QUANTUM TERMINALS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2018

QUANTUM TERMINALS PLC
REPORTS AND FINANCIAL STATEMENTS

INDEX

	Page
Corporate Information	2
Report of the Directors	3
Independent Auditor's Report	6
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	14
Notes to the Financial Statements	15

QUANTUM TERMINALS PLC
CORPORATE INFORMATION

BOARD OF DIRECTORS	Emmanuel Egyei-Mensah - *Executive Chairman* Felix Gyekye Amma Addo-Fening Abena Amoah
REGISTERED OFFICE	E17/9 Ablade Road, Kanda P. O. Box CT 4377 Cantonments Accra
SECRETARY	Damaris Tanoh-Rivers E17/9 Ablade Road, Kanda P. O. Box CT 4377 Cantonments Accra
AUDITOR	KPMG Chartered Accountants 13 Yiyiwa Drive Abelenkpe P. O. Box GP 242 Accra
BOND TRUSTEES	Guaranty Trust Bank Ghana Limited
BANKERS	Stanbic Bank Ghana Limited Standard Chartered Bank Ghana Limited

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
QUANTUM TERMINALS PLC

The directors present their report and the financial statements of the Company for the year ended 31 December 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of financial statements that give a true and fair view of Quantum Terminals PLC, comprising the statement of financial position at 31 December 2018, and the statements of 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 report of the directors.

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 to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

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

ISSUANCE OF GFIM BOND

The company successfully issued a 10-year partially (75%) guaranteed and secured bond on the Ghana Fixed Income Market (GFIM) during the year. The bond was issued to refinance the Standard Chartered Bank Loan to reduce the interest cost. The proceeds from the bond will also be used to expand the storage capacity of the Atuabo LPG facility, construct an improved Truck park facility as well as to improve the loading efficiency of the facility.

NEW STANDARDS ADOPTED

The company adopted two new standards issued by the International Accounting Standards Board that took effect from 1 January 2018. They include IFRS 15, Revenue from contracts with customers and IFRS 9 Financial Instruments. Whereas the IFRS 15 had no impact on the financial statements and little impact on the accounting systems and revenue contracts of the company, the IFRS 9 had significant impact on the financial statements.

Effect of IFRS 9 adjustments on the financial statements:

The company carried out an assessment of its financial assets and liabilities to comply with IFRS 9. In addition, there were modifications to the related party loan agreements during the year to clearly state the tenure of each related party loan. The modifications were assessed based on the requirements of IFRS 9.The assessment resulted in adjustments to the carrying amounts of related party loan balances which have been recognised in the financial statements for the current year. There were no restatements made to the comparative information.

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

A comprehensive comparison of the financial statements with or without the IFRS 9 adjustments have been presented in **Appendix I and II**. Below is a reconciliation of the two statements as disclosed in **Appendix I and II.**

Statement of Comprehensive Income	**GH¢**	**GH¢**
Adjustments due to IFRS 9:		
Imputed interest on unwinding of related party receivables	(4,340,435)	
Impairment reversal on related party receivables	(2,383,588)	
Impairment loss on trade receivables	3,798	
	--------------	(6,720,225)
Total Comprehensive Income per financial statements:		44,492,317

Total Comprehensive Income without IFRS 9 adjustments		37,772,092
		========
Statement of Financial Position		
Adjustments due to IFRS 9:		
Fair Value Adjustment on related party receivables	147,309,114	
Imputed Interest on unwinding of related party receivables	(4,340,435)	
Expected Credit Loss on related party & trade receivable	1,292,594	
	---------------	144,261,273
Total Equity & Liabilities per financial statements		199,812,113

Total Asset/Total Equity & Liabilities without IFRS 9 adjustments		344,073,386
		=========

FINANCIAL STATEMENTS AND DIVIDEND

The financial results of the company for the year ended 31 December, 2018 is reflected in the accompanying financial statements.

NATURE OF BUSINESS

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

SHAREHOLDING

Quantum Terminals PLC is a wholly owned subsidiary of The Quantum Terminals Group Limited, a company incorporated in Ghana.

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

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of Quantum Terminals PLC, were approved by the board of directors on 31ST MAY ...., 2019 and signed on their behalf by:

....
EXECUTIVE CHAIRMAN

....
DIRECTOR

KPMG

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
QUANTUM TERMINALS PLC

Report on the Financial Statements

Opinion

We have audited the financial statements of Quantum Terminals PLC ("the Company"), which comprise the statement of financial position at 31 December 2018 and the statements of 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, as set out on pages 10 to 57.

In our opinion, these financial statements give a true and fair view of the financial position of Quantum Terminals PLC at 31 December, 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
QUANTUM TERMINALS PLC (CONT'D)

Revenue [GH¢ 4,341,181] and Development Cost Reimbursement [GH¢ 20,774,631] recognition Refer to Note 6 & 8 to the financial statements	
The key audit matter	How the matter was addressed in our audit
Income from the Company is made up of income generated from development cost reimbursement. In addition the Company also generates revenue from storage services and rack loading services. These income represent the major source of income for the Company The Company depends solely on Sage Distribution Limited (SDL) for the generation of these income described above. Both companies are related parties because they have the same Ultimate parent (Arch Investments Limited). The relationship between the Company and SDL poses an opportunity for management to inappropriately recognise income in order to show favourable financial performance or position. Given the significance of the amount generated as income from the related party who is also a sole customer, we consider recognition of revenue and development cost reimbursement income as a key audit matter.	In this area, our audit procedures included the following -Testing of the design and implementation and operating effectiveness of relevant controls within the revenue recognition and development cost reimbursement income process which includes key IT application and manual controls. -Agreeing underlying documents in support of revenue and development cost reimbursement income to the recorded amount in the general ledger. -Re-computing revenue and development cost reimbursement income recognised in the year taking into consideration the volume of Liquefied Petroleum Gas stored and the agreed prices. - Performing procedures to ensure revenue and development cost reimbursement income was recorded in the appropriate accounting period. - Evaluating the adequacy of the Company's disclosures on revenue recognition in the financial statements in accordance with the applicable financial reporting framework.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 1963 (Act 179) but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

KPMG

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
QUANTUM TERMINALS PLC (CONTD)

Responsibilities of the Directors 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

KPMG

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
QUANTUM TERMINALS PLC (CONTD)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.
In our opinion, proper books of account have been kept, and the statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

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

KPMG
....
**For and on behalf of:
KPMG: (ICAG/F/2019/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA**

31 May ...., **2019**

QUANTUM TERMINALS PLC
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2018

	Note	2018 GH¢	2017 GH¢
ASSETS			
Property, plant and equipment	12	125,100,524	81,973,134
Amount due from related parties	18(c)(ii)	44,623,005	132,856,735
Non-current assets		169,723,529	214,829,869
Inventories	13	53,733	43,949
Trade and other receivables	14	6,032,173	6,375,329
Cash and cash equivalents	15	24,002,678	1,974,151
Current assets		30,088,584	8,393,429
TOTAL ASSETS		199,812,113	223,223,298
EQUITY			
Stated capital	19(a)	70,000,000	70,000,000
Deposit for shares	19(b)	47,292,758	47,292,758
Revaluation reserve	19(d)	63,862,283	31,456,150
Retained earnings	19(e)	39,504,417	35,431,052
Fair valuation reserve	19(f)	(142,968,679)	-
Total equity		77,690,779	184,179,960
LIABILITIES			
Deferred tax liability	11(d)	25,023,500	13,947,850
Loans and borrowings	16	83,273,148	9,626,850
Non-current Liabilities		108,296,648	23,574,700
Loans and borrowings	16	2,679,111	7,701,480
Trade and Other payables	17	5,255,188	2,452,523
Amount due to related parties	18(c)(i)	2,422,187	141,438
Current tax liabilities	11(b)	3,468,200	5,173,197
Current liabilities		13, 824,686	15,468,638
Total liabilities		122,121,334	39,043,338
TOTAL EQUITY AND LIABILITIES		199,812,113	223,223,298

These financial statements were approved by the Board of Directors on 31ST MAY, 2019 and signed on their behalf by

EXECUTIVE CHAIRMAN **DIRECTOR**

The notes on pages 15 to 57 are an integral part of these financial statements.

QUANTUM TERMINALS PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 GH¢	2017 GH¢
Revenue	6	4,341,181	5,740,199
Direct costs	7	(6,444,416)	(5,834,385)
Gross loss		(2,103,235)	(94,186)
Other income	8	23,267,886	34,301,720
General and administrative expenses	9(a)	(8,175,772)	(5,907,966)
Impairment loss on trade receivables	20(i)	(3,798)	-
Operating profit		12,985,081	28,299,568
Impairment reversal on related party receivable	20(i)	2,383,588	-
Finance costs	10	(6,840,133)	(4,807,297)
Profit before tax		8,528,536	23,492,271
Income tax expense	11(a)	23,007	(5,596,293)
Profit after tax		8,551,543	17,895,978
Other Comprehensive income			
Items that may not be reclassified to profit or loss			
Revaluation of property, plant and equipment	19(c)	47,921,032	-
Related tax	11(d)	(11,980,258)	-
		35,940,774	-
Total Comprehensive income for the year		44,492,317	17,895,978
Earnings per share			
Basic earnings per share	21	0.12	0.26
Diluted earnings per share	21	0.12	0.26
EBITDA	22	19,122,717	33,531,767

The notes on pages 15 to 57 are an integral part of these financial statements.

QUANTUM TERMINALS PLC

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

2018	Stated Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Retained Earnings GH¢	Fair value Reserve GH¢	Total GH¢
Balance at 1 January	70,000,000	47,292,758	31,456,150	35,431,052	-	184,179,960
Adjustment on initial application of IFRS 9	-	-	-	(3,672,384)	-	(3,672,384)
Restated balance at 1 January	70,000,000	47,292,758	31,456,150	31,758,668	-	180,507,576
Total Comprehensive Income						
Profit for the year	-	-	-	8,551,543	-	8,551,543
Revaluation gain, net tax	-	-	35,940,774	-	-	35,940,774
Total Comprehensive Income	-	-	35,940,774	8,551,543	-	44,492,317
Transactions with owners of the company						
Fair valuation of related party receivables	-	-	-	-	(147,309,114)	(147,309,114)
Total transactions with owners of the company	-	-	-	-	(147,309,114)	(147,309,114)
Transfers						
Transfer to retained earnings for excess depreciation on Revalued property, plant and equipment	-	-	(3,534,641)	3,534,641	-	-
Transfer to retained earnings for unwinding of related party receivables	-	-	-	(4,340,435)	4,340,435	-
Total transfers	-	-	(3,534,641)	(805,794)	4,340,435	-
Balance at 31 December 2018	70,000,000	47,292,758	63,862,283	39,504,417	(142,968,679)	77,690,779

The notes on pages 15 to 57 are an integral part of these financial statements.

QUANTUM TERMINALS PLC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

2017	**Stated Capital GH¢**	**Deposit for Shares GH¢**	**Revaluation Reserve GH¢**	**Retained Earnings GH¢**	**Total GH¢**
Balance at 1 January	70,000,000	35,100,000	34,551,995	14,439,229	154,091,224
Total Comprehensive Income					
Profit for the year	-	-	-	17,895,978	17,895,978
Total Comprehensive Income	-	-	-	17,895,978	17,895,978
Transfers					
Transfer to retained earnings	-	-	(3,095,845)	3,095,845	-
Total transfers	-	-	(3,095,845)	3,095,845	-
Transactions with owners of the company					
Deposit for shares	-	12,192,758	-	-	12,192,758
Total transactions with owners of the company	-	12,192,758	-	-	12,192,758
Balance at 31 December 2017	70,000,000	47,292,758	31,456,150	35,431,052	184,179,960

The notes on pages 15 to 57 are an integral part of these financial statements.

QUANTUM TERMINALS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 GH¢	2017 GH¢
Cash flows from operating activities			
Profit after tax		8,551,543	17,895,978
Adjustments for:			
Depreciation	12	6,133,838	5,232,199
Tax expense	11(a)	(23,007)	5,596,293
Impairment loss on trade receivables	20(i)	3,798	-
Reversal of Impairment of related party receivables	20(i)	(2,383,588)	-
Interest and finance charges	10	11,868,702	4,232,159
Imputed interest on related party receivables	10	(4,340,435)	-
Effect of movement in exchange rates on cash held		(469,553)	(1,367)
		19,341,298	32,955,262
Changes in working capital:			
Inventories	13	(9,784)	17,085
Trade and other receivables	14	(81,802)	(2,662,028)
Trade and other payables	17	(262,991)	706,196
Amount due to related parties	18(c)(i)	2,280,749	-
Cash generated from operating activities		21,267,470	31,016,515
Tax paid		(2,941,958)	-
Interest paid		(7,805,026)	(3,682,312)
Net Cash from Operating Activities		10,520,486	27,334,203
Cash flows from Investing Activities			
Acquisition of property, plant and equipment	12	(1,340,197)	(1,838,766)
Funds provided to related parties		(55,992,299)	(32,618,960)
Net Cash used in investing activities		(57,332,496)	(34,457,726)
Cash flows from financing activities			
Repayment of borrowings	16(d)	(17,328,330)	(6,860,640)
Proceeds from borrowings	16(d)	85,699,314	-
Proceeds from deposit for shares		-	12,192,758
Net cash from financing activities		68,370,984	5,332,118
Net Increase/(decrease) in Cash and Cash Equivalents		21,558,974	(1,791,405)
Effect of movement in exchange rates on cash held		469,553	1,367
Restricted Cash at 1 January	15(b)	1,925,370	1,860,690
Cash and Cash Equivalents at 1 January		48,781	1,903,499
Cash and Bank Balances at 31 December		24,002,678	1,974,151
<u>Analysis of Cash and Cash Equivalents</u>			
Restricted Cash at December 31	15(b)	7,738,847	1,925,370
Actual Cash at December 31		16,263,831	48,781
		24,002,678	1,974,151

The notes on pages 15 to 57 are an integral part of these financial statements.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Quantum Terminals PLC is incorporated in Ghana under the Companies Act 1963 (Act 179) as a Public Limited Liability Company, and is domiciled in Ghana. The address of the company's registered office and principal place of business can be found on page 2. The company is primarily involved in the building, ownership and operation of petroleum tank farms in Ghana, and also in the processing and blending of petroleum products.

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

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).

Details of the Company's accounting policies, including changes, during the year are included in Note 4.

This is the first set of the Company's annual financial statements in which IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* have been applied. Changes to significant accounting policies are described in Note 3.

b. Basis of measurement

These financial statements have been prepared on the historical cost basis except for property, plant and equipment which is prepared on revaluation basis.

c. Functional and presentation currency

These financial statements are presented in Ghana cedis (GH¢) which is the company's functional currency.

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 accounting 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 recognized 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.

2. BASIS OF PREPARATION (CONT'D)

d. Use of estimates and judgments (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities in the year ending 31 December 2018 is set out below and in the following note:

Note 20(i) – measurement of expected credit loss allowance for trade receivables and amount due from related parties; key assumptions in determining the weighted-average loss rate.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company has initially applied IFRS 15 (see A) and IFRS 9 (see B) from 1 January 2018.

Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The effect of initially applying these standards is mainly attributed to an increase in impairment losses recognised on financial assets.

A. IFRS 15: Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.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 recognized. The five step criteria are:

- Identification of contracts with customers
- Determination of Performance Obligations
- Determination of the contract price
- Allocation of the contract Price
- Recognition of revenue

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application (i.e.1 January 2018). Accordingly, the information presented for 2017 has not been restated, i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

Management of the company has assessed its revenue recognition as required by the new standard. The assessment was performed by subjecting the terms of its contract with customers against each of the criteria stated.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. IFRS 15: Revenue from Contracts with Customers (Cont'd)

Management concluded that the revenue recognition; timing and value; for the company was not affected by the requirements of the new standard.

As a result of management's assessment, there was no material impact of the transition to IFRS 15 on the Company's statement of financial position as at 31 December 2018, statement of comprehensive income and statement of cash flows for the year ended 31 December 2018.
For additional information about the Company's accounting policies relating to revenue recognition, see Note 4(f).

B. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.
This standard replaces *IAS 39 Financial Instruments: Recognition and Measurement.*
As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Previously, the Company's approach was to include the impairment of trade receivables in other expenses. There was no reclassification of impairment losses recognised under IAS 39, from "other expenses" to "impairment loss on trade receivables" in the statement of comprehensive income, as there were no impairment losses in the previous year.

Additionally, the Company has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The following table summarises the impact of transition to IFRS 9 on the opening balance of retained earnings.

	Impact of adopting IFRS 9 on opening GH¢
Retained earnings	
Recognition of expected credit losses under IFRS 9:	
Amount due from related parties	3,640,939
Trade receivables	31,445
Impact at 1 January 2018	3,672,384

i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. IFRS 9 Financial Instruments (Cont'd)

i) Classification and measurement of financial assets and financial liabilities (Cont'd)

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities. For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see 4(b).

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirement.

Financial assets	**Original classification under IAS 39**	**New classification IFRS 9**	**Original carrying amount under IAS 39 GH¢**	**New carrying amount under IFRS 9 GH¢**
Cash and cash equivalents	Loans and receivables	Amortised cost	1,960,383	1,960,383
Trade receivables and other receivables	Loans and receivables	Amortised cost	6,013,797	5,982,352
Amount due from related parties	Loans and receivables	Amortised cost	132,856,735	129,215,796
Financial liabilities				
Loans and borrowings	Other Financial liabilities	Other Financial liabilities	17,328,330	17,328,330
Trade and Other payables	Other Financial liabilities	Other Financial liabilities	2,297,290	2,297,290
Due to related parties	Other Financial liabilities	Other Financial liabilities	141,438	141,438

a. Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of GH¢ 31,445 in allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

b. Amount due from related parties that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of GH¢ 3,640,939 in allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i. Classification and measurement of financial assets and financial liabilities (Cont'd)

The following table reconciles the carrying amounts of the financial assets under IAS39 to the carrying amount under IFRS 9 on transition to IFRS 9 on 1 January 2018.

	IAS 39 carrying Amount at 31 December 2017 GH¢	Remeasurement GH¢	IFRS 9 carrying amount at 1 January 2018 GH¢
Financial assets			
Amortised cost			
Trade and other receivables:			
Brought forward Loans and receivables:	6,013,797		
Remeasurement:		(31,445)	
Carried forward: Amortised Cost			5,982,352
Amount due from related parties:			
Brought forward Loans and receivables:	132,856,735		
Remeasurement:		(3,640,939)	
Carried forward: Amortised Cost			129,215,796
Total amortised cost	138,870,532	(3,672,384)	135,198,148

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional allowance for impairment as follows:

	GH¢
Loss allowance at 31 December 2017 under IAS 39	-
Additional impairment recognised at 1 January 2018 on:	
Trade and other receivables as at 31 December 2017	31,445
Amount due from related parties as at 31 December 2017	3,640,939
Loss allowance at 1 January 2018 under IFRS 9	3,672,384

Additional information on how the Company measures the allowance for impairment is described in Note 20.

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except for the determination of the business model within which a financial asset is held which has been made on the basis of the facts and circumstances that existed at the date of initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except if mentioned otherwise.

(a) 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 recognized in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency gains and losses are reported on a net basis under selling, general and administrative expenses or other income. However, net foreign exchange gains on loans and borrowings are recognized as part of the financing cost.

(b) Financial Instruments

(i) Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets - Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI- equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Classification and subsequent measurement (Cont'd)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment: Policy applicable from 1 January 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 January 2018

For the purposes of this assessment. 'principal' is defined as the fair -value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time -value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest: Policy applicable from 1 January 2018(Cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination} is treated as consistent with this criterion if the fair –value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses: Policy applicable from 1 January 2018

Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets: Policy applicable before 1 January 2018
The Company classified its financial assets as loans and receivables.

Financial assets - Subsequent measurement and gains and losses: Policy applicable before 1 January2018
The Company subsequently measured its financial assets (loans and receivables) at amortised cost using the effective interest method.

Financial liabilities - Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost. The Company's financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments (Cont'd)

(iii) Derecognition

Financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

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

(c) Impairment

(i) Non-derivative financial assets

Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for amounts due from related parties which are measured at 12-month ECLs.
Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Impairment (Cont'd)

(ii) Non-derivative financial assets(Cont'd)

Policy applicable from 1 January 2018

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.
12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Impairment – cont'd

Policy applicable before 1 January 2018
Financial assets not classified as at fair value through profit or loss were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included default or delinquency by a debtor and observable data indicating that there was measurable decrease in expected cash flows from a group of financial assets.

The Company considered impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

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

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

(ii) Non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment

(i) Recognition and measurement

Property, plant and equipment are carried at revalued amounts less subsequent accumulated depreciation and any accumulated impairment except for motor vehicles which is measured at cost. The fair values are determined every three (3) years by external, independent, professional valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.
An increase in the carrying amount of the asset as a result of revaluation is recognized in other comprehensive income and accumulated in equity under revaluation reserve.

However, a decrease in the carrying amount of the asset as a result of revaluation is recognized in profit or loss. The decrease is recognized in other comprehensive to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

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

The cost of self-constructed assets includes the cost of materials and direct labour, capitalised borrowing costs and any other costs directly attributable to bringing the asset into a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of property, plant, and equipment.
Any gain or loss on the disposal of an item of property, plant and equipment is recognized in profit or loss

(ii) Subsequent costs

The cost of replacing part of an item of plant and equipment is recognized 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 recognized 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 recognized 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 estimated useful lives for the current and comparative periods are as follows:

Land and Buildings	-	50 years
Motor Vehicles	-	3 years
Furniture and Fittings	-	2-5 years
Civil Works	-	50 years
Plant and Machinery	-	2-25 years

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Revenue from contract with customer

- ***Revenue recognition under IFRS 15 (applicable from 1 January 2018)***

The Company has initially applied IFRS 15 from 1 January 2018. Information about the Company's accounting policies relating to contracts with customers is provided below. The effect of initially applying IFRS 15 is described in Note 3A. Under IFRS 15, revenue is recognised when the customer obtains control of the service over time.

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

- ***Revenue recognition under IAS 15 (applicable before 1 January 2018)***

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

The Company is involved in the storage of gas. The Company recognises revenue upon receipt if gas into its storage tanks.

The transfer of risks and rewards occurs when the product is loaded into the storage tanks.

(g) Income tax

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

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.

Deferred tax

Deferred tax is recognized 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 recognized 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Income tax (Cont'd)

Deferred tax(Cont'd)

A deferred tax asset is recognized 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) Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(i) Employee Benefits

Short term benefits
Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal and constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contributions plans (Social Security)
Under a National Pension Scheme, the company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions under the terms of the Pension Act 2008 (Act 766). The company's obligation is limited to the relevant contributions, which have been provided in these financial statements. The pension liabilities and obligations, however, rest with SSNIT.

(j) Finance Cost

The Company's finance cost includes interest expense, imputed interest on unwinding of related party receivables, foreign currency gains and loss on loans and borrowings. Interest expense is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

(k) Earnings per Share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Stated Capital

Ordinary shares

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

(m) Subsequent Events

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the financial statements and the effect is material.

(n) Comparatives

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

(o) New standards and interpretations not yet adopted

There are new standards, amendments to standards and interpretations in issue that are not yet effective for the year ended 31 December 2018, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Standard/Interpretation		**Effective date Periods beginning on or after**
IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Conceptual Framework	Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
IAS 1 and IAS 8	Definition of Material	1 January 2020

IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial Position. No significant changes have been included for lessors.

The standard is effective for financial statements beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Company is assessing the potential impact on the financial statements resulting from the application of IFRS 16.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have are to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.
IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgments made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The Company is yet to perform an assessment of the impact of this standard on the Company and will provide more information in the year ending 31 December 2018 financial statements.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

The Company is assessing the potential impact on the financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.
The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

***Definition of Material (Amendments to IAS 1 and IAS 8)* – Cont'd**

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."
The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

The Company is assessing the potential impact on the financial statements

5. 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 the fair value hierarchy based on 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 recognized 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 20 financial instrument – fair value and risk management.

6. REVENUE

	2018 GH¢	2017 GH¢
Storage services	1,808,825	2,391,750
Rack loading Service	2,532,356	3,348,449
	4,341,181	5,740,199

QUANTUM TERMINALS PLC

NOTES TO THE FINANCIAL STATEMENTS

7. DIRECT COSTS

	2018 GH¢	2017 GH¢
Utilities	272,808	389,782
Other direct cost	343,120	318,080
Wages and Salaries (Note 9b)	1,222,124	1,306,833
Operational Supplies and Consumables	8,214	23,820
Depreciation of plant and machinery	4,598,150	3,795,870
	6,444,416	5,834,385

8. OTHER INCOME

	2018 GH¢	2017 GH¢
Interest income	618,695	102, 720
Residual gas	1,144,192	1,621,710
Development Cost Reimbursement **	20,774,631	32,353,927
Foreign Exchange Gain	674,847	223,363
Hiring/Rental Fees	55,521	-
	23,267,886	34,301,720

** This relates to payments made by Sage Distribution Limited (a related party) to Quantum Terminals PLC (QTPLC) above NPA approved comparative charges by other operators of $ 12/MT. This is required by the financing agreements signed between Sage, QTPLC and its Lenders in order for the company to meet its financial obligations arising from the development of the company's tank farm at Anokyi which is used exclusively by Sage.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

9(a). GENERAL AND ADMINISTRATIVE EXPENSES

	2018 GH¢	2017 GH¢
Staff costs (Note 9b)	1,225,719	1,045,206
Advertising and Promotions	3,450	-
Consultancy Services	670,550	358,268
Business Devt and Donations	96,200	100,300
IT service charge	476,998	352,434
Rent and rates	130,003	153,978
Repairs and maintenance	498,864	524,148
Utilities	120,609	136,317
Auditor's Remuneration	136,000	91,020
Corporate social responsibility	73,196	55,988
Foreign Exchange Loss	356,293	141,253
Communication services	22,623	20,471
Travel and Accommodation Expenses	390,689	204,856
Security expenses	310,036	283,579
Insurance expenses	316,170	248,050
Fuel expenses	133,597	108,250
Other expenses	1,326,069	399,758
Health and Safety	174,555	114,794
Depreciation	1,535,688	1,436,329
Licenses and Fees	163,463	72,331
Project and Research Expenditure	-	54,695
Registrations and Documentations	15,000	5,941
	8,175,772	5,907,966

9(b). STAFF COSTS

	2018 GH¢	2017 GH¢
Staff bonus	55,500	126, 263
Staff training and development	72,392	39,876
Salaries and wages	1,866,365	1,816,858
Social Security contribution	186,935	181,698
Meals and canteen	266,651	187,344
Total Staff Cost	2,447,843	2,352,039
Direct Staff Cost	1,222,124	1,306,833
Indirect Staff Cost	1,225,719	1,045,206
	2,447,843	2,352,039

The number of persons employed by the Company at the end of the year was 46 (2017: 42).

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

10. FINANCE COSTS

	2018 GH¢	2017 GH¢
Finance charges and fees	899,515	1,069,341
Interest and bank charges	10,969,187	3,162,818
Net foreign exchange (gain) /loss	(688,134)	575,138
Imputed Interest on unwinding of related party receivable***	(4,340,435)	-
	6,840,133	4,807,297

***This imputed interest relates to the fair value interest income on the interest-free related party receivables in note 18(dii). The amount was derived by multiplying the present value of the receivables by the market rate of interest of 20% on the cedi receivable and 10% on the dollar receivable. This interest is non-cash and not receivable. The imputed interest amount increases the amortised cost of the receivable as at the year-end 2018.

11. TAXATION

	2018 GH¢	2017 GH¢
(a) Amount recognized in profit or loss		
Current tax	881,601	5,173,197
Deferred tax charge	(904,608)	423,096
	(23,007)	5,596,293

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

11. TAXATION (CONT'D)

(b) Current tax liabilities

	Balance at 1/1 GH¢	Payments during the year GH¢	Charge for the year GH¢	Balance at 31/12 GH¢
2017	5,173,197	(2,586,598)	-	2,586,599
2018	-	-	881,601	881,601
	5,173,197	(2,586,598)	881,601	3,468,200

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

(c) Reconciliation of effective tax rate

	2018 GH¢	2017 GH¢
Profit before taxation	8,528,536	23,492,271
Income tax using the statutory rate of 25%	2,132,134	5,873,068
Effect of non- deductible expenses	962,562	1,361,404
Effect of capital allowances	(1,127,986)	(1,638,179)
Effect of non-taxable imputed interest income	(1,085,109)	-
Tax charge	881,601	5,596,293
Effective Tax Rate	10.34%	24%

(d) Deferred tax liability

	2018 GH¢	2017 GH¢
Balance at 1 January	13,947,850	13,524,754
Charge to profit or loss	(904,608)	423,096
Charge to Other Comprehensive Income	11,980,258	-
Balance at 31 December	25,023,500	13,947,850

11. TAXATION (CONT'D)

(e) Movement in deferred tax liabilities

Deferred tax liabilities are attributable to the following

2018

	Net Balance At 1/1 GH¢	Recognised in Profit and Loss GH¢	Recognised in OCI GH¢	Balance at 31/12 GH¢
Property, plant and equipment	13,947,850	(904,608)	11,980,258	25,023,500
	13,947,850	(904,608)	11,980,258	25,023,500

2017

	Net Balance At 1/1 GH¢	Recognised in Profit and Loss GH¢	Recognised in OCI GH¢	Balance at 31/12 GH¢
Property, plant and equipment	13,524,754	423,096	-	13,947,850
	13,524,754	423,096	-	13,947,850

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT

2018
Cost/Valuation

	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 1/1/2018	10,033,442	38,434,844	557,013	1,635,798	43,821,533	1,656,320	96,138,950
Additions	-	-	-	65,506	-	1,274,691	1,340,197
Transfers	-	164,813	295,551	69,621	884,199	(1,414,184)	-
Revaluation	5,905,749	6,687,578	-	(788,017)	18,523,319	-	30,328,629
At 31/12/2018	15,939,191	45,287,235	852,564	982,908	63,229,051	1,516,827	127,807,776
Accumulated Depreciation							
At 1/1/2018	451,514	2,109,924	557,012	1,107,280	9,940,086	-	14,165,816
Charge for the year	204,194	847,791	19,551	463,898	4,598,404	-	6,133,838
Released on Revaluation	(598,062)	(2,793,927)	-	(1,489,218)	(12,711,195)	-	(17,592,402)
At 31/12/2018	57,646	163,788	576,563	81,960	1,827,295	-	2,707,252
Carrying amounts							
At 31/12/2018	15,881,545	45,123,447	276,001	900,948	61,401,756	1,516,827	125,100,524
Comprising of							
NBV of revaluation gains	12,880,030	27,728,683	-	511,611	42,898,287	-	84,018,611
NBV at Cost	3,001,515	17,394764	276,001	389,337	18,503,469	1,516,827	41,081,913
	15,881,545	45,123,447	276,001	900,948	61,401,756	1,516,827	125,100,524

In compliance with the company's asset revaluation policy, Leasehold Land and Buildings, Civil Works, Plant and Machinery and Office Equipment were revalued by Assenta Property Consulting (International Property and Development Consultants, Valuers and Property Managers) in October, 2018 on the basis of their open market values. These figures were incorporated in the financial statements as at 31 October 2018. The company's property, plant and equipment has been used as security for loans and borrowings as disclosed in note 16.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

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

2017

Cost/Valuation	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 1/1/2017	11,760,498	12,869,074	38,434,844	557,013	1,536,828	43,789,703	1,139,362	110,087,322
Additions	-	51,646	-	-	98,970	31,830	1,656,320	1,838,766
Transfers	(11,760,498)	(2,887,278)	-	-	-	-	(1,139,362)	(15,787,138)
At 31/12/2017	-	10,033,442	38,434,844	557,013	1,635,798	43,821,533	1,656,320	96,138,950
Accumulated Depreciation								
At 1/1/2017	-	276,690	1,291,427	557,012	664,272	6,144,216	-	8,933,617
Charge for the year	-	174,824	818,497	-	443,008	3,795,870	-	5,232,199
At 31/12/2017	-	451,514	2,109,924	557,012	1,107,280	9,940,086	-	14,165,816
Carrying amounts								
At 31/12/2017	-	9,581,928	36,324,920	1	528,518	33,881,447	1,656,320	81,973,134
Comprising of								
NBV of revaluation gains		4,912,573	18,516,175	-	126,917	17,288,306	-	40,843,971
NBV at Cost		4,669,355	17,808,745	1	401,601	16,593,141	1,656,320	41,129,163
		9,581,928	36,324,920	1	528,518	33,881,447	1,656,320	81,973,134

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.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

13. INVENTORIES

	2018 50GH¢	2017 GH¢
Fuel stock	53,733	28,049
Spare parts	-	15,900
	53,733	43,949

14. TRADE AND OTHER RECEIVABLES

	2018 GH¢	2017 GH¢
Trade receivables*	4,608,874	4,804,683
Other receivables**	914,779	1,153,114
Staff receivables	78,200	56,000
Prepayments***	430,320	361,532
	6,032,173	6,375,329

*Trade receivables consist of amount receivable from Sage Distribution Limited, a related party.
**Other receivables includes staff imprest, advances, and tax assets.
***Prepayments includes rent, insurance, and license prepaid.

The maximum amount due from staff of the Company at the end of the year was GH¢ 78,200 (2017; GH¢56,000).

15. CASH AND CASH EQUIVALENTS

	2018 GH¢	2017 GH¢
Bank balances	16,247,016	35,013
Cash balances	16,815	13,768
Restricted cash (**Note 15b**)	7,738,847	1,925,370
Cash and cash equivalents	24,002,678	1,974,151

15. CASH AND CASH EQUIVALENTS (CONT'D)

(b). Restricted Cash

	2018 GH¢	2017 GH¢
GHS Debt Service Account-Bond (2017: SCB)	2,648,539	600,000
USD Debt Service Account –EAIF (2017: SCB)	5,090,308	1,325,370
	7,738,847	1,925,370

The Company issued a bond of GH¢ 45,000,000 on the Ghana Fixed Income Market (GFIM) in March 2018 and USD 10,000,000 from Emerging Africa Infrastructure Fund (EAIF) in December 2018 respectively both for a period of ten (10) years. As part of the security for both debts, funds were deposited into the debt service reserve accounts at GT bank (bond trustees) and Stanbic Bank (the account bank) for the Bond and EAIF loans respectively.

Also during the year, funds in the debt service reserve accounts held by Standard Chartered Bank (SCB) as at year end 2017 were paid to the company as part of the discharge requirements following the repayment of the SCB loan.

16. LOANS AND BORROWINGS

Non-current liabilities	2018 GH¢	2017 GH¢
Standard Chartered Bank Loan (a)	-	9,626,850
GFIM Bond (b)	45,000,000	-
GFIM Transaction Cost Unamortized	(3,096,812)	-
EAIF Secured Loan (c)	45,544,889	-
EAIF Transaction Cost Unamortized	(4,174,929)	-
	83,273,148	9,626,850

Current liabilities	2018 GH¢	2017 GH¢
Standard Chartered Bank Loan (SCB) (a)	-	7,701,480
Emerging Africa Infrastructure Funds (EAIF) Secured Loan (c)	2,679,111	-
	2,679,111	7,701,480

QUANTUM TERMINALS PLC

NOTES TO THE FINANCIAL STATEMENTS

16. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

				31 December 2018		31 December 2017	
	Nominal interest	**Currency**	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
				GH¢	**GH¢**	**GH¢**	**GH¢**
SCB-US$	7%+- Month LIBOR	US$	2020			11,928,330	11,928,330
SCB-GHS	28.50%	GH¢	2020	-	-	5,400,000	5,400,000
GFIM	22.25%	GH¢	2028	45,000,000	41,903,188	-	-
EAIF	7%-10%+LIBOR	US$	2028	48,224,000	44,049,071	-	-

a. *Standard Chartered Loan*

The company obtained a long term loan facility of GH¢ 12,000,000 and USD 6,000,000 respectively from Standard Chartered Bank in February and March 2015. Both facilities had 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 attracted an interest of 28.50% per annum and repayment was done every quarter. The USD denominated facility attracted an interest of 7% + 3 months LIBOR per annum. The interest was payable every quarter. This loan was prepaid in March 2018 to enable the release of the mortgaged assets for the two new loans.

b. *Ghana Fixed Income Market Bond (GFIM) Bond*

The company issued a bond of GH¢ 45,000,000 in March 2018 on the Ghana Fixed Income Market (GFIM) for a period of (10) years. The bond was partially (75%) guaranteed by Guarantco, a member of Private Infrastructure Development Group(PIDG) which has the objective of assisting local firms to overcome constraints in the accessing of local financing for infrastructure development.

The purpose of the bond was to repay the then existing loan from Standard Chartered Bank, to finance the expansion of the LPG tank farm at Atuabo and for the payment of transaction cost for both the Bond and the EAIF facility. The GFIM bond attracts a coupon rate of 22.250% per annum and payable every six (6) months. There is also a guarantee fee of 4% per annum (which will reduce to 3.5% in three years) on the 75% of the loan outstanding payable on quarterly basis. The principal repayment of GH¢ 5,000,000 will commence in March 2020 and payable annually ending in March, 2028. The effective interest rate on the bond is 29.96%

The securities provided for the loan includes debenture over all the QTPLC assets and plant and machinery, Mortgage over the QTPLC land and all charged accounts on a pari passu basis with the EAIF loan in 'c' below.

16. LOANS AND BORROWINGS (CONT'D)

c. *Emerging Africa Infrastructure Fund (EAIF) Loan*

The company obtained a long term loan facility of USD 10,000,000.00 from EAIF in December 2018 for a period of (10) years. The loan was on-lent to Quantum Gas Holdco; a related party to QTPLC. Quantum Gas Holdco used the loan proceeds to meet its shareholder investment in Quantum Gas Terminals Limited, a related company developing LPG infrastructure to enable the supply of propane to a power plant.

The EAIF loan interest is variable and calculated as **margin plus 6 month LIBOR**. The margin is dependent on the leverage ratio the company achieves at each calculation date and it's from 7% to 10%. The margin for the first interest payable in March 2019 was set at 7.75% and the LIBOR was 2.8148% given a total interest rate of 10.5648%. The interest is payable every six (6) months. The principal repayment of US$ 555,555.56 commences in September 2019 and payable semi-annually ending in March, 2028. The current effective interest rate on the loan is 13.75%

The securities provided for the loan includes debenture over all QTPLC assets and plant and machinery, Mortgage over the QTPLC land and all charged accounts on a pari passu basis with the GFIM bond in 'b' above.

d. *Reconciliation of movements of liabilities to cash flows arising from financing activities*

2018	Balance at 1/1/18 GH¢	Loan* drawdowns GH¢	Transaction* cost paid GH¢	Transaction cost amortised GH¢	Repayments of borrowings GH¢	Balance at 31/12/18 GH¢
Standard Chartered Bank Loan (a)	17,328,330	-	-	-	(17,328,330)	-
GFIM 10 Year Partial Guarantee Bond (b)	-	45,000,000	(3,118,620)	21,808	-	41,903,188
EAIF 10 Year Secured Loan (c)	-	48,224,000	(4,406,066)	231,137	-	44,049,071
	17,328,330	93,224,000	(7,524,686)	252,945	(17,328,330)	85,952,259

*The proceeds from borrowings shown in the statement of cash flows is the loan drawdowns less transaction cost paid.

NOTES TO THE FINANCIAL STATEMENTS

16. LOANS AND BORROWINGS (CONT'D)

d. Reconciliation of movements of liabilities to cash flows arising from financing activities(Cont'd)

2017	Balance at 1/1/17 GH¢	Proceeds from loans and borrowings GH¢	Repayments of borrowings GH¢	Balance at 31/12/17 GH¢
Standard Chartered Bank Loan (a)	24,188,970	-	(6,860,640)	17,328,330
	24,188,970	-	(6,860,640)	17,328,330

17. TRADE AND OTHER PAYABLES

	2018 GH¢	2017 GH¢
Project Payables	256,452	241,084
Accruals	31,783	178,454
Statutory Payables	169,995	155,233
Loan interest payable	3,288,401	222,746
Other payables	1,508,557	1,655,006
	5,255,188	2,452,523

18. RELATED PARTY TRANSACTIONS

(a) Nature of transactions with related parties

The Company is a wholly owned subsidiary of The Quantum Terminals Group Limited, a company incorporated in Ghana.

The following are other parties related to the group and the nature of transactions include;

Arch Holdings Limited is the ultimate parent of the Group.

Quantum Gas Holdco Limited (QGHCL), Quantum Oil Terminals Limited (QOTL) and Quantum LPG Logistics Limited (QLLL) are companies under a common shareholding as Quantum Terminals PLC (QTPLC). Transactions with QTPLC include un-lending of EAIF loan to QGHCL to be used as shareholder investment in Quantum Gas Terminals Ltd, another related party.

The Quantum Group Limited (TQGL) is a member of Arch Holdings Limited's Group. Transactions with QTPLC includes provision of IT and management support to QTPLC.

The Quantum Terminals Group Limited (TQTGL) is a member of Arch Holdings Limited's Group and the parent company of QTPLC, QGHCL, QOTL and QLLL. Transactions with QTPLC include project finance, payment of expenditures and funds transfer on behalf of/to the Group by QTPLC

Sage Distribution Limited (SDL), a member of Arch Holdings Limited's Group is currently the only customer of QTPLC using the Atuabo facility. SDL also pays developmental cost re-imbursement to QTPLC to enable the company meet its financial obligations.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS (CONT'D)

(a) Nature of transactions with related parties (cont'd)

Cardinal Logistics Limited (CLL), is a member Cardinal Group - a subsidiary of Arch Holdings Limited. No transactions were entered into in the year under review.

Power Fuel Distribution Co. Ltd (PFDC) is a member Cardinal Group - a subsidiary of Arch Holdings Limited. During the year, PFDC provided fuel to QTPLC for its operations at Atuabo.

Glory Oil Company Limited, is a member Cardinal Group - a subsidiary of Arch Holding Limited. During the year, Glory provided fuel to QTPLC for its operations in Accra and Tema

(b) Transactions

The following transactions were carried out with related parties:

	2018 GH¢	2017 GH¢
The Quantum Terminals Group Limited	(7,768,300)	(132,856,735)
Quantum Gas Terminals Limited	-	1,189
Quantum Oil Terminals Limited	-	786
The Quantum Group Limited	-	(13,530)
Sage Distribution Limited	25,115,812	38,094,126
Quantum Gas Holdco Limited	(48,224,000)	-

(c) Outstanding balance arising from related party transactions:

All outstanding balances resulted from transactions with related parties in the normal course of business. They are settled through either cash payments or offsets between the parties under legally enforceable rights. Related party balances have not been secured.

(i) Amount due to related parties (current liabilities)

	2018 GH¢	2017 GH¢
Cardinal Logistics	87,617	87,617
Power Fuel Distribution Company Limited	342,684	43,929
Glory Oil Company	43,401	9,892
The Quantum Group Limited	1,948,485	-
	2,422,187	141,438

18. RELATED PARTY TRANSACTIONS (CONT'D)

(c) Outstanding balance arising from related party transactions: (cont'd)

(ii) Amount due from related parties (Long-term receivables)

	2018 GH¢	2017 GH¢
The Quantum Terminals Group Limited	140,625,035	132,856,735
Quantum Gas Holdco Limited	48,224,000	-
Gross Related Party Receivables	188,849,035	132,856,735
Less Fair Value Adjustment***	(147,309,114)	-
Fair Value of Related Party Receivables at recognition	41,539,921	132,856,735
Imputed interest income on receivables (Note 10)	4,340,435	
Amortised Cost of related party receivable	45,880,356	132,856,735
Less Expected credit loss	(1,257,351)	-
	44,623,005	132,856,735

These related party receivables are interest free long-term related party receivables. The gross amount due from The Quantum Terminals Group Limited and Quantum Gas Holdco Limited are expected to be repaid on 31 December 2027 and 17 December 2028 respectively.

The receivable from The Quantum Terminals Group as at 31st December, 2017 **(GH¢ 132,856,835)** were created from the corporate restructuring that occurred in November 2017 that resulted in the Group taking over the investments in the then subsidiaries (Quantum Oil Terminals Ltd and Quantum Gas Terminals Ltd). The addition in year 2018**(GH¢ 7,768,300)** were additional funds provided to support the Group's activities for the year.
The receivable from Quantum Gas Holdco Ltd is the EAIF loan of US$ 10,000,000 (cedi equivalent) on-lent to Holdco as stated in note 16 (c) above.

******Fair Value Adjustment***
This represents the difference between the gross related party receivable and the present value of the receivable assuming a market rate and the expected repayment period of ten (10) years. The adjustment reduces the related party receivable and the total equity (fair valuation reserve) on the statement of financial position. This adjustment also includes the fair value difference arising from modification of the terms of an existing related agreement. The modification has been assessed as substantial, resulting in a derecognition of the amortised cost of the original related party receivable and a recognition of a new related receivable at fair value.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS- CONT'D

(d) Transactions with key management personnel

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

	2018 GH¢	2017 GH¢
Short term benefits	373,200	186,000
Defined Contribution (SSNIT)	48,573	23,208

Compensation of the Company's key management personnel includes salaries, and contributions to a post-employment defined contribution plan.

19. CAPITAL AND RESERVES

(a) Stated capital

	No. of Shares 2018 '000	No. of Shares 2017 '000	Proceeds 2018 GH¢	Proceeds 2017 GH¢
Authorised				
Ordinary shares of no par value	500,000	500,000		
Issued				
For cash	70,000	70,000	70,000,000	70,000,000

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

(b) Deposit for Shares

The Quantum Terminals Group Limited made a deposit for shares amounting to GH¢ 47,292,758 as at 31 December 2018 (2017: GH¢ 47,292,758). No additional deposits was made during the year under review.

(c) Revaluation Gain

	2018 GH¢	2017 GH¢
Revaluation Gain	47,921,032	-
Deferred tax on revaluation gain	(11,980,258)	-
Revaluation gain, net tax	35,940,774	-

19. CAPITAL AND RESERVES-CONT'D

(d) Revaluation reserve

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

	2018 GH¢	2017 GH¢
Balance at 1 January	31,456,150	34,551,995
Revaluation of property, plant and equipment, net of tax	35,940,774	-
Transfer from revaluation to retained earnings	(3,534,641)	(3,095,845)
Balance at 31 December	63,862,283	31,456,150

This is not available for distribution except when there is a sale of the assets by the asset owners.

(e) Retained earnings

This represents the residual of cumulative annual profits or losses that are available for distribution to shareholders except for the transfers from undistributable reserves.

(f) Fair Valuation Reserve

This represents the residual of the gross amount of related party receivable and the amortized cost of the receivable as at year ended 31 December 2018 as described in note 18 (cii). The imputed interest unwound on the related party receivables for the period and recorded in the retained earnings is transferred to the fair valuation reserve. The reserve will reduce progressively to zero (0) by the 10th year.

	2018 GH¢	2017 GH¢
Balance at 1 January	-	-
Fair Value Adjustment for period	(147,309,114)	-
Transfer from fair value reserve to retained earnings	4,340,435	-
Balance at 31 December	(142,968,679)	-

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

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

(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 and related parties.

The carrying amounts of financial assets represent the maximum credit exposure.

Maximum exposure to credit risk are as follows

	2018 GH¢	2017 GH¢
Amount due from related parties	44,623,005	132,856,735
Trade receivables *	4,608,874	4,804,683
Other receivables**	992,979	1,209,114
Bank balance	23,985,863	1,960,383
	74,210,721	140,830,915

* The trade receivables includes impairment loss allowance of GH¢35,243
** This excludes prepayments.

20. FINANCIAL RISK MANAGEMENT – CONT'D

(i) Credit Risk - (Cont'd)

Impairment losses

Impairment loss on financial assets recognised in the profit or loss were as follows.

	2018 GH¢	2017 GH¢
Impairment loss on trade receivables	(3,798)	-
Impairment reversal on amounts due from related parties	2,383,588	-
	2,379,790	-

The movement in the allowance for impairment in respect of trade receivables and amount due from related parties are as follows.

	Trade Receivables GH¢	Amount due from related parties GH¢	Total GH¢
Balance at 1 January under IAS 39	-	-	-
Adjustment on initial application of IFRS 9	31,445	3,640,939	3,672,384
Balance at 1 January under IFRS 9	31,445	3,640,939	3,672,384
Reversal of impairment loss allowance	-	(2,383,588)	(2,383,588)
Additional impairment loss allowance	3,798	-	3,798
	35,243	1,257,351	1,292,594

Amount due from related parties

The company recognised impairment allowance of GH¢ 3,640,939 as at 1 January 2018.

The company used a probability of default (PD) of 6.09% based on Moody's annual default rating and Loss Given Default (LGD) parameter of 45%. In management's assessment the LGD of 45% is the possible future loss the company is likely to incur in the event of default. This assessment did not change during 2018 resulting in an impairment allowance of GH¢1,257,351 as at 31 December 2018 (2017: Nil). The expected credit loss of GH¢ 2,383,588 was reversed in 2018 due to the reduction in impairment loss.

Trade receivables

Expected credit loss assessment for individual customers as at 1 January and 31 December 2018.

The company uses an allowance matrix to measure the Expected Credit Loss (ECLs) of trade receivables from its customer. Loss rates are calculated using the roll rate method based on the probability of receivable progressing through successive stages of delinquency of write- off.

The company recognised impairment loss of GH¢ 31,445 on 1 January 2018. An additional impairment loss of GH¢ 3,798 was recognised during the year resulting in a total impairment loss of GH¢ 35,243 as at 31 December 2018.

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL RISK MANAGEMENT – CONT'D

(i) Credit Risk - (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables from its customer as at 31 December 2018

	Weighted average loss rate	Trade receivables GH¢	Impairment allowance GH¢	Credit impaired
Current	0.53%	2,638,594	13,985	No
1-30 days past due	1.06%	2,005,523	21,258	No
Total		**4,644,117**	**35,243**	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of the economic conditions over the expected lives of the receivables.

Other receivables

The Company has determined that no expected credit loss will be recognised on amounts due from related parties because the expected credit loss is not significant to the financial statements. The company did not recognise any impairment allowance as at 1 January 2018. This assessment did not change during 2018.

Bank balance

For banks and financial institutions, only reputable banks are accepted by the company for its banking transactions. The company is not exposed to credit risks from its operating activities and banking activities. The company did not recognise any impairment allowance as at 1 January 2018. This assessment did not change during 2018.

(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 at the reporting date

31 December 2018

	Carrying Amount GH¢	6mths or less GH¢	6-12 mths GH¢	More than one year GH¢
Non-derivative financial liabilities				
Trade and Other Payables	5,085,193	4,065,336	1,019,857	-
Loans and borrowings	85,952,259	1,339,556	1,339,555	83,273,148
Due to Related Parties	2,422,187	1,211,093	1,211,094	-
Balance at 31 December 2018	93,459,639	6,615,985	3,570,506	83,273,148

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL RISK MANAGEMENT – CONT'D

(ii) Liquidity risk - (Cont'd)

31 December 2017

	Carrying Amount GH¢	6mths or less GH¢	6-12 mths GH¢	More than one year GH¢
Non-derivative financial liabilities				
Trade and Other Payables	2,297,290	710,468	1,586,822	-
Loans and borrowings	17,328,330	5,534,320	2,167,160	9,626,850
Due to Related Parties	141,438	-	141,438	-
Balance at 31 December 2017	19,767,058	6,244,788	3,895,420	9,626,850

(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.

(a) Currency risk

The company is exposed to transactional foreign currency risk on purchases that are denominated in currencies other than the functional currency. The currency in which these transactions are primarily denominated is US Dollar (US$).

The company's exposure to foreign currency risk was as follows based on notional amounts

	31/12/18 GH¢	31/12/17 GH¢
Assets		
Trade and other receivables	4,709,701	5,024,415
Due from related parties	18,641,275	4,187,000
Bank balances	5,206	1,368
	23,356,182	9,212,783
Liabilities		
Trade and other payables	(856,703)	(383,573)
Loans and borrowings	(48,224,000)	(11,928,330)
	(49,080,703)	(12,311,903)
Net exposure	(25,724,521)	(3,099,120)

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL RISK MANAGEMENT – CONT'D

(ii) Market risk - (Cont'd)

The following significant exchange rates applied during the year:

Rates of exchange (ROE)

	Average Rate		Year-end spot rate	
	2018	**2017**	**2018**	**2017**
	GH¢	**GH¢**	**GH¢**	**GH¢**
US$ to GH¢	4.5881	4.3584	4.8224	4.4179

(a) Currency risk

Sensitivity analysis

A reasonably possible strengthening or weakening of the US dollar as at 31 December 2018 would be affected by the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates remains constant and ignores impact of forecast sales and purchases. The analysis is performed on the same basis for 2017.

As of 31 Dec	2018				2017		
IN GH¢	% Change	Statement of comprehensive income impact: Strengthening	Statement of comprehensive income impact: Weakening		% Change	Statement of comprehensive income impact: Strengthening	Statement of comprehensive income impact: Weakening
		GH¢	GH¢			GH¢	GH¢
USD	-5.10%	(1,313,671)	1,313,671		-1.40%	42,309	(42,309)

(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 has long term financial instruments that would be susceptible to interest rate risks. At the reporting date the interest rate profile of the Company's interest- bearing financial instruments were:

	2018	2017
	GH¢	GH¢
Variable rate instruments	5,093,197	1,140,241

QUANTUM TERMINALS PLC

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL RISK MANAGEMENT – CONT'D

Sensitivity analysis – cont'd

Cash flow sensitivity for variable rate instrument

A change of 100 basis points in interest rate at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	100bp Increase	100bp Decrease
Effect in GH¢		
31 December 2018		
Variable rate instrument	(509,320)	509,320
31 December 2017		
Variable rate instrument	(114,024)	114,024

(c) Accounting classifications and fair values

The following table shows the carrying amounts of the company's financial assets and liabilities are an approximation of their fair values hence no fair value disclosure has been provided in these financial statements for financial assets and financial liabilities not measured at fair value.

31 December 2018	**Carrying amount Financial assets at amortized Cost**	**Level 1**	**Fair value Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
Amount due from related parties	44,623,005	-	44,623,005	-	44,623,005
Trade and other receivables	5,601,853	-	5,601,853	-	5,601,853
Cash and cash equivalents	23,985,863	-	23,985,863	-	23,985,863
Total financial assets	74,210,721	-	74,210,721	-	74,210,721

	Carrying amount Other financial liabilities	**Level 1**	**Fair value Level 2**	**Level 3**	**Total**
Financial liabilities not measured at fair value					
Trade and Other payables	5,085,193	-	5,085,193	-	5,085,193
Loans and borrowings	85,952,259	-	85,952,259	-	85,952,259
Amount due to related parties	2,422,187	-	2,422,187	-	2,422,187
Total financial liabilities	93,459,639	-	93,459,639	-	93,459,639

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL RISK MANAGEMENT – CONT'D

31 December 2017

	Carrying amount Loans and Receivables	Level 1	Fair value Level 2	Level 3	Total
Financial assets not measured at fair value					
Amount due from related parties	132,856,735	-	132,856,735	-	132,856,735
Trade and other receivables	6,013,797	-	6,013,797	-	6,013,797
Cash and cash equivalents	1,960,383	-	1,960,383	-	1,960,383
Total financial assets	140,830,915	-	140,830,915	-	140,830,915

	Carrying amount Other financial liabilities	Level 1	Fair value Level 2	Level 3	Total
Financial liabilities not measured at fair value					
Trade and Other payables	2,297,290	-	2,297,290	-	2,297,290
Loans and borrowings	17,328,330	-	17,328,330	-	17,328,330
Amount due to related parties	141,438	-	141,438	-	141,438
Total financial liabilities	19,767,058	-	19,767,058	-	19,767,058

Capital Management

The Company monitors capital using the ratio of adjusted net debt to equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less deferred tax liabilities and cash and cash equivalents. Adjusted equity comprises all components of equity. The primary objective of the company's capital management policies are to ensure that the company complies with Ghana's regulations as far as private companies are concerned, and that the company operations achieve the returns on gross investment and to maintain a strong capital ratio in order to support its business and to maximise shareholders value.

	2018 GH¢	2017 GH¢
Total liabilities	122,121,333	39,043,338
Less: Cash and Cash equivalents	(24,002,678)	(1,974,151)
Less: Deferred Tax Liability	(25,023,500)	(13,947,850)
Adjusted net debt	73,095,155	23,121,337
Total equity	77,690779	184,179,960
Adjusted net debt to equity	0.94:1	0.13:1

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

21. EARNINGS PER SHARE (EPS)

Basic
The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and the weighted-average number of shares outstanding.

	2018 GH¢	2017 GH¢
Profit attributable to ordinary shareholders	8,551,543	17,895,978
Weighted average number of ordinary shares in issue	70,000,000	70,000,000
Basic earnings per share (expressed in GH¢ per share)	0.12	0.26

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares, to assume of all dilutive potential ordinary shares. At 31 December 2018 and 2017, the company had no dilutive potential ordinary shares.

22. DEBT SERVICE COVER RATIO

To measure the ability of the company to meet its debt payment obligations during the period, the directors presented the debt service cover ratio. This is the ratio of Earnings Before Interest, Tax, Depreciation and Amortisation (EBIDA) to The Debt Service Cost falling due during the period. The Debt Service Cover Ratio for the period 2018 was **1.58** times (2017: 3.04 times). The company could therefore pay its debt obligations 1.58 times using its earnings for the period. The detailed computation has been disclosed in sub-note a-c.

a) Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

The Directors of the Company presented the performance measure EBITDA as they monitor this and believe this measure is relevant to gaining an understanding of the Company's financial performance. EBITDA is calculated by adjusting profit from continuing operations to exclude the impact of taxation, net finance costs, foreign exchange differences, depreciation and amortisation.

Reconciliation of EBITDA to profit from operations

	2018 GH¢	2017 GH¢
Profit before tax	8,528,536	23,492,271
Add Depreciation	6,133,838	5,232,199
Add Finance costs	6,840,133	4,807,297
Less Impairment reversal on financial assets	(2,379,790)	-
EBITDA	19,122,717	33,531,767

QUANTUM TERMINALS PLC
NOTES TO THE FINANCIAL STATEMENTS

b) Debt Service Cost

	2018 GH¢	2017 GH¢
Finance Cost	6,840,133	4,807,297
Add Imputed Interest Income on related party receivables	4,340,435	-
Less: Non-Cash finance cost	(998,021)	(641,506)
Add Principal Repayments Due from earnings	1,926,270	6,860,640
Total Debt Service Cost	12,108,817	11,026,431

c) Debt Service Cover Ratio

EBITDA (Note 22a)	19,122,717	33,531,767
Total Debt Service Cost (Note 22b)	12,108,817	11,026,431
Debt Service Cover Ratio	**1.58**	**3.04**

23. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date and also as at 31 December 2017.

24. CAPITAL COMMITMENTS

The Company has capital commitments in respect of the construction of LPG Tank Farm Projects at Atuabo to the tune of GH¢1,663,728 outstanding as at the year ended 2018 (2017; GH¢ 1,524,175).

25. SEGMENT REPORTING

Quantum Terminals PLC has only one reportable segment. Required disclosure information is listed below for this segment.

a. Information about reportable segment

	2018 GH¢	2017 GH¢
Revenue	4,341,181	5,740,199
Profit before taxation	8,528,536	23,492,271
Interest income	618,695	102,720
Interest expense and finance charges	(11,868,702)	(4,232,159)
Depreciation and amortisation	(6,133,838)	(5,232,199)
Other material non-cash items:		
Impairment reversal on related party receivable	2,383,588	-
Imputed interest on unwinding of related party receivable	4,340,435	-
Total assets	199,812,113	223,223,298
Total liabilities	122,121,334	39,043,338

25. SEGMENT REPORTING (CONT'D)

b. Geographical information

Quantum Terminals PLC operates an LPG storage and loading facility at Anokyi within the Western Region of Ghana. The Company provides storage and rack loading services to Sage Distribution Limited as the company's sole customer.

c. Major customer

Total revenue of GH¢ 4,341,181 is from Sage Distribution Limited, the sole customer of the company (2017: GH¢5,740,199).

The company shows the effect of IFRS 9 compliance in the below comparative analysis showings the financial statements with or without IFRS 9 adjustments.

Statement of Comprehensive Income

	Note	Without IFRS 9 adjustments 2018 GH¢	With IFRS 9 adjustments 2018 GH¢
Revenue	6	4,341,181	4,341,181
Direct costs	7	(6,444,416)	(6,444,416)
Gross loss		(2,103,235)	(2,103,235)
Other income	8	23,267,886	23,267,886
General and administrative expenses	9(a)	(8,175,772)	(8,175,772)
Impairment loss on trade receivables	20(i)	-	(3,798)
Operating profit		12,988,879	12,985,081
Impairment reversal on related party receivables	20(i)	-	2,383,588
Finance costs	10	(11,180,568)	(6,840,133)
Profit before tax		1,808,311	8,528,536
Income tax expense	11(a)	23,007	23,007
Profit after tax		1,831,318	8,551,543
Other Comprehensive income			
Items that may not be reclassified to profit or loss			
Revaluation of property, plant and equipment	19(c)	47,921,032	47,921,032
Related tax	11(d)	(11,980,258)	(11,980,258)
		35,940,774	35,940,774
Total Comprehensive income		37,772,092	44,492,318
Earnings per share			
Basic earnings per share	21	0.03	0.12
EBITDA	22	19,122,717	19,122,717

Appendix II

EXTRACT OF STATEMENT OF FINANCIAL POSITION

	Note	Without IFRS 9 adjustments 2018 GH¢	With IFRS 9 adjustments 2018 GH¢
ASSETS			
Property, plant and equipment	12	125,100,524	125,100,524
Amount due from related parties	18(c)(ii)	188,849,035	44,623,005
Non-current assets		313,949,559	169,723,529
Current assets		30,123,827	30,088,584
TOTAL ASSETS		344,073,386	199,812,113
EQUITY			
Stated capital	19(a)	70,000,000	70,000,000
Deposit for shares	19(b)	47,292,758	47,292,758
Revaluation reserve	19(d)	63,862,283	63,862,283
Retained earnings	19(e)	40,797,011	39,504,417
Fair valuation reserve	19(f)	-	(142,968,679)
Total equity		221,952,052	77,690,779
Total liabilities		122,121,334	122,121,334
TOTAL EQUITY AND LIABILITIES		344,073,386	199,812,113