,660,701	4,017,126	174,733	-
Rack loading fees	-	10,103	1,038	-
Development support fund	20,077,667	9,696,023	-	-
	23,738,368	13,723,252	175,771	-

6. Direct costs

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Utilities	326,706	289,664	23,038	-
Other direct cost	283,704	340,600	32,548	-
Wages and Salaries	1,072,421	1,087,675	79,983	-
	1,682,831	1,717,939	135,569	-

7. Other income

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Hiring/rental fees	-	21,629	11,893	-
Interest income	749,401	42,814	-	-
Residual gas	784,795	1,446,025	72,875	-
Insurance claim	-	260,786	-	-
Sundry Income	-	-	-	1,933
	1,534,196	1,771,254	84,768	1,933

8. Staff costs

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Staff bonus	113,400	124,835	-	-
Salaries and wages	585,597	387,371	364,359	-
Other staff cost	178,605	183,385	108,130	-
	877,602	695,591	472,489	-

The number of persons employed by the Company at the end of each year was 2016: 45, 2015:42, 2014:40, 2013:nil)

9. General and administrative expenses

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Staff costs	877,602	695,591	472,489	-
Accounting & legal fees	-	5,651	289,375	-
Advertisement & promotion	3,000	10,139	-	-
Communication expenses	14,974	14,247	80	-
Consultancy fees	288,910	562,908	92,508	25,439
Donations and CSR	265,179	81,115	22,444	-
Employee pension plan	56,105	35,614	-	-
Fuel cost	90,287	82,853	-	-
Other expenses	358,514	248,127	31,687	-
Health and safety	96,888	76,919	5,092	-
Insurance	201,354	163,449	30,578	-
Internet and IT expenses	314,723	324,699	26,658	-
License and fees	69,059	72,119	88,958	36,659
Office stationery	21,747	9,517	11,300	-
Operational supplies	-	96,796	41,578	-
Project research expenses	25,000	-	222,944	-
Registration expenses	155	5,680	-	-
Rent and rates	141,714	82,858	31,772	2,204
Repairs and maintenance	735,709	886,950	27,910	-
Security services	276,820	244,530	-	-
Travel and entertainment	169,413	227,017	32,420	21,068
Utilities	140,195	64,562	237	-
Auditor's remuneration	52,980	45,000	48,000	28,000
Bank charges and interest	-	-	-	139,361
Depreciation	5,511,682	4,177,566	246,608	17,125
	9,712,010	8,213,907	1,722,638	269,856

10. Finance costs

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Finance charges and fees	591,413	162,895	-	-
Interest and bank charges	5,078,138	5,875,007	199,343	-
	5,669,551	6,037,902	199,343	-

11. Foreign exchange

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Foreign exchange gain	(84,254)	(1,280,850)	-	-
Loans and project exchange gain	(636,090)	(1,855,520)	-	-
Foreign exchange loss	66,416	157,602	712	263,402
Loans and project exchange loss	2,286,448	4,434,608	36,835	-
	1,632,520	1,455,840	37,547	263,402

12. Taxation

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
(a) Amount recognised in profit and loss	-	-	-	-
Current tax expense (c)	-	-	-	-
Deferred tax credit	1,650,630	1,119,263	5,571	(5,571)
	1,650,630	1,119,263	5,571	(5,571)

(b) Amount recognised in OCI	-	-	-	-
Revaluation of property,plant and equipment	-	51,973,547	-	8,263,741
Tax on revaluation of PPE	-	(12,993,387)	-	-
	-	38,980,160	-	8,263,741

(c). Current tax liabilities

2016	Balance at 1 Jan GHS	Balance at 1 Jan GHS	Payment during the year GHS	Charge for the year GHS
	-	-	-	-
	-	-	-	-

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

(d) Reconciliation of effective tax rate

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Profit/(Loss) before taxation	6,575,651	(1,931,080)	(1,840,129)	(531,325)
Income tax using the statutory rate of 25%	(1,643,913)	(482,770)	(460,032)	(132,831)
Non-deductible expeses	1,887,857	2,153,267	71,039	70,132
Deductible expenses	1,108,652	1,670,497	66,074	-
Tax (gain)/losses	298,024	(3,340,994)	317,348	57,128
Current tax charge	1,650,620	-	(5,571)	(5,571)
Effective tax rate	0.00%	0.00%	0.30%	

(e) Deferred tax

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Balance at 1 January	11,874,124.00	-	(5,571)	-
Charge to profit or loss	1,650,630	(1,119,263)		
Recognised in OCI	-	12,993,387	5,571	(5,571)
Balance at 31 December	13,524,754	11,874,124	-	(5,571)

QUANTUM TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015, 2014 AND 2013

13. Property, plant & equipment

Cost/Valuation	Underdeveloped land GHS	Land and building GHS	Civil works GHS	Motor vehicles GHS	Office equipment GHS	Plant and machinery GHS	Capital work GHS	Total GHS
At 1/1/14	7,477,831	1,504,562	-	89,460	47,872	-	10,613,065	19,732,790
Additions	-	3,350,992	13,163,907	159,115	865,646	16,276,927	-	33,816,587
Transfers in /(out)	-	1,224,990	5,228,851	-	27,322	3,210,472	(9,691,635)	-
At 31/12/14	7,477,831	6,080,544	18,392,758	248,575	940,840	19,487,399	921,430	53,549,377
At 1/1 /15	7,477,831	6,080,544	18,392,759	248,575	940,839	19,487,400	921,430	53,549,378
Additions -	-	32,576	464,898	-	73,112	142,001	737,050	1,449,637
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 1/12/15	7,477,831	12,869,074	38,418,158	557,013	1,440,952	43,765,032	969,165	105,497,225
At 1/1 /16	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 1/12/16	11,760,498	12,869,074	38,434,844	557,013	1,536,828	43,789,703	1,139,362	110,087,322
Accumulated depreciation								
At 1/1/14	-	-	-	13,564	3,561	-	-	17,125
Charge for the year	-	7,936	34,349	58,136	46,333	99,854	-	246,608
At 31/12/14	-	7,936	34,349	71,700	49,894	99,854	-	263,733
At 1/1/15	-	7,936	34,349	71,700	49,894	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 31/12/15	-	101,866	473,486	303,355	249,660	2,293,568	-	3,421,935
At 1/1/16	-	101,866	473,486	303,355	249,660	2,293,568	-	3,421,935
Charge for the year	-	174,824	817,940	253,657	414,613	3,850,648	-	5,511,682
Revaluation	-						-	-
At 31/12/16	-	276,690	1,291,426	557,012	664,273	6,144,216	-	8,933,617
Carrying amounts								
At 31/12/2016	11,760,498	12,592,384	37,143,418	1	872,555	37,645,487	1,139,362	101,153,705
At 31/12/2015	7,477,831	12,767,208	37,944,672	253,658	1,191,292	41,471,464	969,165	102,075,290
At 31/12/2014	7,477,831	6,072,608	18,358,409	176,875	890,946	19,387,545	921,430	53,285,644
At 31/12/2013	-	24,225,724	-	75,896	44,311	-	46,597,294	70,943,225

14. Investments

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Investment in Subsidiary	53,290,000	100,000	100,000	-
Deposit for Equity Investment	46,100,000	14,190,000	-	-
	99,390,000	14,290,000	100,000	-

15. Inventory

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Spare parts	19,441	-	-	-
Fuel stock	41,594	10,847	-	-
	61,035	10,847	-	-

16. Trade and other receivables

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Trade receivables due from related parties	2,333,497	200,946	24,660	-
Other receivables	1,700,454	3,280,167	3,180,144	111,028
Staff receivables	56,000	65,000	20,627	3,055
Prepayment	-	219,911	217,044	83,235
	4,089,951	3,766,024	3,442,475	197,318

17. Cash and cash equivalents

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Bank balances	1,820,270	1,348,520	40,699	169,689
Cash balances	83,229	3,960	-	44,770
Restricted cash	1,860,690	1,739,070		
Cash and cash equivalents	3,764,189	3,091,550	40,699	214,459

Restricted cash at SCB relates to a long term loan of GHS 12,000,000.00 and USD 6,000,000.00 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 3 month LIBOR plus 7.00% per annum respectively. Instalment repayment is done every quarter. As per the agreement, an amount equivalent to one quarter instalment repayment was deposited in a Debt Service Reserve Account at SCB as guarantee for both facilities.

The maximum amount due from staff of the Company during the year was GHS 56,000 (2015; GHS 65,000 2014; GHS 20,627, 2013; GHS 3,055)

18. Loan and Borrowings

2016	Balance at 1/1/16 GHS	Drawdown GHS	Repayments GHS	Balance at 31/12/16 GHS
Standard Chartered Bank loan	29,564,190	-	5,375,220	24,188,970
Total	29,564,190	-	5,375,220	24,188,970

2015	Balance at 1/1/15 GHS	Drawdown GHS	Repayments GHS	Balance at 31/12/15 GHS
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	-
Total	15,698,635	32,804,080	18,938,525	29,564,190

2014	Balance at 1/1/14 GHS	Drawdown GHS	Repayments GHS	Balance at 31/12/14
NDK Financial Services	9,398,635	3,800,000	-	13,198,635
Bond Financial Services		2,500,000	-	2,500,000
Total	9,398,635	6,300,000	-	15,698,635

2013	Balance at 1/1/13 GHS	Drawdown GHS	Repayments GHS	Balance at 31/12/13 GHS
NDK Financial Services	-	9,398,635	-	9,398,635
Total	-	9,398,635	-	9,398,635

a. ***NDK Financial Services***

QTL obtained a short term loan on 28th May, 2013 of GHS 9,400,000.00 from NDK Financial Services. The loan facility attracts an interest rate of 2.95% per month compound calculated on a 30 day per month basis, collectible monthly in arrears. Interest is calculated based on the amounts drawn and interest is effective on draw down dates. An additional short term loan facility of GHS 3,855,000.00 was given to the company on 18th March, 2014. Interest rate on this loan was 3.22% per month compound calculated on a 30 day per month basis and collectible monthly in arrears. The purpose of both loan facilities was to construct the tank farm at Atuabo.

b. ***Bond Financial Services***

The company obtained a short term loan of GHS 2,500,000.00 from Bond Financial Services (BFS) in June 2014. The purpose of the loan was to finance the construction of its LPG tank farm at Atuabo. Interest is to be charged at 36 % per annum (i.e. Bond's base rate of 33%p.a. plus 3%p.a.) using the reducing balance model on the outstanding balance of the loan.

c. ***Standard Chartered Loan***

The company obtained a long term loan facility of GHS 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.

19. Trade and other payables

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Payable-Tank farm	407,775	1,494,577	9,968,958	6,431,134
Accruals	898,033	699,713	100,161	77,743
Sundry payables	982,686	1,201,589	395,977	60,875
Trade payable	14,623,378	-	-	-
	16,911,872	3,395,879	10,465,096	6,569,752

20. Related Party Transactions

a. Parent and ultimate controlling party

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

b. Amount due to related parties

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Advances from Directors (i)	-	152,194	299,381	130,581
Quantum Group Limited	13,530	51,004,119	15,563,728	10,498,462
Sage Petroleum Limited	-	1,881,286	10,969,369	37,015,156
Sage Loans (ii)	-	26,401,671	22,260,178	-
	13,530	79,439,270	49,092,656	47,644,199

(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 attracts an interest of 10% per annum and the US$ 2,000,000 loan facility attracts an interest 8.256%. Repayment of the loan is to be made in block after repaying all 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 Oil and Quantum Oil Terminals Limited for Quantum Terminals to transfer its loan obligation to Quantum Oil Terminals Limited.

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. During the year 2015, the Executive Chairman of the Group had made a total advance of GHS 2,430,334 (2014: GHS 299,381). This is mainly due to payments he made to some contractors of the company's tank farm construction project on behalf of the group.

21(a). Share capital

		2016	2015	2014	2013
	No. of shares '000	Proceeds GHS	No. of shares '000	Proceeds GHS	Proceeds GHS
Authorised					
Ordinary shares of no par value	500,000				
Issued					
For cash		70,000,000	10,000	10,000	10,000

21(b). Deposit for shares

Deposits for shares relates to funds deposited by The Quantum Group Limited in respect of share offer from the company. Quantum Group made additional deposit for shares of GHS 14,190,000 in 2015.

21(c). Revaluation reserve

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

	2016 GHS	2015 GHS	2014 GHS	2013 GHS
Balance at 1 January	37,835,208	8,263,742	8,263,742	-
Revaluation of property, plant and equipment net of tax	-	38,980,160	-	8,263,741
Transfer from revaluation to retained earnings	(3,283,213)	(9,408,694)	-	-
Balance at 31 December	34,551,995	37,835,208	8,263,742	8,263,741

21(d). Retained earnings

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

QUANTUM TERMINALS LIMITED
KEY PERFORMANCE INDICATORS
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015, 2014 AND 2013

Key Performance Indicators	2016	2015	2014
Revenue Growth	73%	7707%	-
Gross Margin	93%	87%	23%
EBITDA Margin	82%	60%	-790%
EBITDA Growth	99%	697%	161%
Operating Expense/Sales	41%	60%	980%
Interest Coverage Ratio	3.42	1.37	(6.97)
Interest to Long-Term Debt	34%	20%	-
Days in Receivables	51	3	26
Working Capital Turnover	(1.07)	3.95	(0.01)
Debt Service Coverage Ratio (DSCR)	2.16	0.68	(0.10)
Total Debt/Equity	35%	47%	147%
Total Debt/Total Assets	26%	16%	18%
Current Ratio	0.27	2.02	0.13

Profitability

QTL began its revenue generating activities in December 2014 and thus its performance hinges mainly on its 2015 and 2016 results.

The low level of activity in 2014 explains the revenue growth figure for 2015 (7,707%) and has relative stability in 2016. Gross profit margins which measure the relationship between revenue and direct costs increased from 23% to 87% to 93% in this same period. EBITDA margins also increased from a negative position of 790% in 2014 to 60% in 2015 and then to 82% in 2016.

QTL's interest to long-term debt ratio of 20% and its interest coverage ratio of 1.37 indicate the entity is able to sustain its current debt levels.

Operating and liquidity ratios

QTL's receivables days of 51 days in 2016 reflects a reduction in the collection relationship between the entity and its sole customer, Sage Petroleum Limited. An improvement of this relationship into the future indicates cash flows from trade receivables will positively benefit QTL and further points to the reduction and/or non-existence of bad debts.

A reduction in the current ratio of 2.02 in 2015 to 0.27 in 2016 indicates a reduction in the healthy balance sheet to enable QTL sustain its current liabilities with its current assets.

Property, plant & equipment

A large proportion of QTL's fixed assets are situated at Atuabo and include land and buildings, the cost of civil works at the 31 acre site including various roads and drainage facilities and the tank farms.

The net book value of fixed assets increased from GHS 53.2 million to GHS 102.1 million and this was mainly due to revaluation of these assets. This revaluation was performed by Assenta Property Consulting on 14 May, 2015.

Investments and amounts due from related parties

Amounts due from related parties increased from GHS 29.1 million to GHS 64.1 million representing a 120% increase between 2014 and 2015 and dropped significantly to GHS 1,975 in 2016. This represents funds advanced to Quantum Oil Terminals Limited (QOTL) (a subsidiary) with respect to its project activities.

Investments increased from GHS 100,000 in 2014 to GHS 14.29 million in 2015 to GHS 99,390,000 in 2016 as a result of a deposit for equity investment made in 2015 and 2016. This deposit was also in respect of equity investment in QOTL.

Working capital

QTL's working capital has been negative over the past 3 years and has moved from GHS 16.1 million in 2014 to GHS 3.0 million in 2015 and GHS 22.6 in 2016. The negative figure in 2015 and 2016 are mainly due to amounts owed to related parties and portion of long term loan which becomes payable within the next 12months.

The above noted reasons contributed to the improvement in QTL's current ratio from 0.13 in 2014 to 2.01 in 2015.

Non-current liabilities

QTL's non-current liabilities are mainly composed of amounts due to its parent, The Quantum Group Limited and to a related party, Sage Petroleum. The total amount increased from GHS 49.1 million in 2014 to GHS 120.9 million in 2015 and GHS 30.3m in 2016.

Also included is a loan amount of GHS 29.6 million due to Standard Chartered Bank as a result of a loan facility issued to QTL in 2015 and GHS 16.7m in 2016.

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30 May 2017

The Board of Directors,
Quantum Terminals Limited,
Kanda-Accra

Dear Sir,

STATEMENT OF ADJUSTMENTS – REPORTING ACCOUNTANT'S REPORT

Our review of the financial statements for the relevant period did not reveal significant adjustments to warrant a restatement of the statement of comprehensive income and the statement of financial position for the respective years.

The review was for the purpose of our Reporting Accountants' Report to be included in the Prospectus relating to QTL's intending listing on the GFIM.

Deloitte & Touche

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30 May 2017

The Board of Directors,
Quantum Terminals Limited,
Kanda-Accra

Dear Sir,

REPORTING ACCOUNTANT'S REPORT ON FORECAST AND PROJECTIONS

We have examined the accounting policies and calculations for the profit forecast and projections of QTL for the nine years ending 31 December 2025, set out in this report in accordance with the listing Rules of the Ghana Stock Exchange (GSE), the Companies Act 1963 (Act 179), the International Financial Reporting Standards (IFRS) and L.I.1728 of the Securities and Exchange Commission applicable to the examination of prospective financial information. The directors are responsible for the forecast and projections, including the assumptions on which they are based.

The forecasts and projections have been prepared for inclusion in the Prospectus for the purpose of listing on the GFIM. These forecasts and projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that these assumptions may not be appropriate for purposes other than described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projections.

In our opinion, the forecast financial statements, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the directors of QTL, and are presented on a basis consistent with the accounting policies normally adopted by QTL.

We do not express an opinion as to whether the actual results for the forecast period will approximate the forecast because events and circumstances do not frequently occur as expected, and those differences may be material.

Deloitte & Touche

Deloitte & Touche (ICAG/F/2016/129)
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Daniel Kwadwo Owusu (ICAG/P/1327)

Revenue

QTL's main revenue lines consist of the under listed:

- Storage revenue – This revenue is charged for the storage of liquid petroleum gas (LPG) at the QTL storage facility at Atuabo.
- Loading revenue – This revenue is charged for loading LPG to trucks at the QTL storage facility at Atuabo.

QTL's revenue is thus derived by multiplying the fee charged per metric tonne by the LPG throughput in any given time period.

Sage Petroleum is currently the sole customer of QTL.

Storage and Loading pricing

Sage currently (2016) pays a combined fee $40 per metric tonne (MT) for storage and loading of their LPG products. This fee is based on a facilities user agreement between Sage Petroleum and QTL and is effective for a ten year period to December 2025.

The proposed fee for the remaining 9 year period effective June 2016 will be $65 per MT. This is based on a board resolution by QTL to effect an increase which will accommodate the increased costs of maintaining the storage and loading facility.

An addendum to incorporate this into QTL's current contract was signed on 7th October 2016 by both parties.

LPG throughput

The LPG throughput reflects the amount of LPG that QTL stores and loads on behalf of Sage Petroleum. Below is the estimated monthly throughput for the projection period:

Year	Quantity (MT)	No. of months	Total throughput (MT)
2016	8,400	9	75,600
2017	13,200	9	118,800
2018 to 2025	14,000	11	154,000

Sage currently has an agreement with Ghana National Gas Company Limited (GNGC) which requires GNGC to supply Sage Petroleum a minimum amount of LPG of 500 MT per day. The projection assumes a 30 day month throughout the year. Given this assumption, the monthly expected delivery quantity is 15,000 MT.

The 'No. of months' column indicates how many months in a year the terminal is expected to function in a given year.

The 2016 throughput reflects the current throughput in Atuabo with only 9 months of operation due to a shutdown of the FPSO Kwame Nkrumah for a period of 3 months to repair a damaged turret bearing.

In 2017, the FPSO Kwame Nkrumah is expected to shut down for another 3 months to finalise the repairs of the damaged turret bearing.

The Jubilee partners have also indicated that during the 3 months period to repair the damaged turret, the new TEN field which was commissioned in August 2016 and has started exporting oil will also be connected to the Ghana Gas facility through the existing offshore pipeline.

This will provide an additional source of wet gas to the gas processing plant for processing and will thus reduce the risk of reliance on only the Jubilee field ensuring that Ghana Gas will be able to process above the minimum LPG offtake with Sage Petroleum. Forecast numbers are conservative and indicate a gas supply less than the guaranteed supply from both the TEN and Jubilee fields at full capacity of up to 720 MT minimum of LPG daily.

Prospectively (2018 to 2025), the FPSO Kwame Nkrumah is expected to function at full capacity throughout each year with an allowance of 30 days for maintenance.

Direct, general & administrative costs

QTL's direct costs mainly consist of utilities and salaries. General & administrative costs consist mainly of consultancy and professional fees, corporate social responsibility, IT expenses, insurance, repairs and maintenance work done on the terminal and travel costs.

These costs have been projected to increase using forecasted inflation from the Economic Intelligence Unit report released on 10 March 2015.

Finance costs

Finance costs reflect the cost of QTL's current long term finance facility with Standard Chartered Bank with prospective costs reflecting the financing cost of the bond transaction. This is projected to be at a 28% interest rate.

Tax

Tax expense is estimated at 25% per the Ghana Revenue Authority rate. This is not expected to change.

Currency depreciation

The Ghana Cedi is projected to depreciate at a rate of 13% against the US dollar over the projected period. This is based on a 10 year historical average.

While the facility user fees are charged in USD, payment is made in GHS at the prevailing forex rate on the day of payment.

Since almost all of QTL's expenses are in Cedis, including the prospective Bond repayments and interest thereon, there is limited exposure to currency depreciation risks.

QUANTUM TERMINALS LIMITED
PROJECTED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE YEAR PERIOD ENDED 31 DECEMBER 2017 TO 2025

	2017 GHS	2018 GHS	2019 GHS	2020 GHS	2021 GHS	2022 GHS	2023 GHS	2024 GHS	2025 GHS
Revenue	34,223,904	48,756,388	53,046,950	57,715,082	62,794,009	68,319,881	74,332,031	80,873,250	87,990,095
Direct costs	(1,676,010)	(2,251,254)	(2,449,365)	(2,664,909)	(2,899,421)	(3,154,569)	(3,432,172)	(3,734,204)	(4,062,813)
Gross profit	**32,547,894**	**46,505,134**	**50,597,585**	**55,050,173**	**59,894,588**	**65,165,312**	**70,899,859**	**77,139,046**	**83,927,282**
General and administrative expenses	(3,937,827)	(5,289,376)	(5,754,841)	(6,261,268)	(6,812,259)	(7,411,738)	(8,063,971)	(8,773,600)	(9,545,677)
EBITDA	**28,610,067**	**41,215,758**	**44,842,744**	**48,788,905**	**53,082,329**	**57,753,574**	**62,835,888**	**68,365,446**	**74,381,605**
Depreciation	(3,412,587)	(3,718,873)	(3,634,320)	(3,500,728)	(3,580,535)	(3,661,251)	(3,661,251)	(3,875,105)	(3,875,105)
Operating profit/(loss)	**25,197,479**	**37,496,885**	**41,208,424**	**45,288,177**	**49,501,794**	**54,092,323**	**59,174,637**	**64,490,341**	**70,506,500**
Finance cost	(22,122,882)	(21,016,738)	(18,804,450)	(16,592,162)	(14,379,874)	(12,167,585)	(9,955,297)	(7,743,009)	(5,530,721)
Profit/(Loss) before tax	**3,074,597**	**16,480,147**	**22,403,974**	**28,696,015**	**35,121,920**	**41,924,738**	**49,219,340**	**56,747,332**	**64,975,779**
Income tax expense	(768,649)	(4,120,037)	(5,600,993)	(7,174,004)	(8,780,480)	(10,481,185)	(12,304,835)	(14,186,833)	(16,243,945)
Loss after tax	**2,305,948**	**12,360,110**	**16,802,980**	**21,522,011**	**26,341,440**	**31,443,554**	**36,914,505**	**42,560,499**	**48,731,834**
Other comprehensive income									
Total comprehensive income	**2,305,948**	**12,360,110**	**16,802,980**	**21,522,011**	**26,341,440**	**31,443,554**	**36,914,505**	**42,560,499**	**48,731,834**

QUANTUM TERMINALS LIMITED
PROJECTED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 TO 2025

	2017 GHS	2018 GHS	2019 GHS	2020 GHS	2021 GHS	2022 GHS	2023 GHS	2024 GHS	2025 GHS
Non-current assets									
Property, plant and equipment	95,250,116	93,190,009	89,555,689	87,002,449	84,696,475	82,225,876	78,564,626	77,981,210	74,106,105
Investment	99,390,000	99,390,000	99,390,000	99,390,000	99,390,000	99,390,000	99,390,000	99,390,000	99,390,000
Amount due from related parties	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975	1,975
Total non-current assets	**194,642,091**	**192,581,984**	**188,947,664**	**186,394,424**	**184,088,450**	**181,617,851**	**177,956,601**	**177,373,185**	**173,498,080**
Current assets									
Inventory	16,040	21,545	23,441	25,504	27,748	30,190	32,846	35,735	38,881
Accounts receivable	1,670,581	2,278,424	2,478,925	2,697,070	2,934,412	3,192,641	3,233,107	3,277,135	3,325,037
Cash and cash equivalents	64,168,128	78,167,677	88,468,937	102,396,178	120,882,556	144,621,500	175,247,117	208,445,281	251,111,242
Current assets	**65,854,749**	**80,467,645**	**90,971,302**	**105,118,752**	**123,844,716**	**147,844,331**	**178,513,070**	**211,758,151**	**254,475,159**
Total assets	**260,496,840**	**273,049,629**	**279,918,967**	**291,513,175**	**307,933,166**	**329,462,182**	**356,469,671**	**389,131,336**	**427,973,238**
Equity and liabilities									
Capital and reserves									
Share capital	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Deposit for shares	35,100,000	35,100,000	35,100,000	35,100,000	35,100,000	35,100,000	35,100,000	35,100,000	35,100,000
Revaluation reserve	34,551,995	34,551,995	34,551,995	34,551,995	34,551,995	34,551,995	34,551,995	34,551,995	34,551,995
Retained earnings	16,745,177	29,105,287	45,908,267	67,430,279	93,771,719	125,215,272	162,129,777	204,690,276	253,422,110
Total equity	**156,397,172**	**168,757,282**	**185,560,262**	**207,082,274**	**233,423,714**	**264,867,267**	**301,781,772**	**344,342,271**	**393,074,105**
Non-current liabilities									
Loans and borrowings	90,000,000	90,000,000	70,000,000	60,000,000	50,000,000	40,000,000	30,000,000	20,000,000	10,000,000
Amount due to related parties	13,530	13,530	13,530	13,530	13,530	13,530	13,530	13,530	13,530
Deferred tax	13,524,754	13,524,754	13,524,754	13,524,754	13,524,754	13,524,754	13,524,754	13,524,754	13,524,754
Total non-current liabilities	**103,538,284**	**103,538,284**	**83,538,284**	**73,538,284**	**63,538,284**	**53,538,284**	**43,538,284**	**33,538,284**	**23,538,284**
Current liabilities									
Loans and borrowings	-	-	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Accounts payable	561,384	754,063	820,421	892,618	971,168	1,056,631	1,149,614	1,250,781	1,360,849
Total current liabilities	**561,384**	**754,063**	**10,820,421**	**10,892,618**	**10,971,168**	**11,056,631**	**11,149,614**	**11,250,781**	**11,360,849**
Total liabilities	**104,099,668**	**104,292,347**	**94,358,705**	**84,430,902**	**74,509,452**	**64,594,915**	**54,687,898**	**44,789,065**	**34,899,133**
Total equity and liabilities	**260,496,840**	**273,049,629**	**279,918,967**	**291,513,175**	**307,933,166**	**329,462,182**	**356,469,671**	**389,131,336**	**427,973,238**

QUANTUM TERMINALS LIMITED
PROJECTED STATEMENT OF CASH FLOWS
FOR THE NINE YEAR PERIOD ENDED 31 DECEMBER 2017 TO 2025

	2017 GHS	2018 GHS	2019 GHS	2020 GHS	2021 GHS	2022 GHS	2023 GHS	2024 GHS	2025 GHS
Cash flows from operating activities									
Profit/(Loss) after taxation	2,305,948	12,360,110	16,802,980	21,522,011	26,341,440	31,443,554	36,914,505	42,560,499	48,731,834
Adjustment for:									
Depreciation	3,412,587	3,718,873	3,634,320	3,500,728	3,580,535	3,661,251	3,661,251	3,875,105	3,875,105
	5,718,535	16,078,983	20,437,300	25,022,739	29,921,975	35,104,805	40,575,756	46,435,604	52,606,939
Changes in:									
Inventories	44,994	(5,505)	(1,896)	(2,063)	(2,244)	(2,442)	(2,657)	(2,889)	(3,146)
Accounts receivables	2,688,866	(607,842)	(200,501)	(218,145)	(237,342)	(258,229)	(40,466)	(44,027)	(47,902)
Accounts payables	(16,350,488)	192,679	66,358	72,197	78,550	85,463	92,984	101,166	110,068
Net Cash generated from operating activities	**(7,898,093)**	**15,658,314**	**20,301,260**	**24,874,728**	**29,760,939**	**34,929,597**	**40,625,616**	**46,489,853**	**52,665,960**
Cash flows from investing activities									
CAPEX	2,491,002	(1,658,766)		(947,438)	(1,274,561)	(1,190,652)	-	(3,291,689)	
Plant/investments	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	**2,491,002**	**(1,658,766)**	**-**	**(947,488)**	**(1,274,561)**	**(1,190,652)**	**-**	**(3,291,689)**	**-**
Cash flows from financing activities									
Debt Issuance	90,000,000		-	-	-	-	-	-	-
Debt Repayment	(24,188,970)	-	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
FX Loss / Gain	-	-	-	-	-	-	-	-	-
Net cash from financing activities	**65,811,030**	**-**	**(10,000,000)**	**(10,000,000)**	**(10,000,000)**	**(10,000,000)**	**(10,000,000)**	**(10,000,000)**	**(10,000,000)**
Net increase/(decrease) in cash and cash equivalents	60,403,939	13,999,548	10,301,260	13,927,240	18,486,378	23,738,945	30,625,616	33,198,164	42,665,960
Cash and cash equivalents at 1 January	3,764,189	64,168,128	78,167,677	88,468,937	102,396,177	120,882,555	144,621,500	175,247,117	208,445,281
Cash and bank balance at 31 December	**64,168,128**	**78,167,677**	**88,468,937**	**102,396,177**	**120,882,555**	**144,621,500**	**175,247,117**	**208,445,281**	**251,111,241**