

QUANTUM TERMINALS PLC

MANAGEMENT FINANCIAL STATEMENTS

31ST MARCH, 2019

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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

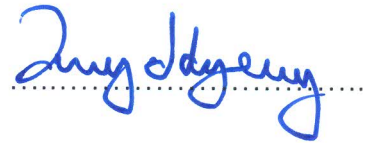
KPMG
Chartered Accountants
13 Yiyiwa Drive
Abelenkpe
P. O. Box GP 242
Accra

BANKERS

Stanbic Bank Ghana Limited
Standard Chartered Bank Ghana Limited
Guaranty Trust Bank Ghana Limited (Bond Trustees)

APPROVAL OF MANAGEMENT FINANCIAL STATEMENTS

The management financial statements for the first quarter of 2019 were approved by the board of directors on 31st May, 2019 and signed on their behalf by:


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QUANTUM TERMINALS PLC
STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2019

	Notes	Mar-2019 GHS	Mar-2018 GHS
ASSETS			
Property, Plant and Equipment	5	120,964,234	79,290,169
Work-In-Progress	6	1,516,827	1,535,985
Project Development Cost	7	0	21,000
Related Party Receivable	19	47,507,659	133,641,712
Non Current Assets		169,988,720	214,488,865
Inventory	9	28,544	75,541
Restricted Cash	10	8,107,246	24,256,337
Trade Receivables	11	2,293,560	2,052,131
Other Receivables	12	1,564,851	619,337
Prepayments	13	358,492	4,208,779
Cash and Bank	14	15,927,362	546,386
Current Assets		28,280,055	31,758,511
Total Assets		198,268,775	246,247,376
EQUITY			
Fair Valuation Reserve		(141,116,855)	0
Current Year Earnings		(3,747,262)	188,432
Deposit for Shares		47,292,758	47,292,758
Reserves		62,430,128	30,682,189
Stated Capital		70,000,000	70,000,000
Retained Earnings		39,084,748	32,564,075
Total Equity		73,943,517	180,727,454
LIABILITY			
Long-Term Debt	17	85,775,266	43,176,716
Deferred Liabilities	18	25,023,500	13,947,850
Non Current Liabilities		110,798,766	57,124,566
Project, Trade And Other Liabilities	15	10,700,992	8,395,356
Short-Term Loans	16	2,825,500	0
Current Liabilities		13,526,492	8,395,356
Total Liabilities		124,325,259	65,519,922
Total Equity and Liabilities		198,268,775	246,247,376

QUANTUM TERMINALS PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH, 2019

	Notes	Mar-2019 GHS	Mar-2018 GHS
Continuing Operations			
Revenue	24	576,104	961,687
Direct Operational Cost	25	(383,462)	(380,972)
Depreciation of Plant & Machinery	26	(2,143,895)	(949,540)
Gross Profit / (Loss)		(1,951,254)	(368,826)
Other Income	27	4,584,896	4,432,650
General & Administrative Expenses	28	(2,086,991)	(1,344,247)
Depreciation & Amortization of Other PPE	29	(479,636)	(361,258)
Earnings Before Interest & Tax		67,015	2,358,319
Foreign Exchange Gain/(Loss)	30	(1,096,448)	(12,257)
Finance Cost	31	(2,717,830)	(2,094,551)
Net Finance Cost		(3,814,278)	(2,106,808)
Profit before Tax		(3,747,262)	251,511
Corporate Tax	32	0	(63,079)
Profit from Continuing Operations		(3,747,262)	188,432
Discontinued Operations			
Profit for the Year		(3,747,262)	188,432
Other Comprehensive Income			
Other Comprehensive Income for year		0	0
Total Comprehensive Income		(3,747,262)	188,432
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Calculated EBITDA	37	4,542,370	3,669,117

QUANTUM TERMINALS PLC
STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

2019

	Stated Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Fair value Reserve GH¢	Retained Earnings GH¢	Total GH¢
Balance at 1 January	70,000,000	47,292,758	63,862,284	(142,968,679)	39,504,417	77,690,780
Adjusted balance	70,000,000	47,292,758	63,862,284	(142,968,679)	39,504,417	77,690,780
Total Comprehensive Income						
Profit for the year	-	-	-	-	(3,747,262)	(3,747,262)
Revaluation gain, net tax	-	-	-	-	-	-
Total Comprehensive Income						
Transactions with owners of the company						
Fair valuation of related party receivables	-	-	35,940,775	-	(3,747,262)	(3,747,262)
Total transactions with owners of the company	-	-	-	-	-	-
Transfers						
Transfer to retained earnings for excess depreciation on					1,432,156	-
Revalued property, plant and equipment	-	-	(1,432,156)	-	-	-
Transfer to retained earnings for unwinding					(1,851,824)	-
of related party receivables	-	-	-	1,851,824	(1,851,824)	-
Total transfers						
Balance at 31 March 2019	70,000,000	47,292,758	62,430,128	(141,116,855)	35,337,487	73,943,517

QUANTUM TERMINALS PLC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

2018	Stated Capital GH¢	Deposit for Shares GH¢	Revaluation Reserve GH¢	Retained Earnings 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	-	-	-	(3,640,939)	(3,640,939)
Adjusted balance	-	-	-	31,790,113	180,539,021
Total Comprehensive Income					
Profit for the year	-	-	-	188,432	188,432
Total transfers	-	-	-	188,432	188,432
Transfers					
Transfer to retained earnings	-	-	(773,961)	773,961	-
Total transfers	-	-	(773,961)	773,961	-
Transactions with owners of the company					
Deposit for shares	-	-	-	-	-
Total transactions with owners of the company	-	-	-	-	-
Balance at 31 March 2018	70,000,000	47,292,758	30,682,189	32,752,507	180,727,454

QUANTUM TERMINALS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 GH¢	2018 GH¢
Cash flows from operating activities			
Profit after tax		(3,747,262)	188,432
Adjustments for:			
Depreciation		2,623,531	1,310,798
Net exchange loss		1,096,448	12,257
Tax expense		-	63,079
Fair value imputed interest income		(1,851,824)	
		(1,879,107)	1,574,566
Changes in working capital:			
Inventories		25,189	(31,592)
Trade and other receivables		1,815,270	(504,919)
Trade and other payables		(444,582)	565,120
Cash generated from operating activities		1,395,877	28,610
Net Cash from Operating Activities		(483,230)	1,603,176
Cash flows from Investing Activities			
Acquisition of property, plant and equipment		(4,068)	(184,818)
Funds provided to related parties		-	(4,425,916)
Net Cash used in investing activities		(4,068)	(4,610,733)
Cash flows from financing activities			
Repayment of borrowings		-	(17,328,330)
Net proceeds from borrowings		-	-
Proceeds from deposit for shares		-	43,167,746
Net cash from from/(used in) financing activities		-	25,839,416
Net Increase/(decrease) in Cash and Cash Equivalents		(487,298)	22,831,858
Effect of exchange on cash		519,228	(3,287)
Restricted Cash at 1 January		7,738,847	48,781
Cash and Cash Equivalents at 1 January		16,263,831	1,925,370
Cash and Bank Balances at 31 December		24,034,608	24,802,723
Analysis of Cash and Cash Equivalents			
Restricted Cash at March 31		8,107,246	24,256,337
Actual Cash at March 31		15,927,362	546,386
		24,034,608	24,802,723

NOTES TO THE ACCOUNTS

1. REPORTING ENTITY

Quantum Terminals PLC is incorporated in Ghana under the Companies Code 1963 (Act 179) as a Public Limited Liability Company, and is domiciled in Ghana.

2. BASIS OF PREPARATION

a. Statement of compliance

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

b. Basis of measurement

The financial statements are prepared on the historical cost basis except for those financial instruments and property, plant and equipment measured at fair values.

c. Functional and presentation currency

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

d. Use of estimates and judgments

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

QTPLC Management Account - 31st March, 2019

(a) **Foreign currency transactions**

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

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

(b) **Financial Instruments**

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

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

(i) ***Non-derivative financial assets and liabilities – recognition and de-recognition***

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

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

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

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

(ii) ***Non-derivative financial assets – measurement***

Loans and receivable

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

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

Cash and Cash equivalent

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

(iii) Non-derivative financial liabilities – measurement

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

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

(iv) Share capital (Stated capital)

Ordinary Shares

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

(c) Impairment

(i) Financial assets

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset, where applicable, continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

