

QUANTUM TERMINALS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2015

QUANTUM TERMINALS LIMITED
ANNUAL FINANCIAL STATEMENTS

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QUANTUM TERMINALS LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

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

SECRETARY

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

AUDITORS

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

REGISTERED OFFICE

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

BANKERS

Standard Chartered Bank Ghana Limited
CAL Bank Ghana Limited
United Bank for Africa (Ghana) Limited
Prudential 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 2015.

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 2015, 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 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 and its subsidiary 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 reported a net loss of GH¢ 6,749,902 for the period ended 31 December 2015 and at that date, its total current liabilities exceeded total current assets by GH¢ 36,482,079. A substantial part of the Group's liabilities consist of payables due to Chemie-Tech LLC a contractor on the Tema Tank-Farm.

The parent company has confirmed and given assurance of its continued financial support to the Group and has confirmed that it will not seek repayment of amounts invested in a manner that will jeopardise the operations of the Company. Based on these assurances, confirmations and deferred payment terms, the Directors expect the Company to continue as going concern, and be able to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have accordingly been prepared on the basis of accounting policies applicable to a going concern. 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 results for the year ended are reflected in the accompanying 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.

SUBSIDIARY

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.

SHAREHOLDING

Quantum Terminals Limited is 55% owned subsidiary of Quantum Group Limited and 45% 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 25TH AUGUST....., 2016 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

We have audited the consolidated and separate financial statements of Quantum Terminals Limited which comprise the statements of financial position at 31 December 2015, 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 12 to 33.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of 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.

Auditor's Responsibility

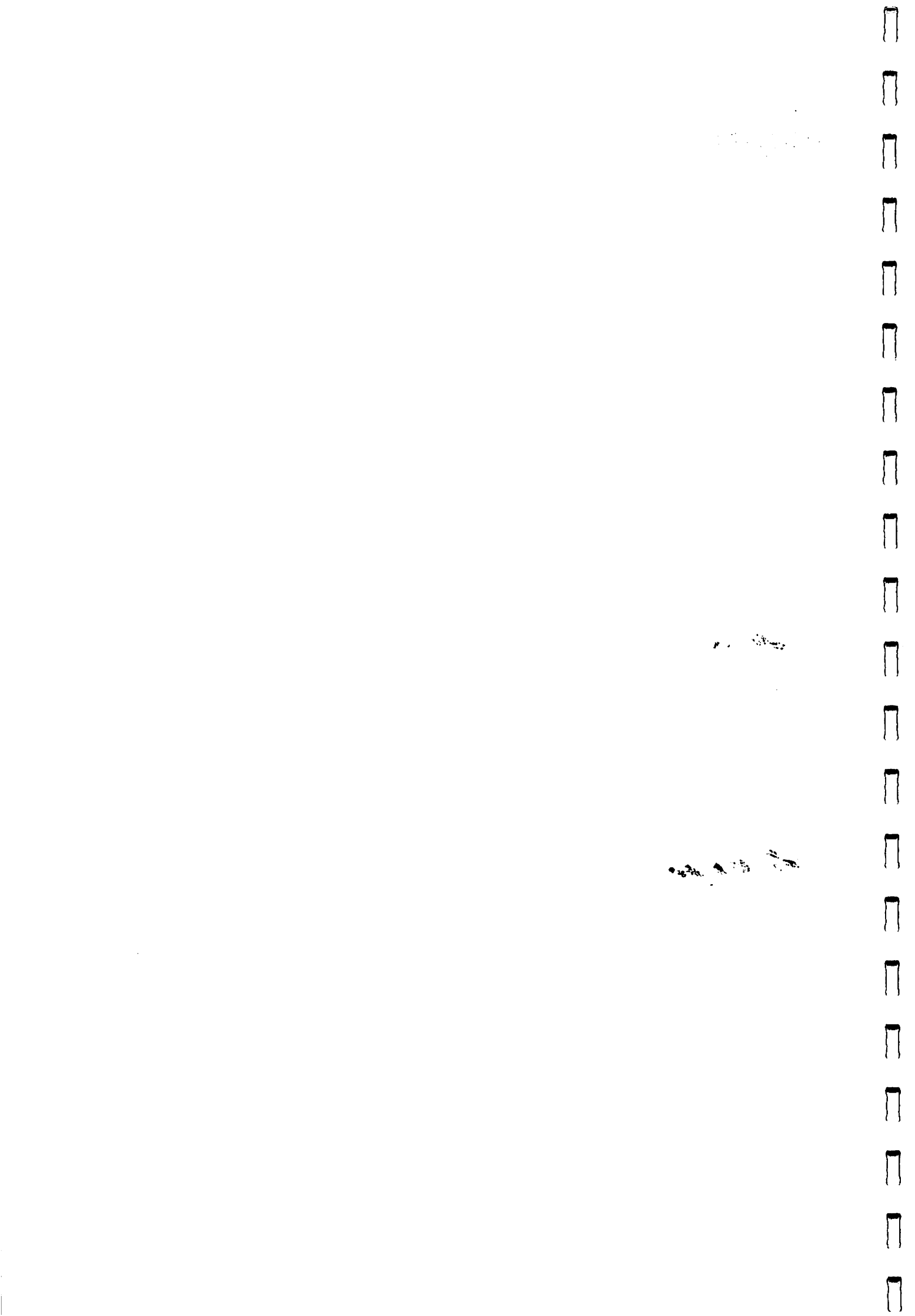
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation that give a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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 2015, and of its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963, (Act 179).





**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 and fifth Schedule 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 consolidated and separate statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

N.D. Harley

.....
Signed by: Nathaniel D. Harley (ICAG/P/1056)

For and on behalf of:

KPMG: (ICAG/F/2016/038)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELINKPE

P O BOX GP 242

ACCRA

25 August....., 2016

QUANTUM TERMINALS LIMITED
STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2015

		2015 Company GH¢	2015 Group GH¢	2014 Company GH¢	2014 Group GH¢
ASSETS	Note				
Property, plant and equipment	11	102,075,290	224,482,812	53,285,644	146,699,285
Investment	12	14,290,000	-	100,000	-
Amount due from related parties	18(d)	64,105,955	-	29,095,459	206,055
		<u>180,471,245</u>	<u>224,482,812</u>	<u>82,481,103</u>	<u>146,905,340</u>
Non-current assets					
Inventory	13	10,847	10,847	-	-
Trade and Other receivables	14	5,285,183	5,448,868	3,225,431	3,545,163
Prepayments		219,911	219,911	217,044	217,044
Cash and cash equivalent	15	1,352,480	1,352,480	40,669	40,669
		<u>6,868,421</u>	<u>7,032,106</u>	<u>3,483,144</u>	<u>3,802,876</u>
Current assets					
TOTAL ASSETS		<u>187,339,666</u>	<u>231,514,918</u>	<u>85,964,247</u>	<u>150,708,216</u>
EQUITY					
Share capital	19(a)	10,000	10,000	10,000	10,000
Deposit for shares	19(b)	18,990,000	18,990,000	4,800,000	18,990,000
Revaluation reserve	19(c)	37,835,208	37,835,208	8,263,742	8,263,742
Retained earnings		6,230,995	(2,424,789)	(2,365,882)	(6,202,844)
		<u>63,066,203</u>	<u>54,410,419</u>	<u>10,707,860</u>	<u>21,060,898</u>
Total equity					
LIABILITIES					
Amount due to related parties	19(b)	79,439,270	92,152,000	49,092,656	79,357,930
Deferred tax liability	11(e)	11,874,124	11,874,124	-	-
Loans and borrowings	16	29,564,190	29,564,190	-	-
		<u>109,003,460</u>	<u>121,716,190</u>	<u>49,092,656</u>	<u>79,357,930</u>
Non-current Liabilities					
Loans and borrowings	16	-	-	15,698,635	15,698,635
Trade and other payables	17	3,395,879	43,514,185	10,465,096	34,590,754
		<u>3,395,879</u>	<u>43,514,185</u>	<u>26,163,731</u>	<u>50,289,388</u>
Current liabilities					
TOTAL EQUITY AND LIABILITIES		<u>187,339,666</u>	<u>231,514,918</u>	<u>85,964,247</u>	<u>150,708,216</u>


 EXECUTIVE CHAIRMAN


 DIRECTOR

The notes on pages 12 to 33 are an integral part of these financial statements.

QUANTUM TERMINALS LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Revenue	5	13,723,252	13,723,252	175,771	175,771
Direct costs	6	(1,717,939)	(1,717,939)	(135,569)	(135,569)
Gross profit		12,005,313	12,005,313	40,202	40,202
Other income	7	1,771,254	1,771,254	84,768	84,768
General and administrative expenses	8	(4,036,339)	(4,301,412)	(1,476,030)	(1,515,530)
EBITDA		9,740,228	9,475,155	(1,351,060)	(1,390,560)
Depreciation	8	(4,177,566)	(4,177,566)	(246,608)	(246,608)
OPERATING PROFIT/ (LOSS)		5,562,662	5,297,589	(1,597,668)	(1,637,168)
Finance cost	9	(6,037,902)	(6,049,830)	(199,343)	(373,084)
Foreign exchange loss	10	(1,455,840)	(5,997,661)	(37,547)	(3,661,268)
LOSS BEFORE TAX		(1,931,080)	(6,749,902)	(1,834,558)	(5,671,520)
Income tax gain	11(a)	1,119,263	1,119,263	(5,571)	(5,571)
LOSS AFTER TAX		(811,817)	(5,630,639)	(1,840,129)	(5,677,091)

OTHER COMPREHENSIVE INCOME

Items that will not be reclassified to profit and loss

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	-	-
Total Comprehensive Income	38,168,343	33,349,521	(1,840,129)	(5,677,091)

The notes on pages 12 to 33 are an integral part of these financial statements.

QUANTUM TERMINALS LIMITED
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

COMPANY	Share Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Retained Earnings GH¢	Total GH¢
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
Other Comprehensive Income, Net of Income Tax					
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)
Balance at 31 December 2015	<u>10,000</u>	<u>18,990,000</u>	<u>37,835,208</u>	<u>6,230,995</u>	<u>63,066,203</u>
Balance at 1 January 2014	10,000	-	8,263,742	(525,753)	7,747,989
Loss for the year	-	-	-	(1,840,129)	(1,840,129)
Deposit for shares	-	4,800,000	-	-	4,800,000
Balance at 31 December 2014	<u>10,000</u>	<u>4,800,000</u>	<u>8,263,742</u>	<u>(2,365,882)</u>	<u>10,707,860</u>

The notes on pages 12 to 33 are an integral part of these financial statements.

QUANTUM TERMINALS LIMITED
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

GROUP	Share Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Retained Earnings GH¢	Total GH¢
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)
Other Comprehensive Income, Net of Income Tax					
Revaluation gain	-	-	38,980,160	-	38,980,160
Transfer from revaluation to retained earnings	-	-	(9,408,694)	9,408,694	-
Balance at 31 December 2015	<u>10,000</u>	<u>18,990,000</u>	<u>37,835,208</u>	<u>(2,424,789)</u>	<u>54,410,419</u>
Balance at 1 January 2014	10,000	-	8,263,742	(525,753)	7,747,989
Loss for the year	-	-	-	(5,677,091)	(5,677,091)
Deposit made for shares	-	18,990,000	-	-	18,990,000
Balance at 31 December 2014	<u>10,000</u>	<u>18,990,000</u>	<u>8,263,742</u>	<u>(6,202,844)</u>	<u>21,060,898</u>

The notes on pages 12 to 33 are an integral part of these financial statements.

QUANTUM TERMINALS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Cash flow from operating activities				
Loss before taxation	(1,931,080)	(6,749,902)	(1,840,129)	(5,677,091)
<i>Adjustments for:</i>				
Depreciation	4,177,566	4,177,566	246,608	246,608
Net exchange loss	1,455,840	5,997,661	37,547	3,661,268
	-----	-----	-----	-----
	3,702,326	3,425,325	(1,555,974)	(1,769,215)
<i>Changes in:</i>				
Inventories	(10,847)	(10,847)	-	-
Trade and other receivables	(2,059,753)	(1,903,705)	(3,111,347)	(3,431,080)
Prepayments	(2,867)	(2,867)	(133,810)	(133,810)
Trade and other payables	(7,069,217)	8,923,432	(4,419,145)	28,021,002
Amount due to related parties	(4,207,992)	13,432,710	31,439,508	31,513,249
	-----	-----	-----	-----
Cash generated from operating activities	(13,350,676)	20,438,723	23,775,206	55,969,361
	-----	-----	-----	-----
Net Cash from Operating Activities	(9,648,350)	23,864,048	22,219,232	54,200,146
	-----	-----	-----	-----
Cash flow from Investing Activities				
Acquisition of property, plant and equipment	(1,449,554)	(30,420,131)	(33,355,475)	(76,002,668)
Investment in subsidiary	(14,190,000)	-	(100,000)	-
	-----	-----	-----	-----
Net Cash used in investing activities	(15,639,554)	(30,420,131)	(33,455,475)	(76,002,668)
	-----	-----	-----	-----
Cash flows from financing activities				
Proceeds from loan drawdown	13,865,555	13,865,555	6,300,000	6,300,000
Proceeds from deposit for shares	14,190,000	-	4,800,000	18,990,000
	-----	-----	-----	-----
Net cash from financing activities	28,055,555	13,865,555	11,100,000	25,290,000
	-----	-----	-----	-----
Net Increase/(Decrease) in Cash and Cash Equivalents	2,767,651	7,309,472	(136,243)	3,487,478
Net exchange loss	(1,455,840)	(5,997,661)	(37,547)	(3,661,268)
Cash and Cash Equivalents at 1 January	40,669	40,669	214,459	214,459
	-----	-----	-----	-----
Cash and Bank Balances at 31 December	1,352,480	1,352,480	40,669	40,669
	=====	=====	=====	=====

The notes on pages 12 to 33 are an integral part of these financial statements.

QUANTUM TERMINALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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.

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

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 (GH¢) 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) Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) 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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial Instruments – cont'd

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 equivalent

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.

(d) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment –cont'd

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.

(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.

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.

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.

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 2015, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date Periods beginning on or after
IAS 7 amendments	<i>Disclosure Initiatives</i>	1 January 2017
IAS 12 amendments	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
IFRS 9	<i>Financial Instruments</i>	1 January 2018
IFRS 15	<i>Revenue from contracts with customers</i>	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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Comparatives – cont'd

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IFRS 15 Revenue from contracts with customers – cont'd

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

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Throughput fees	4,017,126	4,017,226	174,733	174,733
Rack loading fees	10,103	10,103	1,038	1,038
Development support fund	9,696,023	9,696,023	-	-
	<u>13,723,252</u>	<u>13,723,252</u>	<u>175,771</u>	<u>175,771</u>

6. DIRECT COSTS

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Utilities	289,664	289,664	23,038	23,038
Other direct cost	340,600	340,600	32,548	32,548
Wages and Salaries	1,087,675	1,087,675	79,983	79,983
	<u>1,717,939</u>	<u>1,717,939</u>	<u>135,569</u>	<u>135,569</u>

7. OTHER INCOME

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Hiring/Rental fees	21,629	21,629	11,893	11,893
Interest income	42,814	42,814	-	-
Residual gas	1,446,025	1,446,025	72,875	72,875
Insurance claim	260,786	260,786	-	-
	<u>1,771,254</u>	<u>1,771,254</u>	<u>84,768</u>	<u>84,768</u>

8. GENERAL AND ADMINISTRATIVE EXPENSES

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Staff costs (Note 8a)	695,591	695,591	472,489	472,489
Accounting, Audit and legal Fees	5,651	5,651	289,375	289,375
Advertisement and Promotion	10,139	10,139	-	-
Communication expenses	14,247	14,247	80	80
Consultancy and Professional fees	562,908	573,208	92,508	110,508
Donations and CSR	81,115	81,115	22,444	22,444
Employee pension plan	35,614	35,614	-	-
Fuel Cost	82,853	82,853	-	-
Other expenses	248,127	249,321	31,687	31,687
Health and safety	76,919	76,919	5,092	5,092
Insurance	163,449	163,449	30,578	30,578
Internet and IT expenses	324,699	324,699	26,658	26,658
License and fees	72,119	72,119	88,958	110,458
Office stationery and consumables	9,517	9,517	11,300	11,300
Operational supplies and consumables	96,796	96,796	41,578	41,578
Project research expenditure	-	-	222,944	222,944
Registrations and documentations	5,680	218,472	-	-
Rent and rates	82,858	82,858	31,772	31,772
Repairs and maintenance	886,950	886,950	27,910	27,910
Security services	244,530	244,530	-	-
Travel, Accommodation and entertainment	227,017	227,802	32,420	32,420
Utilities	64,562	64,562	237	237
Auditor's Remuneration	45,000	85,000	48,000	48,000
Depreciation	4,177,566	4,177,566	246,608	246,608
	<u>7,750,591</u>	<u>8,015,664</u>	<u>1,896,379</u>	<u>1,762,138</u>

8(a). STAFF COSTS

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Staff bonus	124,835	124,835	-	-
Salaries and wages	387,371	387,371	364,359	364,359
Other staff cost	183,385	183,385	108,130	108,130
	<u>695,591</u>	<u>695,591</u>	<u>472,489</u>	<u>472,489</u>

The number of persons employed by the Company at the end of the year was 42 (2014: 40).

9. FINANCE COSTS

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Finance charges and fees	162,895	163,095	-	-
Interest and bank charges	5,875,007	5,886,735	199,343	373,084
	<u>6,037,902</u>	<u>6,049,830</u>	<u>199,343</u>	<u>373,084</u>

10. FOREIGN EXCHANGE

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Foreign exchange gain	(1,280,850)	(1,291,983)	-	-
Loans and Project exchange gain	(1,855,520)	(1,955,482)	-	-
Foreign exchange loss	157,602	178,620	712	712
Loans and Project exchange loss	4,434,608	9,066,506	36,835	3,660,556
	<u>1,455,840</u>	<u>5,997,661</u>	<u>37,547</u>	<u>3,661,268</u>

11. TAXATION

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
(a) Amount recognised in profit or loss				
Current tax Income (c)	-	-	-	-
Deferred tax credit	1,119,263	1,119,263	5,571	5,571
	<u>1,119,263</u>	<u>1,119,263</u>	<u>5,571</u>	<u>5,571</u>

11. TAXATION (CONT'D)

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
(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>	<u>-</u>	<u>-</u>

(c) Current tax liabilities

	Balance at 1/1 GH¢	Payments during the year GH¢	Charge for the year GH¢	Balance at 31/12 GH¢
2015	-	-	-	-
	<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 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Loss before taxation	<u>(1,931,080)</u>	<u>(6,749,902)</u>	<u>(1,840,129)</u>	<u>(5,671,520)</u>
Income tax using the statutory rate of 25%	(482,770)	(6,749,902)	(460,032)	(1,417,880)
Non-deductible expenses	2,153,267	3,311,241	71,039	976,969
Deductible expenses	1,670,497	1,404,188	66,074	66,074
Tax (gain) / losses	<u>(3,340,994)</u>	<u>(3,027,953)</u>	<u>317,348</u>	<u>369,266</u>
Current tax charge	<u>-</u>	<u>-</u>	<u>(5,571)</u>	<u>(5,571)</u>
Effective Tax Rate	0%	0%	0.30%	0.10%

(e) Deferred tax liability

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Balance at 1 January	-	-	(5,571)	(5,571)
Charge to profit or loss	1,119,263	1,119,263	5,571	5,571
Recognised in OCI	<u>(12,993,387)</u>	<u>(12,993,387)</u>	<u>-</u>	<u>-</u>
Balance at 31 December	<u>11,874,124</u>	<u>11,874,124</u>	<u>-</u>	<u>-</u>

11. PROPERTY, PLANT AND EQUIPMENT

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	18,392,759	248,575	940,839	19,487,400	921,430	53,549,377
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	-	50,498,209
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>105,497,224</u>

Accumulated Depreciation

At 1/1	-	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)	-	(1,019,365)
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>37,944,672</u>	<u>253,658</u>	<u>1,191,292</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>6,072,607</u>	<u>18,358,410</u>	<u>176,875</u>	<u>890,945</u>	<u>19,387,546</u>	<u>921,430</u>	<u>53,285,644</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.

11. 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	24,165,274	18,392,759	248,575	940,839	19,487,400	76,250,341	146,963,018
Additions	-	138,076	464,898	-	73,112	142,001	29,625,431	30,443,518
Transfers In /(Out)	-	-	-	-	-	689,315	(689,315)	-
Revaluation	-	6,755,954	19,560,501	308,438	427,001	23,446,316	-	50,498,209
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>105,186,457</u>	<u>227,904,746</u>
Accumulated Depreciation								
At 1/1	-	7,936	34,349	71,700	49,894	99,854	-	263,733
Charge for the year	-	139,788	639,839	296,743	333,832	2,767,365	-	4,177,566
Revaluation	-	(45,858)	(200,701)	(65,088)	(134,066)	(573,651)	-	(1,019,365)
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>30,957,438</u>	<u>37,944,671</u>	<u>253,658</u>	<u>1,191,242</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>18,358,410</u>	<u>176,875</u>	<u>890,945</u>	<u>19,387,546</u>	<u>76,250,341</u>	<u>146,699,285</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.

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY 2014

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	1,504,562	-	89,460	47,872	-	10,613,065	19,732,790
Additions	-	3,350,992	13,163,907	159,115	865,646	16,255,231	-	33,816,588
Transfers In / (Out)	-	1,224,990	5,228,851	-	27,322	3,210,472	(9,691,635)	-
At 31/12	<u>7,477,831</u>	<u>6,080,544</u>	<u>18,392,758</u>	<u>248,575</u>	<u>940,841</u>	<u>19,465,703</u>	<u>921,430</u>	<u>53,526,082</u>
Accumulated Depreciation								
At 1/1	-	-	-	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	<u>-</u>	<u>7,584</u>	<u>34,349</u>	<u>71,700</u>	<u>49,894</u>	<u>99,854</u>	<u>-</u>	<u>263,733</u>
Carrying amounts								
At 31/12/2014	<u>7,477,831</u>	<u>6,072,608</u>	<u>18,358,409</u>	<u>176,875</u>	<u>890,946</u>	<u>19,387,546</u>	<u>921,430</u>	<u>53,285,644</u>
At 31/12/2013	<u>7,477,831</u>	<u>1,529,562</u>	<u>-</u>	<u>75,896</u>	<u>39,170</u>	<u>-</u>	<u>10,613,065</u>	<u>19,735,524</u>

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP 2014

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	16,747,893	-	89,460	47,872	-	46,597,294	70,960,350
Additions	-	6,192,390	13,163,907	159,115	865,646	16,276,928	39,344,686	76,002,672
Transfers In /(Out)	-	1,224,990	5,228,851	-	27,322	3,210,472	(9,691,635)	-
At 31/12	<u>7,477,831</u>	<u>24,165,273</u>	<u>18,392,758</u>	<u>248,575</u>	<u>940,840</u>	<u>19,487,400</u>	<u>76,250,345</u>	<u>146,963,022</u>

Accumulated Depreciation

At 1/1	-	-	-	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	<u>-</u>	<u>7,936</u>	<u>33,099</u>	<u>71,700</u>	<u>49,894</u>	<u>99,854</u>	<u>-</u>	<u>263,733</u>

Carrying amounts

At 31/12/2014	<u>7,477,831</u>	<u>24,157,337</u>	<u>18,359,659</u>	<u>176,875</u>	<u>890,946</u>	<u>19,385,940</u>	<u>76,250,345</u>	<u>146,699,285</u>
At 31/12/2013	<u>7,477,831</u>	<u>16,747,893</u>	<u>-</u>	<u>89,460</u>	<u>47,872</u>	<u>-</u>	<u>46,597,294</u>	<u>70,960,350</u>

12. INVESTMENTS

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Investment in Subsidiary	100,000	-	100,000	-
Deposit for Equity Investment	14,190,000	-	-	-
	<u>14,290,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>

13. INVENTORY

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
LPG	-	-	-	-
Fuel stock	10,847	10,847	-	-
	<u>10,847</u>	<u>10,847</u>	<u>-</u>	<u>-</u>

14. TRADE AND OTHER RECEIVABLES

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Trade receivables due from related parties (15e (i))	200,946	200,946	24,660	24,660
Other receivables	3,280,167	3,443,852	3,180,144	3,492,496
Staff receivables	65,000	65,000	20,627	28,007
SCB GHS Debt Service Account	600,000	600,000	-	-
SCB US\$ Debt Service Account	1,139,070	1,139,070	-	-
	<u>5,285,183</u>	<u>5,448,868</u>	<u>3,225,431</u>	<u>3,545,163</u>

The company obtained a long term loan of GH¢ 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 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.

The maximum amount due from staff of the Company during the year was GH¢65,000 (2014; GH¢ 28,007)

15. CASH AND CASH EQUIVALENTS

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Bank balances	1,348,520	1,348,520	40,699	40,699
Cash balances	3,960	3,960	-	-
	-----	-----	-----	-----
Cash and cash equivalents	<u>1,352,480</u>	<u>1,352,480</u>	<u>40,699</u>	<u>40,699</u>

16. LOAN AND BORROWINGS**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	-
	-----	-----	-----	-----
	<u>15,698,635</u>	<u>32,804,080</u>	<u>18,938,525</u>	<u>29,564,190</u>

**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	-
	-----	-----	-----	-----
	<u>15,698,635</u>	<u>32,804,080</u>	<u>18,938,525</u>	<u>29,564,190</u>

**COMPANY
2014**

	Balance at 1/1/14 GH¢	Drawdown GH¢	Repayments GH¢	Balance at 31/12/14 GH¢
NDK Financial Services	9,398,635	3,800,000	-	13,198,635
Bond Financial Services	-	2,500,000	-	2,500,000
	-----	-----	-----	-----
	<u>9,398,635</u>	<u>6,300,000</u>	<u>-</u>	<u>15,698,635</u>

**GROUP
2014**

NDK Financial Services	9,398,635	3,800,000	-	13,198,635
Bond Financial Services	-	2,500,000	-	2,500,000
	-----	-----	-----	-----
	<u>9,398,635</u>	<u>6,300,000</u>	<u>-</u>	<u>15,698,635</u>

16. LOAN AND BORROWINGS (CONT'D)

a. *NDK Financial Services*

Quantum Terminals Limited obtained a short term loan on 28th May, 2013 an amount GH¢ 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 GH¢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 GH¢ 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 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.

17. TRADE AND OTHER PAYABLES

	Company	Group	Company	Group
	2015	2015	2014	2014
	GH¢	GH¢	GH¢	GH¢
Payable – Tank Farm	1,494,577	41,050,706	9,968,958	30,177,408
Accruals	699,713	772,917	100,161	130,705
Sundry payables	1,201,589	1,690,563	395,977	4,282,640
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	<u>3,395,879</u>	<u>43,514,185</u>	<u>10,465,096</u>	<u>34,590,753</u>

18. 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.

18. RELATED PARTY TRANSACTIONS- (CONT'D)**(b) Amount due to related parties**

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Advances from Directors	152,194	2,430,334	299,381	299,381
Quantum Group Limited	51,004,119	52,104,119	15,563,728	37,171,620
Sage Petroleum Limited	1,881,286	11,215,877	10,969,369	19,626,751
Sage Loans	26,401,671	26,401,671	22,260,178	22,260,178
	<u>79,439,270</u>	<u>92,152,000</u>	<u>49,092,656</u>	<u>79,357,930</u>

(c) Advances from Directors*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, the Executive Chairman of the Group had made a total advance of GH¢ 2,430,334 (2014: GH¢ 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.

d) Other related party transactions

The Group engaged in the following major transactions with its Parent Company, Quantum Group Limited, and Sage Petroleum;

- (i) Quantum Group Limited has made transfers to Quantum Terminals Limited and payments to the suppliers on behalf of the group totalling an amount of GH¢52,104,119 (2014: GH¢37,171,620).
- (ii) Sage Petroleum Limited procured a loan facility of 2015: Nil (2014: USD 2,000,000) and lent it to Quantum Terminals Limited.
- (iii) Sage Petroleum Limited made transfers to the Quantum Terminals Limited and payments to suppliers on behalf of the Company totalling an amount of GH¢ 11,215,877. (2014: 19,626,751).
- (iv) Quantum Terminals Limited have advanced monies to support Quantum Oil Terminals Tema project activities and as at the end of the year GH¢ 64,105,955. (2014: GH¢ 29,095,459) was due from Quantum Oil Terminals Limited.

19. CAPITAL AND RESERVES**(a) Share capital**

	No. of Shares		Proceeds	
	2015 '000	2014 '000	2015 GH¢	2014 GH¢
Authorised				
Ordinary shares of no par value	<u>500,000</u>	<u>500,000</u>		
Issued				
For cash	<u>10</u>	<u>10</u>	<u>10,000</u>	<u>10,000</u>

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

19. CAPITAL AND RESERVES (CONT'D)

(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 made additional deposit for shares of GH¢ 14,190,000 in 2015.

(c) Revaluation reserve

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

	Company 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Balance at 1 January	8,263,742	8,263,742	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	(9,408,694)	(9,408,694)	-	-
Balance at 31 December	<u>37,835,208</u>	<u>37,835,208</u>	<u>8,263,742</u>	<u>8,263,742</u>

(d) Retained earnings

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

20. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date and also as at 31 December 2014.

21. CAPITAL COMMITMENTS

There were no contracts for capital expenditure not provided for at the reporting date and also as at 31 December 2014.

22. 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.

22. FINANCIAL RISK MANAGEMENT - (CONT'D)

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.

(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 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
Trade receivables due from related parties	200,946	200,946	24,660	24,660
Other receivables	5,084,237	5,247,922	3,200,771	3,520,504
Bank balance	1,348,520	1,348,520	40,669	40,669
	<u>6,633,703</u>	<u>6,797,388</u>	<u>3,266,100</u>	<u>3,585,833</u>

(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 2015 GH¢	Amounts Group 2014 GH¢	6-12 mths Company 2015 GH¢	6-12 mths Group 2014 GH¢
Non-derivative financial liability				
Trade receivables due from related parties	200,946	200,946	24,660	24,660
Other receivables	5,084,237	5,247,922	3,200,771	3,520,504
Bank balance	1,348,520	1,348,520	14,258	14,258
	<u>6,633,703</u>	<u>6,797,388</u>	<u>3,239,689</u>	<u>3,559,422</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.

22. 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 2015 GH¢	Group 2015 GH¢	Company 2014 GH¢	Group 2014 GH¢
US\$ to GH¢	<u>3.7748</u>	<u>2.9369</u>	<u>3.7969</u>	<u>3.2013</u>

Sensitivity analysis on currency risks

A 1% strengthening of the cedi against the US dollar and the Pound sterling at 31 December 2015 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 2014.

(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 2015 Carrying GH¢	Group 2015 Fair Value GH¢	Company 2014 Fair Value GH¢	Group 2014 Fair Value GH¢
Financial assets not measured at fair value				
Trade and Other receivables	5,285,183	5,448,868	3,225,431	3,545,164
Cash and cash equivalent	1,352,480	1,352,480	40,669	40,669
	<u>6,637,663</u>	<u>6,801,348</u>	<u>3,266,100</u>	<u>3,585,833</u>
 Loans and borrowings	 29,564,190	 29,564,190	 15,698,635	 15,698,635
Accounts Payable	3,395,879	43,514,185	10,465,096	34,590,754
Related Party Payable	79,439,270	92,152,000	49,092,656	79,357,930
	<u>112,399,339</u>	<u>165,230,375</u>	<u>75,256,387</u>	<u>129,647,319</u>

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