



**PRESS RELEASE**

**PR. No. 090/2024**

**QUANTUM TERMINALS PLC (QTL)-**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

QTL has released its Annual Report and Financial Statements for the year ended December 31, 2023, as per the attached.

Issued in Accra, this 17<sup>th</sup>  
day of April 2024

**- E N D -**

att'd.

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**\*AA**

**Deloitte.**

**Quantum Terminals PLC**

**Annual report and financial statements  
31 December 2023**

# Quantum Terminals PLC

## Annual report and financial statements

For the year ended 31 December 2023

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# Quantum Terminals PLC

## Corporate information

For the year ended 31 December 2023

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**Board of directors:**

Emmanuel Egyei-Mensah - Executive Chairman  
Felix Gyekye  
Kow Ainoo-Ansah  
Matilda Egyei-Mensah

**Registered office:**

Plot No. 64A/28 - 32  
Tema Industrial Area, Tema  
P. O. Box CT 4377  
Cantonments  
Accra

**Secretary:**

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

**Auditor:**

Deloitte & Touche  
Chartered Accountants  
The Deloitte Place  
Plot No. 71  
Off George Walker Bush Highway  
P. O. Box GP 453  
Accra - Ghana

**Bond trustees:**

Guaranty Trust Bank (Ghana) Limited

**Bankers:**

Stanbic Bank Ghana Limited  
Standard Chartered Bank Ghana Limited

# Quantum Terminals PLC

## Report of the directors

For the year ended 31 December 2023

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The Directors present their report and the financial statements of the Company for the year ended 31 December 2023.

### **Directors' responsibility statement**

The Directors are responsible for the preparation of financial statements that give a true and fair view of Quantum Terminals PLC (QTPLC) comprising the statements of financial position as at 31 December 2023, and the statement 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 material accounting policy information and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the report of the Directors.

The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

### **Going concern**

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

### **Nature of business/principal activities**

The Company is registered to build, own, and operate petroleum tank farms in Ghana, and also to process and blend petroleum products. There was no change in the nature of business of the Company during the year.

### **Objectives of the company**

The objective(s) of the Company is to construct and manage petroleum tank farms.

### **Holding company**

The Company is a wholly owned subsidiary of The Quantum Terminals Group Limited, a Company incorporated in Ghana. Its ultimate parent company is Arch Holding Limited.

### **Subsidiaries of the company**

The Company does not directly or indirectly own any subsidiary as at 31 December 2023.

### **Financial statements/business review**

The financial results for the year ended 31 December 2023 is reflected in the accompanying financial statements. The directors consider the state of the Company's affairs to be satisfactory following improved performance over the previous year despite the current macro-economic challenges in Ghana. The directors project a positive business outlook for the coming year.

### **Hyperinflation accounting**

Ghana's economic growth is expected to increase to 3.7% in 2024, driven by increased consumer activity. Inflation is anticipated to decrease significantly, averaging 18.9%, down from 40.5% in 2023. The board of directors have adopted the considered view of the Institute of Chartered Accountants, Ghana that Ghana is not operating in a hyperinflationary for the December 2023 financial reporting period. As a result, IAS 29 will not be applicable. Consequently, the financial statements were prepared in accordance with International Financial Reporting Standards and with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana.

# Quantum Terminals PLC

## Report of the directors – continued

For the year ended 31 December 2023

### Five-year financial highlights

	2023	2022	2021	2020	2019
	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Operating results:</b>					
Revenue	<b>68,153,863</b>	61,322,350	34,027,973	31,663,288	24,439,795
EBITDA	<b>55,914,030</b>	52,866,934	25,494,752	23,583,250	18,159,313
(Loss)/profit after tax	<b>24,657,032</b>	16,641,370	11,265,718	7,156,723	(2,277,874)
EPS	0.35	0.24	0.16	0.10	(0.03)
<b>Financial position</b>					
Property, plant & equipment	<b>332,080,855</b>	96,712,175	103,830,456	109,017,474	114,829,885
Other non-current assets	<b>92,012,669</b>	76,707,259	67,627,031	58,739,192	52,820,599
Current assets	<b>55,241,504</b>	46,183,950	24,302,048	27,948,097	31,703,803
<b>Total assets</b>	<b><u>479,335,028</u></b>	<b><u>219,603,384</u></b>	<b><u>195,759,535</u></b>	<b><u>195,704,763</u></b>	<b><u>199,354,287</u></b>
Non-current liabilities	<b>138,607,989</b>	84,717,673	81,787,271	91,269,396	101,090,825
Current liabilities	<b>29,297,436</b>	24,408,995	20,136,918	21,865,739	22,850,557
Equity	<b>311,429,603</b>	110,476,716	93,835,346	82,569,628	75,412,905
<b>Total equity and liabilities</b>	<b><u>479,335,028</u></b>	<b><u>219,603,384</u></b>	<b><u>195,759,535</u></b>	<b><u>195,704,763</u></b>	<b><u>199,354,287</u></b>

### Particulars of entries in the interests register during the financial year

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6),195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

### Related party transactions

Related party transactions and balances are also disclosed in note 18 to the financial statements.

### Corporate social responsibility and code of ethics

QTPLC incurred a total expenditure of GH¢781,287 (2022:GH¢294,418) on its various Corporate Social Responsibility (CSR) activities. The Company focuses its CSR activities on educational improvement, health and community safety. The educational programmes include teacher motivation allowances, provision of learning materials, improvement of existing school buildings, provision of water and electricity for selected schools within the community. During the year, the company with the support of its lending partner Emerging Africa Infrastructure Fund(EAIF), commenced the renovation of a Community-Based Health Planning and Services(CHPS) compound to support the basic health needs of the community. In the area of community safety, the Company engages at its own cost traffic wardens who direct the movement of LPG Bulk Road Vehicles and human traffic within the communities to ensure road safety. The company on regular basis undertakes community sensitization programs that create awareness of the impact of the company's operations on the community and the emergency management plan in the event of any adverse incident.

In addition to the above, the company continued the second phase of the jointly managed CSR program with Sage Distribution Limited and Ghana National Gas Company in the various communities within the Ellembelle District Assembly in the Western Region. This phase entailed the construction of a 20 seater toilet facility(completed), Early Childhood School(completed) and Teachers Quarters(Ongoing) with a total budget of seven million, three hundred and twenty thousand, six hundred and ninety-eight Ghana cedis (GH¢7,320,698).

**Report of the directors – continued**

**For the year ended 31 December 2023**

**Corporate social responsibility and code of ethics – continued**

The total amount spent as at year end was four million, five hundred and ninety-one thousand, seven hundred and fifty-nine Ghana Cedis (GH¢4,591,759). The jointly managed CSR program also approved the construction of a 20 Bed Mini Hospital at Aiyinase with a total budget of two million, eight hundred and sixty thousand, and thirty-six United States Dollars (USD2,860,036).

**Board of directors’ profiles**

<b>Executives</b>		
	<b>Qualification</b>	<b>Outside board and management position</b>
Emmanuel Egyei-Mensah	Master of Science degree in Business Administration from the University of Ghana, Legon. Member of the Institute of Chartered Accountants (Ghana) and the Chartered Institute of Taxation (Ghana)	Director on the Board of all related companies disclosed in Note 18
Kow Ainoo-Ansah	Bachelor of Commerce degree from the University of Cape Coast and an MBA, Finance degree.	Director, Arch Holdings Limited, Arch Services Limited, Quantum LPG Logistics Limited, Quantum Oil Terminals limited
<b>Non-executive</b>		
Matilda Egyei-Mensah	Bachelor of Education in Social Science from the University of Cape Coast and a Masters in Healthcare Quality Improvement and Leadership Development from the University of Helsinki	Director, Arch Holdings Limited, Arch Services Limited, Quantum LPG Logistics Limited, Quantum Oil Terminals Limited
Felix Gyekye	Master of Science degree in Business Administration. Member of the Institute of Chartered Accountants (Ghana) and a fellow of the Association of Chartered Certified Accountants (United Kingdom)	Director, Cardinal Petroleum Limited. Director, Glory Oil Company Limited Director, Association of Oil Marketing Companies

**Biographical information of directors**

<b>Age category</b>	<b>Number of directors</b>
41 – 60 years	4

## Report of the directors – continued

For the year ended 31 December 2023

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### **Role of the board**

The directors are responsible for the long-term success of the Company, determination of the strategic direction of the Company and review of the operating, financial and risk performance of the Company. There is a formal schedule of matters reserved for the board of directors, including approval of the Company's annual business plan, strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of company shares, borrowing powers, appointments to the Board, alterations to the regulations, legal actions brought by or against the Company, and the scope of delegations to Board committees, subsidiary boards and the management committee.

Responsibility for the development of policy and strategy and operational management is delegated to the executive director and the management team, which as at the date of this report includes the executive director and five (5) senior managers.

### **Internal control systems**

The directors have overall responsibility for the Company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive director and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

### **Directors' performance evaluation**

Every year the performance and effectiveness of the Board of Directors ("the Board"), its committees and individual directors are evaluated. The results of the evaluation is shared with all members of the Board. Overall, it was noted that the board of directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

### **Conflict of interest**

The Company has established appropriate conflict authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

### **Board balance and independence**

The composition of the board of directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained.

The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the company. The continuing independent and objective judgement of the non-Executive Directors has been confirmed by the Board of Directors.



## Report of the directors – continued

For the year ended 31 December 2023

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### Professional development and capacity building of directors to discharge their duties

On appointment to the Board, directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Company's business, the risks and strategic challenges it faces, and the economic, competitive, legal and regulatory environment in which the Company operates.

A programme of strategic and other reviews during the year, together with other trainings provided from time to time, ensures that directors continually update their skills, their knowledge and familiarity with the Company's business, and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

### Auditors and audit fees

Messrs. Deloitte & Touche have indicated their willingness to remain in office as auditors of the Company in accordance with Section 139 of the Companies Act, 2019 (Act 992).

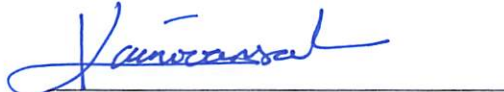
The Directors have agreed an audit fee of GH¢247,200 with the auditors for the 2023 audit (2022: GH¢200,000).

### Approval of the report of the directors and the financial statements

The report of the directors and the financial statements were approved by the board of directors on 15th April, 2024 and signed on their behalf as follows:

  
Emmanuel Egyei-Mensah  
(Executive Chairman)

Date: 15th April, 2024

  
Kow Ainoo-Ansah  
(Director)

Date: 15th April, 2024

## Independent auditor's report To the members of Quantum Terminals PLC

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Quantum Terminals PLC, set out on pages 12 to 59, which comprise the statement of financial position as 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, the notes to the financial statements, including material accounting policy information and other explanatory disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of Quantum Terminals PLC as at 31 December 2023, and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, the IAS 29 directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992).

#### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Ghana.

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.



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## Independent auditor's report To the members of Quantum Terminals PLC

The key audit matter noted below relate to the financial statements.

<b>Key audit matter: Revenue</b>	<b>How our audit addressed the key audit matter</b>
<p>The total revenue for the year was GH¢68 million.</p> <p>The Company generates revenue from storage service, rack loading services and premium charge. The Company depends solely on a related party, for all its revenues, as disclosed in Note 19.</p> <p>The company has significant loans accompanied with loan covenants such as Leverage ratio (EBITD/Loans) As EBITDA is a function of revenue, it poses a risk of inappropriate revenue recognition.</p> <p>The relationship between the Company and its related party poses an opportunity for management to inappropriately recognise revenue to show a favourable financial performance.</p> <p>Given the significance of the amount generated as revenue from the related party, who is also a sole customer, we consider occurrence of recognition of revenue as a key audit matter.</p>	<p>We performed the following audit procedures in testing revenue.</p> <p>Updated our understanding of the revenue recognition process.</p> <p>Evaluated the design and tested the implementation and operating effectiveness of relevant controls over occurrence of revenue.</p> <p>Inspected the agreement between the Company and its customer. Agreed charge rates and quantities to the underlying documents in the form of transfer certificates and invoices to support revenue recorded in the general ledger.</p> <p>Re-computed revenue taking into consideration the volume of Liquefied Petroleum Gas stored and the agreed prices.</p> <p>Performed procedures to ensure revenue was recorded in the appropriate accounting period.</p> <p>Evaluated the adequacy of the Company's disclosures on revenue recognition in the financial statements in accordance with the applicable IFRS.</p> <p>Based on the procedures described above, we concluded that revenue was appropriately recognised.</p>

### Other information

The directors are responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this report. The other information 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 and will not express an audit opinion or 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 on the other information obtained prior to the date of this auditor's report, 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.

## Independent auditor's report To the members of Quantum Terminals PLC

### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard and the requirements of the Companies Act, 2019 (Act 992) 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.

### Auditor's responsibilities for the audit of 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 judgement 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 the directors.
- 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.
- 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.



## Independent auditor's report To the members of Quantum Terminals PLC

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:
  - proper books of accounts have been kept by the Company, so far as appears from our examination of those books.
  - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:
    - a. statement of financial position of the Company at the end of the financial year, and
    - b. statement of comprehensive income for the financial year.
3. The Company's statement of financial position and statement of comprehensive income are in agreement with the accounting records and returns.
4. We are independent of the Company, pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is **Emmanuel Martey (ICAG/P/1476)**.

*Deloitte + Touche*

**For and on behalf of Deloitte & Touche (ICAG/F/2024/129)**

**Chartered Accountants**

**The Deloitte Place**

**Plot No.71**

**Off George Walker Bush Highway**

**North Dzorwulu**

**Accra - Ghana**

*17th April*  
.....2024

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# Quantum Terminals PLC

## Statement of comprehensive income

For the year ended 31 December 2023

	Notes	2023 GH¢	2022 GH¢
Revenue	6	68,153,863	61,322,350
Direct costs	7	<u>(11,070,621)</u>	<u>(10,407,689)</u>
<b>Gross profit</b>		<b>57,083,242</b>	50,914,661
Other income	8	9,330,749	6,011,010
General and administrative expenses	9(a)	<b>(19,838,158)</b>	(12,634,601)
Impairment charge on financial assets	21(i)	<u>(118,607)</u>	<u>(90,071)</u>
<b>Operating profit</b>		<b>46,457,226</b>	44,200,999
Finance income	10(b)	17,011,664	4,067,398
Finance costs	10(a)	<b>(17,186,504)</b>	(18,587,842)
Exchange loss on borrowings	10(c)	<u>(19,373,980)</u>	<u>(9,082,119)</u>
<b>Profit before tax</b>		<b>26,908,406</b>	20,598,436
Income tax charge	11	<b>(1,678,635)</b>	(3,957,066)
Growth & sustainability levy	11(g)	<u>(572,739)</u>	<u>-</u>
<b>Profit after tax</b>		<b><u>24,657,032</u></b>	<b><u>16,641,370</u></b>
<b>Other comprehensive income</b>			
Items that will not be classified subsequently to profit or loss:			
Revaluation of property, plant and equipment	20(c)	235,594,473	-
Related tax	11(d)	<u>(58,898,618)</u>	<u>-</u>
<b>Other comprehensive income for the year</b>		<b><u>176,695,855</u></b>	<b><u>-</u></b>
<b>Total comprehensive income for the year</b>		<b><u>201,352,887</u></b>	<b><u>16,641,370</u></b>
<b>Earnings per share</b>			
Basic earnings per share	22	<u>0.35</u>	<u>0.24</u>
Diluted earnings per share	22	<u>0.22</u>	<u>0.24</u>

The accompanying notes on pages 17 to 59 form an integral part of these financial statements.

# Quantum Terminals PLC


## Statement of financial position

As at 31 December 2023

	Notes	2023 GH¢	2022 GH¢
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12(ai)	332,080,855	96,712,175
Intangible asset	12(aii)	62,969	79,047
Amount due from related parties	19(cii)	91,949,700	76,628,212
		<u>424,093,524</u>	<u>173,419,434</u>
<b>Current assets</b>			
Inventories	13	372,488	55,241
Trade and other receivables	14(a)	6,246,440	7,795,562
Amount due from related parties	19(ciii)	6,106,111	-
Security deposit	14(b)	17,565,454	14,180,549
Cash and cash equivalents	15	24,951,011	24,152,598
		<u>55,241,504</u>	<u>46,183,950</u>
<b>Total assets</b>		<u>479,335,028</u>	<u>219,603,384</u>
<b>Equity</b>			
Share capital	20(a)	110,000,000	70,000,000
Deposit for shares	20(b)	6,892,758	47,292,758
Revaluation reserve	20(d)	215,730,883	43,445,370
Retained earnings	20(e)	(21,194,038)	(50,261,412)
<b>Total equity</b>		<u>311,429,603</u>	<u>110,476,716</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liability	11(d)	72,997,664	19,866,509
Loans and borrowings	16a	65,152,601	64,851,164
Long term payables	17	457,724	-
		<u>138,607,989</u>	<u>84,717,673</u>
<b>Current liabilities</b>			
Loans and borrowings	16	21,931,426	18,155,498
Trade and other payables	18	1,674,322	2,027,189
Amount due to related parties	19(c)(i)	450,991	329,068
Current tax liabilities	11(h)	5,240,697	3,897,240
		<u>29,297,436</u>	<u>24,408,995</u>
<b>Total liabilities</b>		<u>167,905,425</u>	<u>109,126,668</u>
<b>Total equity and liabilities</b>		<u>479,335,028</u>	<u>219,603,384</u>

  
**Emmanuel Egye-Mensah**  
 (Executive Chairman)

Date: 15th April, 2024

  
**Kow Ainoo-Ansah**  
 (Director)

Date: 15th April, 2024

The accompanying notes on pages 17 to 59 form an integral part of these financial statements.

## Quantum Terminals PLC

# Statement of changes in equity

For the year ended 31 December 2023

31 December 2023

	Stated capital GH¢	Deposit for shares GH¢	Revaluation reserve GH¢	Retained earnings GH¢	Total GH¢
Balance at 1 January 2023	<u>70,000,000</u>	<u>47,292,758</u>	<u>43,445,370</u>	<u>(50,261,412)</u>	<u>110,476,716</u>
Conversion of deposit for shares to equity	40,000,000	(40,000,000)	-	-	-
Stamp duty for equity registration	-	(400,000)	-	-	(400,000)
	<u>110,000,000</u>	<u>6,892,758</u>	<u>43,445,370</u>	<u>(50,261,412)</u>	<u>110,076,716</u>
<b>Total comprehensive income</b>					
Profit for the year	-	-	-	24,657,032	24,657,032
Revaluation gain net tax	-	-	176,695,855	-	176,695,855
Total comprehensive income	-	-	176,695,855	24,657,032	201,352,887
<b>Transfers within equity</b>					
Transfer to retained earnings for excess depreciation on revalued property, plant and equipment	-	-	(4,410,342)	4,410,342	-
Total transfers within equity	-	-	(4,410,342)	4,410,342	-
Balance at 31 December 2023	<u>110,000,000</u>	<u>6,892,758</u>	<u>215,730,883</u>	<u>(21,194,038)</u>	<u>311,429,603</u>

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## Quantum Terminals PLC

# Statement of changes in equity - continued

For the year ended 31 December 2022

31 December 2022

	Stated capital GH¢	Deposit for shares GH¢	Revaluation reserve GH¢	Retained earnings GH¢	Total GH¢
Balance at 1 January 2022	<u>70,000,000</u>	<u>47,292,758</u>	<u>47,855,713</u>	<u>(71,313,125)</u>	<u>93,835,346</u>
Total comprehensive income					
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,641,370</u>	<u>16,641,370</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,641,370</u>	<u>16,641,370</u>
Transfers within equity					
Transfer to retained earnings for excess depreciation on revalued property, plant and equipment	<u>-</u>	<u>-</u>	<u>(4,410,343)</u>	<u>4,410,343</u>	<u>-</u>
Total transfers within equity	<u>-</u>	<u>-</u>	<u>(4,410,343)</u>	<u>4,410,343</u>	<u>-</u>
Balance at 31 December 2022	<u>70,000,000</u>	<u>47,292,758</u>	<u>43,445,370</u>	<u>(50,261,412)</u>	<u>110,476,716</u>

The accompanying notes on pages 17 to 59 form an integral part of these financial statements.

# Quantum Terminals PLC

## Statement of cash flows

For the year ended 31 December 2023

	Notes	2023 GH¢	2022 GH¢
<b>Cash flows from operating activities</b>			
Profit after tax		24,657,032	16,641,370
Adjustments for:			
Depreciation/amortization	12	9,338,197	8,575,864
Tax expense	11(a)	2,251,374	3,957,066
Impairment	21(i)	118,607	90,071
Finance cost	10	36,560,485	27,669,961
Non cash movement in security deposit	14(b)	(3,384,905)	(3,826,214)
Interest on related party receivables	10	<u>(15,453,616)</u>	<u>(2,678,433)</u>
		54,087,174	50,429,685
Changes in working capital:			
Inventories	13	(317,247)	(26,713)
Trade and other receivables	14	1,562,642	(2,275,503)
Amount due from related parties		(6,106,111)	-
Trade and other payables	18	(424,382)	22,821
Amount due to related parties	19(ci)	<u>121,923</u>	<u>(1,077,555)</u>
<b>Cash from operating activities</b>		<b>48,923,999</b>	<b>47,072,735</b>
Tax paid	11(b)	(6,675,380)	(3,290,264)
Interest paid		<u>(14,518,184)</u>	<u>(12,807,090)</u>
<b>Net cash generated from operating activities</b>		<b><u>27,730,435</u></b>	<b><u>30,975,381</u></b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	12	(9,096,326)	(1,456,243)
Acquisition of intangible assets		-	(80,387)
<b>Net cash used in investing activities</b>		<b><u>(9,096,326)</u></b>	<b><u>(1,536,630)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	16(c)	(17,278,313)	(13,517,937)
Decrease in share deposit		(400,000)	-
Increase in lease liability		<u>529,239</u>	-
<b>Net cash used in financing activities</b>		<b><u>(17,149,074)</u></b>	<b><u>(13,517,937)</u></b>
<b>Net increase in cash and cash equivalents</b>		<b>1,485,035</b>	<b>15,920,814</b>
Effect of movement in exchange rate on cash and cash equivalent		(686,622)	(154,895)
Cash and cash equivalents at 1 January		<u>24,152,598</u>	<u>8,386,679</u>
<b>Cash and cash equivalents at 31 December</b>	<b>15</b>	<b><u>24,951,011</u></b>	<b><u>24,152,598</u></b>

The accompanying notes on pages 17 to 59 form an integral part of these financial statements.

## Notes to the financial statements

For the year ended 31 December 2023

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### 1. Reporting entity

Quantum Terminals PLC is incorporated in Ghana under the Companies Act, 1963 (Act 179) replaced by the Companies Act, 2019 (Act 992) as a Public Limited Company and is domiciled in Ghana. The address of the company's registered office and principal place of business can be found on page 2 of this report.

The Company is primarily involved in the construction, ownership and operation of petroleum tank farms in Ghana and also in the processing and blending of petroleum products.

The Company has issued a bond that is listed on the Ghana Stock Exchange.

### 2. Basis of preparation

#### a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992).

#### b. Basis of measurement

These financial statements have been prepared on the historical cost basis except for some classes of property, plant and equipment which are measured on revaluation basis and some financial instruments which are carried at fair value.

#### c. Functional and presentation currency

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

#### d. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of 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.

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 2023 is set out below and in the following note:

Note 12- determining the fair value of some classes of property, plant and equipment.

#### e. Other estimates

Note 21(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.

## Notes to the financial statements

For the year ended 31 December 2023

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### **Fair valuation measurement and valuation process**

Some of the Company's assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation.

### **Deferred taxation**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

### **Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

### **ECL assessment**

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased, the Company takes into account qualitative and quantitative reasonable and supportable information, including forward-looking information.

### **3. Changes in material accounting policies**

There was no change in any of the accounting policies during the year.

### **4. Material 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.

## Notes to the financial statements

For the year ended 31 December 2023

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### **(a) Foreign currency transactions – continued**

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

### **(b) Financial instruments**

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

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.

#### **(ii) Classification and subsequent measurement**

##### *Financial assets*

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.

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 - Assessment whether contractual cash flows are solely payments of principal and interest*

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.

## Notes to the financial statements

For the year ended 31 December 2023

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*Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest - continued*

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*

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 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.

### **(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.

*Financial liabilities*

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.

## Notes to the financial statements

For the year ended 31 December 2023

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### *Financial liabilities – continued*

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**

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

For trade receivables, 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.

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.

## Notes to the financial statements

For the year ended 31 December 2023

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### *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 Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The 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.

### *(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.

### **(d) Property, plant and equipment**

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

Plant and equipment are initially stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Property, plant and equipment are carried at revalued amounts less subsequent accumulated depreciation and any accumulated impairment except for motor vehicles which are carried at cost less accumulated depreciation and any accumulated impairment. The fair values are determined every five (5) 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.



## Notes to the financial statements

For the year ended 31 December 2023

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*(i) Recognition and measurement – continued*

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 income 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 of the right of use assets. Owned undeveloped land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	-	50 years
Right of use assets	-	2 – 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.

*(iv) Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

## Notes to the financial statements

For the year ended 31 December 2023

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*(iv) Intangible assets acquired separately – continued*

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**(e) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of identified asset- this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The company has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

*The Company as a Lessee*

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs attributable to the lease contract and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

# **Notes to the financial statements**

**For the year ended 31 December 2023**

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*The Company as a Lessee – continued*

Lease payments included in the measurement of the lease liability comprise of:

- Fixed repayment, including in-substance fixed payments
- The effects of prepayments or rent-free periods
- Contractually-stipulated increases in rent payments
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an exercise option.

The lease liability is measured at amortised cost using the effective interest method. A re-measurement of the lease liability and right-of-use asset is required under the following circumstances:

- (a) A change in future lease payment amount due to a market rent review;
- (b) A change in fixed future lease payment amount due to rent being linked to an inflation index;
- (c) A change in expected lease term (e.g. no longer expect to exercise extension option or now expect to exercise an early termination option).

When the lease liability is re-measured in this way, a corresponding adjustment is made to the current amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use asset in property and equipment and lease liabilities in trade and other liabilities in the statement of financial position.

*Short term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases of property that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(f) Revenue from contract with customer**

Based on contracts with customers, the Company receives and stores LPG at the storage facility. The performance obligation therefore relates to the storage of LPG.

Revenue is recognised when the customer receives LPG storage and rack loading service provided by the Company. Revenue is recognised at a point in time on receipt of LPG into tanks at the facility.

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

***Throughput fees***

Transaction price is determined by applying a fixed charge rate to quantities recorded on the certified meter reading report (transfer certificate). The transaction price is allocated between storage fees and rack loading fees (throughput fees).

***Premium charge***

This relates to charge made against its customer to cover the high cost and risk associated with the construction of the facility in its location above NPA's comparative charges by operators in other locational zones of US\$12/MT. All revenues are recognized at a point in time.

## Notes to the financial statements

For the year ended 31 December 2023

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### (i) Other sources of income

#### *Residual income*

This relates to the residue of gases sold to customers. The transaction price is determined using the prevailing world market price for LPG using the Argus benchmark. The income is recognized when control of the gas in tank has transferred, being when the invoice is raised.

### (ii) Direct costs

#### *Direct costs*

The entity recognizes direct costs which are mainly made up of costs directly attributed to the operations of the facility. These include staff cost, depreciation of plant and machinery and utilities.

### (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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

#### *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.

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.

# **Notes to the financial statements**

**For the year ended 31 December 2023**

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**(h) Segment reporting – continued**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

For details of segment reporting, refer to Note 26.

**(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 income and finance cost**

The Company's finance income and finance cost includes interest income on funds invested or held in bank accounts, interest expenses on borrowings, foreign currency gain or loss on borrowings and bank charges.

Interest income and expense is recognised, as it accrues in profit or loss, 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.

**(l) Stated capital**

*Ordinary shares*

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

**(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.

## Notes to the financial statements

For the year ended 31 December 2023

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### **(n) Operating profit**

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

### **(o) Capital work in progress**

Property, plant and equipment under construction is stated at cost. Property, plant and equipment under construction are depreciated from the date the asset is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

### **5. Determination of fair values**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If transaction is with the Shareholder, then the difference between the transaction price and the fair value is recognised directly in equity.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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.

## Notes to the financial statements

For the year ended 31 December 2023

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### 5. Determination of fair values – continued

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 21 financial instrument – fair value and risk management.

### **5a. New and amended IFRS Accounting Standards that are effective for the current year (2023)**

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

#### **IAS 1 Amendments**

The Company has adopted the amendments to IAS 1 for the first time in the current year.

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies.

The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

# Notes to the financial statements

For the year ended 31 December 2023

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## IAS 12

The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, The Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

## 5b. New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods, except if indicated below.

## Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.



# Notes to the financial statements

For the year ended 31 December 2023

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## **Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current – continued**

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The directors of the company anticipate that the application of these amendments may have an impact on The Company's consolidated financial statements in future periods.

## **Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent).

Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include

information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

The directors of the company anticipate that the application of these amendments may have an impact on The Company's consolidated financial statements in future periods.

## Notes to the financial statements

For the year ended 31 December 2023

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### **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

### **Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

# **Notes to the financial statements**

**For the year ended 31 December 2023**

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**Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback – continued**

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

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### 6. Revenue

	2023 GH¢	2022 GH¢
Storage services	5,242,605	4,679,923
Rack loading service	7,339,647	6,551,892
Premium charge	<u>55,571,611</u>	<u>50,090,535</u>
	<u>68,153,863</u>	<u>61,322,350</u>

### 7. Direct costs

	2023 GH¢	2022 GH¢
Utilities	365,655	274,090
Direct operational cost & consumables	37,568	48,731
Staff costs (Note 9b)	3,521,922	3,126,955
Depreciation of plant and machinery	<u>7,145,476</u>	<u>6,957,913</u>
	<u>11,070,621</u>	<u>10,407,689</u>

### 8. Other income

	2023 GH¢	2022 GH¢
Residual gas	3,326,252	3,854,016
Net foreign exchange gain	5,907,463	2,153,194
Disposal of scrap	20,000	3,800
Other income	<u>77,034</u>	<u>-</u>
	<u>9,330,749</u>	<u>6,011,010</u>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 9(a). General and administrative expenses

	2023 GH¢	2022 GH¢
Staff costs (Note 9b)	5,021,064	3,802,995
Advertising and promotions	1,000	-
Consultancy services	1,376,057	1,024,546
Donations	238,060	226,165
IT service charge	575,394	385,116
Rent and rates	181,247	181,668
Repairs and maintenance	2,929,741	1,011,292
Utilities	334,825	244,820
Auditor's remuneration	247,200	200,000
Corporate social responsibility	781,287	294,418
Communication services	40,247	39,161
Travel and accommodation expenses	1,178,739	562,822
Security expenses	454,784	392,932
Insurance expenses	516,343	325,398
Fuel expenses	577,417	346,811
Other expenses (Note 9c)	2,330,335	1,338,243
Health and safety	529,225	413,094
Depreciation	2,176,644	1,616,611
Amortization of intangibles	16,077	1,340
Licenses and fees	296,182	227,169
General penalties & charges	1,090	-
Accounting & legal fees	35,200	-
	<u>19,838,158</u>	<u>12,634,601</u>

### 9(b). Staff costs

	2023 GH¢	2022 GH¢
Staff bonus	1,346,227	708,828
Other staff allowances	87,595	38,000
Staff training and development	215,064	46,448
Salaries and wages	5,485,758	5,082,742
Social security contribution	292,786	265,651
Meals and canteen	1,115,556	788,281
Total staff cost	<u>8,542,986</u>	<u>6,929,950</u>
Direct staff cost	3,521,922	3,126,955
Indirect staff cost	<u>5,021,064</u>	<u>3,802,995</u>
	<u>8,542,986</u>	<u>6,929,950</u>

The number of persons employed by the Company at the end of the year was 84 (2022: 81).

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 9(c) Other expenses

	2023 GH¢	2022 GH¢
General office expenses	378,811	325,813
Group cost recovery expense	1,869,228	934,614
Office supplies and consumables	82,296	77,816
	<u>2,330,335</u>	<u>1,338,243</u>

### 10 Net finance costs

	2023 GH¢	2022 GH¢
<b>(a) Finance cost</b>		
Bank charges	(72,061)	(39,599)
GFIM bond interest and charges	(7,067,848)	(8,359,661)
EAIF loan interest and charges	(10,004,469)	(10,188,582)
Lease interest	(42,126)	-
<b>Total finance cost</b>	<u>(17,186,504)</u>	<u>(18,587,842)</u>
<b>(b) Finance income</b>		
Interest income on bank balances	1,558,048	1,388,965
Finance income on related party loan	15,453,616	2,678,433
<b>Total finance income</b>	<u>17,011,664</u>	<u>4,067,398</u>
<b>(c) Exchange loss on borrowings</b>	<u>(19,373,980)</u>	<u>(9,082,119)</u>
<b>Total net finance costs</b>	<u>(19,548,820)</u>	<u>(23,602,563)</u>

### (d) Prior period restatement on statement of comprehensive income

During the review of the 2023 financial statements, it was identified that the Net Finance Cost (Finance Cost, Finance Income and Exchange Loss on Borrowings) should have been presented separately on the face of the Statement of Comprehensive Income. This has been corrected in the current year and the prior year comparative figures have been restated accordingly.

The comparative amounts for the Net Finance Cost were restated to separately disclose the Finance Cost, Finance Income and Exchange Loss on Borrowings.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 11. Taxation

	2023 GH¢	2022 GH¢
<b>Amount recognized in profit or loss</b>		
<i>Current tax expense</i>		
Current year	7,444,387	5,597,240
Changes in estimate from prior year	<u>1,710</u>	<u>-</u>
	<b>7,446,097</b>	<b>5,597,240</b>
Deferred tax charge - Note 11(d)	<b><u>(5,767,463)</u></b>	<b><u>(1,640,174)</u></b>
	<b><u>1,678,635</u></b>	<b><u>3,957,066</u></b>

#### (b) Corporate tax

	Balance at 1 Jan GH¢	Payments during the year GH¢	Charge for the year GH¢	Balance at 31 Dec GH¢
<b>2023</b>				
2022	3,897,240	(3,898,950)	1,710	-
2023	<u>-</u>	<u>(2,701,430)</u>	<u>7,444,387</u>	<u>4,742,957</u>
	<b><u>3,897,240</u></b>	<b><u>(6,600,380)</u></b>	<b><u>7,446,097</u></b>	<b><u>4,742,957</u></b>
<b>2022</b>				
2021	1,590,264	(1,590,264)	-	-
2022	<u>-</u>	<u>(1,700,000)</u>	<u>5,597,240</u>	<u>3,897,240</u>
	<b><u>1,590,264</u></b>	<b><u>(3,290,264)</u></b>	<b><u>5,597,240</u></b>	<b><u>3,897,240</u></b>

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

#### (c) Reconciliation of effective tax rate

	2023 GH¢	2022 GH¢
Profit before taxation	<b><u>26,908,406</u></b>	<b><u>20,598,436</u></b>
Tax at statutory rate 25%	<b><u>6,727,102</u></b>	<b><u>5,149,609</u></b>
Effect of non-deductible expenses	<b><u>28,693,239</u></b>	<b><u>9,284,063</u></b>
Effect of other non-taxable items	<b><u>(25,824,094)</u></b>	<b><u>(7,486,701)</u></b>
Chargeable income	<b><u>29,777,551</u></b>	<b><u>22,935,978</u></b>
Tax charge	<b><u>2,251,374</u></b>	<b><u>3,957,066</u></b>
	<b>8%</b>	<b>18%</b>

Non-deductible expenses relate to depreciation, donations, excess repairs, deferred unrealized exchange loss and provisions whereas. Non-taxable items relate to deferred unrealized exchange gains and fair value of imputed interest and capital allowance on property plant and equipment.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### (d) Deferred tax liability

	2023 GH¢	2022 GH¢
Balance at 1 January	19,866,509	21,506,683
Charge to profit or loss	(5,767,463)	(1,640,174)
Charge to other comprehensive income	<u>58,898,618</u>	-
Balance at 31 December	<u>72,997,664</u>	<u>19,866,509</u>

### (e) Movement in deferred tax liabilities

Deferred tax liabilities are attributable to the following

#### 31 December 2023

#### Deferred tax (assets) /liabilities

	Net balance At 1 Jan GH¢	Recognised in profit and loss GH¢	Recognised in OCI GH¢	Balance at 31/12 GH¢
Property, plant and equipment	<u>19,866,509</u>	<u>(5,767,463)</u>	<u>58,898,618</u>	<u>72,997,664</u>
	<u>19,866,509</u>	<u>(5,767,463)</u>	<u>58,898,618</u>	<u>72,997,664</u>

#### 31 December 2022

#### Deferred tax (assets)/liabilities

	Net balance At 1 Jan GH¢	Recognised in profit and loss GH¢	Recognised in OCI GH¢	Balance at 31/12 GH¢
Property, plant and equipment	<u>21,506,683</u>	<u>(1,640,174)</u>	-	<u>19,866,509</u>
	<u>21,506,683</u>	<u>1,640,174</u>	-	<u>19,866,509</u>

### (f) Growth & Sustainability Levy

	2023 GH¢	2022 GH¢
<i>Current GSL expense</i>		
Current year	<u>572,739</u>	-
Balance at 31 December	<u>572,739</u>	-

### (g) Current tax liabilities

	2023 GH¢	2022 GH¢
Corporate tax	4,742,957	3,897,240
Growth and Sustainability Levy	<u>497,739</u>	-
	<u>5,240,696</u>	<u>3,897,240</u>



## Quantum Terminals PLC

# Notes to the financial statements

For the year ended 31 December 2023

### 12ai. Property, plant and equipment

31 December 2023

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 Jan 2023	16,186,640	48,122,843	2,199,346	1,500,156	67,525,758	1,530,078	<b>137,064,821</b>
Additions	874,387	-	571,648	82,129	444,232	7,123,930	<b>9,096,326</b>
Transfers	-	-	-	127,304	937,231	(1,064,535)	-
Revaluation	<u>16,764,382</u>	<u>72,221,895</u>	-	<u>(908,480)</u>	<u>100,759,813</u>	-	<b>188,837,610</b>
At 31 Dec 2023	<b><u>33,825,409</u></b>	<b><u>120,344,738</u></b>	<b><u>2,770,994</u></b>	<b><u>801,109</u></b>	<b><u>169,667,034</u></b>	<b><u>7,589,473</u></b>	<b><u>334,998,757</u></b>
<b>Accumulated depreciation</b>							
At 1 Jan 2023	1,637,262	4,174,673	1,136,316	1,105,541	32,298,854	-	<b>40,352,646</b>
Charge for the year	459,772	1,039,437	528,094	149,340	7,145,476	-	<b>9,322,119</b>
Released on revaluation	<u>(1,806,144)</u>	<u>(5,214,110)</u>	-	<u>(1,254,881)</u>	<u>(38,481,728)</u>	-	<b>(46,756,863)</b>
At 31 Dec 2023	<b><u>290,890</u></b>	<b><u>-</u></b>	<b><u>1,664,410</u></b>	<b><u>-</u></b>	<b><u>962,602</u></b>	<b><u>-</u></b>	<b><u>2,917,902</u></b>
<b>Carrying amounts</b>							
At 31 Dec 2023	<b><u>33,534,519</u></b>	<b><u>120,344,738</u></b>	<b><u>1,106,584</u></b>	<b><u>801,109</u></b>	<b><u>168,704,432</u></b>	<b><u>7,589,473</u></b>	<b><u>332,080,855</u></b>
<b>Comprising of</b>							
Surplus on revaluation	30,048,013	102,145,230	-	346,401	153,970,433	-	<b>286,510,077</b>
Cost of assets revalued	<u>3,486,506</u>	<u>18,199,508</u>	<u>1,106,584</u>	<u>454,708</u>	<u>14,733,999</u>	<u>7,589,473</u>	<b>45,570,778</b>
	<b><u>33,534,519</u></b>	<b><u>120,344,738</u></b>	<b><u>1,106,584</u></b>	<b><u>801,109</u></b>	<b><u>168,704,432</u></b>	<b><u>7,589,473</u></b>	<b><u>332,080,855</u></b>

## Quantum Terminals PLC

# Notes to the financial statements

For the year ended 31 December 2023

### 12ai. Property, plant and equipment – continued

31 December 2022

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 Jan 2022	16,186,640	48,003,558	1,272,768	1,209,074	66,941,416	1,995,122	135,608,578
Additions	-	19,285	-	13,990	109,324	1,313,644	1,456,243
Disposals	-	-	-	-	-	-	-
Transfers	-	100,000	926,578	277,092	475,018	(1,778,688)	-
At 31 Dec 2022	<u>16,186,640</u>	<u>48,122,843</u>	<u>2,199,346</u>	<u>1,500,156</u>	<u>67,525,758</u>	<u>1,530,078</u>	<u>137,064,821</u>
Accumulated depreciation							
At 1 Jan 2022	1,290,308	3,136,569	970,510	1,039,794	25,340,941	-	31,778,122
Charge for the year	346,954	1,038,104	165,806	65,747	6,957,913	-	8,574,524
Disposals	-	-	-	-	-	-	-
At 31 Dec 2022	<u>1,637,262</u>	<u>4,174,673</u>	<u>1,136,316</u>	<u>1,105,541</u>	<u>32,298,854</u>	<u>-</u>	<u>40,352,646</u>
Carrying amounts							
At 31 Dec 2022	<u>14,549,378</u>	<u>43,948,170</u>	<u>1,063,030</u>	<u>394,615</u>	<u>35,226,904</u>	<u>1,530,078</u>	<u>96,712,175</u>
Comprising of							
Surplus on revaluation	8,818,496	18,984,837	-	-	14,793,710	-	42,597,043
Cost of assets revalued	<u>5,730,882</u>	<u>24,963,333</u>	<u>1,063,030</u>	<u>394,615</u>	<u>20,433,194</u>	<u>1,530,078</u>	<u>54,115,132</u>
	<u>14,549,378</u>	<u>43,948,170</u>	<u>1,063,030</u>	<u>394,615</u>	<u>35,226,904</u>	<u>1,530,078</u>	<u>96,712,175</u>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 12ai. Property, plant and equipment – continued

The Company's property, plant and equipment consist of land & building, civil works, motor vehicles, office equipment and plant and machinery.

The property plant and equipment are based on valuations performed by Assenta Property Consulting, an accredited independent valuer. Assenta Property Consulting is a specialist in valuing these types of property plant and equipment. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The valuation is performed every 5 years. The last valuation was performed in 2018.

Details of the Company's land & building, civil works, office equipment and plant and machinery and information about the fair value hierarchy as at the end of the reporting period are as follows;

	<b>Level 3</b>	<b>Total fair values as</b>
	<b>GH¢</b>	<b>at 31 Dec 2023</b>
		<b>GH¢</b>
Land and building	33,534,519	33,534,519
Civil works	120,344,738	120,344,738
Office equipment	801,109	801,109
Plant and machinery	<u>168,704,432</u>	<u>168,704,432</u>
<b>Total fair values</b>	<b><u>323,384,798</u></b>	<b><u>323,384,798</u></b>

### 12a. Intangible asset

	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
Cost		
At 1 Jan	<b>80,387</b>	-
Additions	<u>-</u>	<u>80,387</u>
At 31 Dec	<b><u>80,387</u></b>	<b><u>80,387</u></b>
Accumulated depreciation		
At 1 Jan	<b>1,340</b>	-
Charge for the year	<b><u>16,078</u></b>	<b><u>1,340</u></b>
At 31 Dec	<b><u>17,418</u></b>	<b><u>1,340</u></b>
Carrying amounts	<b><u>62,969</u></b>	<b><u>79,047</u></b>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 12(b) Leases

#### (i) Leases as a lessee

The Company leases land, solar panel and buildings. The land leases typically run for a period of 50 years, solar panel for 25 years and buildings for a period of one to two years. For lease of buildings that run for a period of one year, the Company has elected not to recognise right-of-use and lease liabilities for these leases because they are short-term leases.

#### (ii) Right-of-use assets

Right-of-use assets are presented as part of property, plant and equipment.

<b>31 December 2023</b>	<b>Land</b>	<b>Building</b>	<b>Solar Panel</b>	<b>Total</b>
<b>Cost/valuation</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
At 1 Jan 2023	3,276,016	193,607	-	3,469,623
Additions	-	291,851	582,536	874,387
Transfers	-	-	-	-
Revaluation	<u>6,351,563</u>	<u>-</u>	<u>130,618</u>	<u>6,482,181</u>
At 31 Dec 2023	<b><u>9,627,579</u></b>	<b><u>485,458</u></b>	<b><u>713,154</u></b>	<b><u>10,826,191</u></b>
<b>Accumulated depreciation</b>				
At 1 Jan 2023	296,204	193,607	-	489,811
Charge for the year	71,089	97,284	15,534	183,907
Released on Revaluation	<u>(367,293)</u>	<u>-</u>	<u>(15,534)</u>	<u>(382,827)</u>
At 31 Dec 2023	<u>-</u>	<u>290,891</u>	<u>-</u>	<u>290,891</u>
<b>Carrying amounts</b>				
<b>At 31 Dec 2023</b>	<b><u>9,627,579</u></b>	<b><u>194,567</u></b>	<b><u>713,154</u></b>	<b><u>10,535,300</u></b>
31 December 2022	Land GH¢	Building GH¢	Solar Panel	Total GH¢
Balance at 1 January	3,276,016	193,607	-	3,469,623
Additions	-	-	-	-
Transfers	-	-	-	-
Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 Dec 2022	<b><u>3,276,016</u></b>	<b><u>193,607</u></b>	<b><u>-</u></b>	<b><u>3,469,623</u></b>
<b>Accumulated depreciation</b>				
At 1 Jan 2022	225,115	193,607	-	418,722
Charge for the year	71,089	-	-	71,089
Released on Revaluation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 Dec 2022	<u>296,204</u>	<u>193,607</u>	<u>-</u>	<u>489,811</u>
<b>Carrying amounts</b>				
At 31 Dec 2022	<b><u>3,572,220</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,979,812</u></b>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

(iii) Amount recognised in statement of cashflows

	2023 GH¢	2022 GH¢
Total cash outflow for leases	<u>53,296</u>	<u>-</u>

	2023 GH¢	2022 GH¢
This amount is made up of;		
Lease cost per PPE	582,535	-
Lease liability per cashflow	<u>(529,239)</u>	<u>-</u>
Total cash outflow	<u>53,296</u>	<u>-</u>

(v) Lease liabilities

	2023 GH¢	2022 GH¢
Lease liabilities payable within one year	<u>71,515</u>	<u>-</u>

### 13. Inventories

	2023 GH¢	2022 GH¢
Fuel stock	65,908	32,007
Other spare parts & tools stock	145,520	23,234
Goods-in-transit	<u>161,060</u>	<u>-</u>
	<u>372,488</u>	<u>55,241</u>

Inventory is recognized as an expense upon usage.

### 14(a) Trade and other receivables

	2023 GH¢	2022 GH¢
Trade receivables	5,205,073	6,708,433
Other receivables	786,492	958,013
Prepayments	<u>254,875</u>	<u>129,116</u>
	<u>6,246,440</u>	<u>7,795,562</u>

Trade receivables consist of amount receivable from Sage Distribution Limited, a related party. The gross trade receivable is GH¢5,232,807 (2022: GH¢6,749,688) and expected credit loss of GH¢27,734 (2022: GH¢41,255).

Other receivables include staff imprest, advances, current year tax payments and withholding tax receivables. Prepayments includes rent, insurance, and license prepaid.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 14 (b) Security deposit

	2023 GH¢	2022 GH¢
GH¢ Debt Service Account – Bond	5,237,068	4,680,554
USD Debt Service Account – EAIF	<u>12,328,386</u>	<u>9,499,995</u>
	<u>17,565,454</u>	<u>14,180,549</u>

This is a security deposit with GT Bank and Stanbic Bank. The cash is not available for use by the Company until the security is called or end of loan tenure, whichever comes first.

### 15. Cash and cash equivalents

	2023 GH¢	2022 GH¢
Bank balances	24,930,974	24,147,501
Cash balances	<u>20,037</u>	<u>5,097</u>
Cash and cash equivalents in the statement of cashflows	<u>24,951,011</u>	<u>24,152,598</u>

### 16. Loans and borrowings

	2023 GH¢	2022 GH¢
<b>Non-current liabilities</b>		
GFIM bond (a)	20,000,000	25,000,000
GFIM transaction cost unamortized	<u>(1,075,141)</u>	<u>(1,477,737)</u>
	<u>18,924,859</u>	<u>23,522,263</u>
EAIF secured loan (b)	46,222,944	42,901,500
EAIF transaction cost unamortized	<u>4,798</u>	<u>(1,572,599)</u>
	<u>46,227,742</u>	<u>41,328,901</u>
Total non-current liabilities	<u>65,152,601</u>	<u>64,851,164</u>
<b>Current liabilities</b>		
	2023 GH¢	2022 GH¢
GFIM bond**	5,000,000	5,000,000
GFIM bond interest payable	1,765,799	
EAIF secured loan**	13,206,556	9,533,667
EAIF loan interest payable	<u>1,959,071</u>	<u>3,621,831</u>
Total current liabilities	<u>21,931,426</u>	<u>18,155,498</u>

\*\*This relates to the principal repayment due in year 2024 for both EAIF and GFIM bond.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### Terms and debt repayment schedule

	Nominal interest	Currency	Year of maturity	31 December 2023		31 December 2022	
				Face value	Carrying amount	Face value	Carrying amount
				GH¢	GH¢	GH¢	GH¢
GFIM(a)	22.25%	GH¢	2028	25,000,000	23,924,859	30,000,000	28,522,263
EAIIF(b)	7%-10% + LIBOR	US\$	2028	59,429,500	59,434,298	52,435,166	50,862,567

In 2015 the Company began the process of raising additional capital for the purpose of;

- Refinancing existing debts secured from Standard Chartered Bank used to construct the facility
- Expanding the Facility including the construction of truck park and
- Investing in new business locations

The required capital was secured in debt from two sources as described below.

The securities provided for the bond include debenture over all the QTPLC assets and plant and machinery, other assets per note 14 (b), mortgage over the QTPLC land and all charged accounts on a pari passu basis with the EAIIF loan in 'b' below.

	2023	2022
	GH¢	GH¢
Carrying amount of total assets pledge as security for liabilities	<u>473,228,918</u>	<u>219,603,384</u>

#### a. 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 accessing local finance for infrastructure development.

The GFIM bond attracts a coupon rate of 22.25% per annum and payable every six (6) months. The current guarantee fee of 3.75% per annum (which will reduce to 3.5% in three months') on the 75% of the loan outstanding is payable on quarterly basis. The principal repayment of GH¢ 5,000,000 commenced in March 2020 and payable annually ending in March, 2028. The effective interest rate on the bond is 29.96%.

#### b. Emerging Africa Infrastructure Fund (EAIIF) Loan

The company obtained a long term loan facility of USD 10,000,000.00 from EAIIF in December 2018 for a period of (10) years.

The EAIIF 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 current margin for the interest payable in March 2024 was set at 7.0% and the LIBOR was 5.8992% given a total interest rate of 12.8992%. The interest is payable every six (6) months.

The principal amount of US\$ 555,555.56 is repayable semi-annually ending in March, 2028. The current effective interest rate on the loan is 13.50%.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### c. Reconciliation of movements of liabilities to cash flows arising from financing activities

The reconciliation represents the movement in the principal amount and interest payable on of loans and borrowings.

#### PRINCIPAL

##### 31 December 2023

	Balance at 1/1/23	Transaction cost amortised	Repayment of borrowings	Exchange difference	Balance at 31/12/23
	GH¢	GH¢	GH¢	GH¢	GH¢
GFIM 10-year partial guarantee bond (a)	28,522,263	402,596	(5,000,000)	-	23,924,859
EAIF 10 year secured loan (b)	<u>50,862,567</u>	<u>1,577,396</u>	<u>(12,278,313)</u>	<u>19,272,648</u>	<u>59,434,298</u>
	<b><u>79,384,830</u></b>	<b><u>1,979,992</u></b>	<b><u>(17,278,313)</u></b>	<b><u>19,272,648</u></b>	<b><u>83,359,157</u></b>

##### 31 December 2022

	Balance at 1/1/22	Transaction cost amortised	Repayment of borrowings	Exchange difference	Balance at 31/12/22
	GH¢	GH¢	GH¢	GH¢	GH¢
GFIM 10-year partial guarantee bond (a)	33,083,775	438,488	(5,000,000)	-	28,522,263
EAIF 10 year secured loan (b)	<u>38,873,591</u>	<u>2,952,866</u>	<u>(8,517,937)</u>	<u>17,554,047</u>	<u>50,862,567</u>
	<b><u>71,957,366</u></b>	<b><u>3,391,354</u></b>	<b><u>(13,517,937)</u></b>	<b><u>17,554,047</u></b>	<b><u>79,384,830</u></b>

#### INTEREST PAYABLE

	Balance at 1/1/22	Interest Accrued	Interest Paid	Exchange difference	Balance at 31/12/22
	GH¢	GH¢	GH¢	GH¢	GH¢
GFIM 10-year partial guarantee bond (a)	2,125,522	6,462,673	(6,822,396)	-	1,765,799
EAIF 10 year secured loan (b)	<u>1,496,309</u>	<u>7,590,451</u>	<u>(7,623,727)</u>	<u>496,038</u>	<u>1,959,071</u>
	<b><u>3,621,831</u></b>	<b><u>14,053,124</u></b>	<b><u>(14,446,123)</u></b>	<b><u>496,038</u></b>	<b><u>3,724,870</u></b>

##### 31 December 2022

	Balance at 1/1/22	Interest Accrued	Interest Paid	Exchange difference	Balance at 31/12/22
	GH¢	GH¢	GH¢	GH¢	GH¢
GFIM 10-year partial guarantee bond (a)	2,665,014	7,788,242	(8,327,734)	-	2,125,522
EAIF 10 year secured loan (b)	<u>793,871</u>	<u>5,318,291</u>	<u>(4,439,758)</u>	<u>(176,095)</u>	<u>1,498,309</u>
	<b><u>3,458,885</u></b>	<b><u>13,106,533</u></b>	<b><u>(12,767,492)</u></b>	<b><u>176,095</u></b>	<b><u>3,621,831</u></b>



# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 17. Long-term payables

	2023 GH¢	2022 GH¢
Leasehold liability-non current	<u>457,724</u>	-
	<u>457,724</u>	-

### 18. Trade and other payables

	2023 GH¢	2022 GH¢
Project payables	177,413	147,413
Accrual of audit fee	266,280	98,859
Statutory payables*	149,352	734,148
Other payables**	1,009,762	1,046,769
Leasehold Liability	<u>71,515</u>	-
	<u>1,674,322</u>	<u>2,027,189</u>

\*This represents payable to statutory institutions such as SSNIT, Ghana Revenue Authority (Withholding Taxes, PAYE & VAT).

\*\*This represents all other current payables to suppliers and partners.

### 19. 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. Arch Holdings Limited is the ultimate parent of the Group.

The following are other parties related to the Group. Transactions with related parties include; 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 on-lending of EAIF loan to QGHCL to be used as shareholder investment in Quantum Gas Terminals Limited, 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.

Arch Services Limited is a member of Arch Holdings Limited's Group. Transactions with QTPLC during the year includes provision of IT Services and sale of software license.

Quantum Logistics Limited is a member of Arch Holdings Limited's Group. Transactions with QTPLC during the year includes provision vehicle rental services.

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. Transaction with QTPLC relates to repayment of loan.

Sage Distribution Limited (SDL), a member of Arch Holdings Limited's Group is currently the only customer of QTPLC at the Atuabo facility.

Power Fuel Distribution Co. Ltd (PFDC) is a member of Blueline Investments - 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 of Cardinal Group - a subsidiary of Arch Holding Limited. During the year, Glory provided fuel to QTPLC for its operations in Accra and Tema.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### (b) Transactions

The following transactions were carried out with related parties:

	2023 GH¢	2022 GH¢
Sage Distribution Limited - (revenue)	<u>68,153,863</u>	<u>61,322,350</u>

### (c) Outstanding balances 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. Refer to note 14 for related party trade receivables.

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

	2023 GH¢	2022 GH¢
Arch Services Ltd.	-	86,078
Cardinal Logistics Limited	87,617	87,617
Power Fuel Distribution Company Limited	11,826	9,890
Glory Oil Company Limited	43,191	(13,802)
Quantum Logistics Limited	47,387	52,638
The Quantum Group Ltd	<u>260,970</u>	<u>106,647</u>
	<u>450,991</u>	<u>329,068</u>

#### (ii) Amount due from related parties - long-term receivables

	2023 GH¢	2022 GH¢
<b>Balance at 1 January</b>	<b>76,628,212</b>	67,627,031
Imputed finance income on related party receivable	15,453,616	2,678,433
Repayment - The Quantum Terminals Group Limited	-	-
Exchange gain on revaluation of related party receivables	-	<u>6,400,372</u>
Total related party receivables	<b>92,081,828</b>	76,705,836
Less expected credit loss	<u>(132,128)</u>	<u>(77,624)</u>
<b>Balance at 31 December</b>	<b><u>91,949,700</u></b>	<b><u>76,628,212</u></b>

#### (iii) Amount due from related parties - current receivables

	2023 GH¢	2022 GH¢
The Quantum Terminals Group Ltd	<u>6,106,111</u>	<u>-</u>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### (iii) Amount due from related parties - current receivables – continued

These receivables relate to funds provided by the company to The Quantum Terminals Group Ltd within the year. The Group is expected to refund the funds within the next twelve months.

These related party receivables are interest free long-term related party receivables. The face value due from The Quantum Terminals Group Limited is (GH¢131,664,489) and Quantum Gas Holdco Limited (GH¢72,381,000) which have been recognised at present value of GH¢92,081,828. They are expected to be repaid on 31 December 2027 and 17 December 2028 respectively.

The receivable from The Quantum Terminals Group as at 31<sup>st</sup> December, 2018 of GH¢132,856,835 was 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 of GH¢7,768,300 were additional funds provided to support the Group's activities for the year. In year 2020 and 2021, The Quantum Terminals Group Ltd repaid a total amount of GH¢5,995,026 through a corporate settlement arrangement with The Quantum Group Ltd. The receivable from Quantum Gas Holdco Ltd is the EAIF loan of US\$ 10,000,000 on-lent to Holdco as stated in note 16 (b) above. This was converted to Ghana Cedis during the year 2022.

### (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.

	2023 GH¢	2022 GH¢
Short term benefits	840,528	617,313
Defined Contribution (SSNIT)	<u>69,342</u>	<u>62,888</u>

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

## 20. Capital and reserves

### (a) Stated capital

	No. of shares		Proceeds	
	2023 '000	2022 '000	2023 GH¢	2022 GH¢
<b>Authorised</b>				
Ordinary shares of no par value	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
<b>Issued</b>				
For cash	<u>110,000</u>	<u>70,000</u>	<u>110,000,000</u>	<u>70,000,000</u>

The holders of ordinary shares are entitled to receive dividend as declared from time to time and entitled to one vote per share at meetings of the Company.

There is no share in treasury and no call or instalment unpaid on any share. Authorised but not issues shares are under control of directors.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### (b) Deposit for shares

The company converted its deposit for shares amounting to GH¢47,292,758 to stated capital of GH¢40,000,000 and related party GH¢7,292,758.

### (c) Revaluation gain

	2023 GH¢	2022 GH¢
Revaluation gain	235,594,473	-
Deferred tax on revaluation gain	<u>(58,898,618)</u>	-
Revaluation gain, net tax	<u>176,695,855</u>	<u>-</u>

### (d) Revaluation reserve

The revaluation reserve relates to revaluation of property, plant and equipment are set out below:

	2023 GH¢	2022 GH¢
Balance at 1 January	43,445,370	47,855,713
Revaluation of PPE, net tax	176,695,855	-
Transfer to retained earnings	<u>(4,410,342)</u>	<u>(4,410,343)</u>
Balance at 31 December	<u>215,730,883</u>	<u>43,445,370</u>

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.

## 21. 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.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 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 Company's exposure to credit risk is minimised as all revenue are generated from Sage Distribution Limited, a related company. The Company has transacted business with this entity over the years and there has been no default in the payment of outstanding debts.

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

Maximum exposure to credit risk are as follows:

	2023 GH¢	2022 GH¢
Amount due from related parties	91,949,700	76,628,212
Trade receivables	5,205,073	6,708,433
Other receivables	786,492	958,013
Other assets	17,565,454	14,180,549
Cash and cash equivalents	<u>24,951,011</u>	<u>24,152,598</u>
	<u>140,457,730</u>	<u>122,627,805</u>

The trade receivables includes impairment loss allowance of GH¢27,734 (2022: GH¢41,255). This excludes prepayments.

#### Impairment losses

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

	2023 GH¢	2022 GH¢
Impairment gain/(loss) on trade receivables	13,521	(12,447)
Impairment gain/(loss) on amounts due from related parties	<u>(132,128)</u>	<u>(77,624)</u>
	<u>(118,607)</u>	<u>(90,071)</u>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### *Impairment losses – continued*

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

<b>2023</b>	<b>Trade receivables GH¢</b>	<b>Amount due from related parties GH¢</b>	<b>Total GH¢</b>
Balance at 1 January	41,255	660,821	702,076
Additional impairment loss allowance	<u>(13,521)</u>	<u>132,128</u>	<u>118,607</u>
	<u>27,734</u>	<u>792,949</u>	<u>820,683</u>

<b>2022</b>	<b>Trade receivables GH¢</b>	<b>Amount due from related parties GH¢</b>	<b>Total GH¢</b>
Balance at 1 January	28,808	583,197	612,005
Additional impairment loss allowance	<u>12,447</u>	<u>77,624</u>	<u>90,071</u>
	<u>41,255</u>	<u>660,821</u>	<u>702,076</u>

### *Amount due from related parties*

The company recognised impairment allowance of GH¢792,949 as at 31 December 2023 (2022: 660,821).

The company used a probability of default (PD) of 1.90% 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 resulted in an impairment allowance of GH¢ 792,949 as at 31 December 2023. The expected credit loss of GH¢132,128 was added in 2023 due to the increment in impairment loss.

### *Trade receivables*

Expected credit loss assessment for individual customers as at 31 December 2023 is GH¢27,734 (2022: GH¢41,255).

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.

A decrease in impairment loss of GH¢13,521 was recognised during the year resulting in a total impairment loss of GH¢27,734 as at 31 December 2023.

The following tables provides information about the exposure to credit risk and ECLs for trade receivables from its customer.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

*Trade receivables – continued*  
As at 31 December 2023

	Weighted average loss rate	Trade receivables GH¢	Impairment allowance GH¢	Credit impaired
Current	0.53%	<u>5,232,806</u>	<u>27,734</u>	No
<b>Total</b>		<b><u>5,232,806</u></b>	<b><u>27,734</u></b>	

As at 31 December 2022

	Weighted average loss rate	Trade receivables GH¢	Impairment allowance GH¢	Credit impaired
Current	0.53%	5,715,431	30,292	No
1-30 days past due	1.06%	<u>1,034,257</u>	<u>10,963</u>	No
<b>Total</b>		<b><u>6,749,688</u></b>	<b><u>41,255</u></b>	

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.

In particular, the following information is taken into account when assessing whether credit risk has increased;

- Gross domestic product;
- Inflation rate;
- Actual or expected significant deterioration in the debtor's credit rating;
- Significant deterioration in external market indicators of credit risk for the debtor, and;
- Forecast of adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

### *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.

### *Bank balance and other assets*

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 31 December 2023 (2022: Nil).

### (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 Company monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on borrowings, trade and other payables.

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

(ii) Liquidity risk – continued

The following are contractual maturities of financial liabilities at the reporting date:

### 31 December 2023

	Carrying amount GH¢	6months or less GH¢	6-12 months GH¢	More than one year GH¢
<b>Non-derivative financial liabilities</b>				
Trade and other payables	1,674,322	1,674,322	-	-
Loans and borrowings	116,737,852	15,328,148	6,603,278	94,806,426
Due to related parties	1,237,638	1,237,638	-	-
Balance at 31 December 2023	<u>119,649,812</u>	<u>18,240,108</u>	<u>6,603,278</u>	<u>94,806,426</u>

### 31 December 2022

	Carrying amount GH¢	6months or less GH¢	6-12 months GH¢	More than one year GH¢
Trade and other payables	2,027,189	2,027,189	-	-
Loans and borrowings	117,269,564	13,388,664	4,766,833	99,114,067
Due to related parties	329,068	329,068	-	-
Balance at 31 December 2022	<u>119,625,821</u>	<u>15,744,921</u>	<u>4,766,833</u>	<u>99,114,067</u>

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Majority of the company's transactions are denominated in US\$ hence a way of the firm managing its market risk.

(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\$). Management currently does not have any currency risk management practices in place to manage exposure to this risk.

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

	2023 US\$	2022 US\$
<b>Assets</b>		
Trade and other receivables	449,094	786,649
Due from related parties	-	-
Bank balances	1,276,508	1,580,610
Other assets	<u>1,055,513</u>	<u>1,055,555</u>
	<u>2,781,115</u>	<u>3,422,814</u>



# Notes to the financial statements

For the year ended 31 December 2023

(a) Currency risk – continued

	2023 US\$	2022 US\$
<b>Liabilities</b>		
Trade and other payables	(179,003)	(214,082)
Due to related parties	(8,165)	-
Loans and borrowings	<u>(5,000,404)</u>	<u>(5,927,831)</u>
	<u>(5,187,572)</u>	<u>(6,141,913)</u>
<b>Net exposure</b>	<u>(2,406,457)</u>	<u>(2,719,099)</u>

The following significant exchange rates applied during the year:

Rates of exchange (ROE)

	Average rate		Year-end spot rate	
	2023 GH¢	2022 GH¢	2023 GH¢	2022 GH¢
US\$ to GH¢	<u>11.0212</u>	<u>8.2777</u>	<u>11.8859</u>	<u>8.5803</u>

### Sensitivity analysis

A reasonably possible strengthening or weakening of the US dollar as at 31 December 2022 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 2021.

As of 31 Dec	2023			2022			
	In GH¢	% Change	Statement of comprehensive income impact: Strengthening GH¢	Statement of comprehensive income impact: Weakening GH¢	% Change	Statement of comprehensive income impact: Strengthening GH¢	Statement of comprehensive income impact: Weakening GH¢
USD		38.5%	(11,212,945)	11,212,945	42.8%	(9,509,425)	9,509,425

As of 31 Dec	2023			2022			
	In GH¢	% Change	Equity, net of tax: Strengthening GH¢	Equity, net of tax: Weakening GH¢	% Change	Equity, net of tax: Strengthening GH¢	Equity, net of tax: Weakening GH¢
USD		38.5%	(8,409,709)	8,409,709	42.8%	(7,132,069)	7,132,069

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

(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. Management currently does not have any interest rate risk management practices in place to manage exposure to this risk. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

	2023 GH¢	2022 GH¢
Variable rate instruments	<u>59,434,298</u>	<u>50,862,568</u>
Fixed rate instruments	<u>23,924,859</u>	<u>28,522,263</u>

**Cash flow sensitivity for variable rate instrument**

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

31 December 2023	100bp Increase GH¢	100bp Decrease GH¢
<i>Effect on profit or loss</i>		
Variable rate instrument	<u>(594,295)</u>	<u>594,295</u>
<i>Effect on equity, net of tax</i>		
Variable rate instrument	<u>(445,721)</u>	<u>445,721</u>
31 December 2023		
<i>Effect on profit or loss</i>	100bp Increase GH¢	100bp Decrease GH¢
Variable rate instrument	<u>(524,352)</u>	<u>524,352</u>
<i>Effect on equity, net of tax</i>		
Variable rate instrument	<u>(393,264)</u>	<u>393,264</u>

(c) *Accounting classifications and fair values*

The carrying amounts of the Company's financial assets and financial liabilities are an approximation of their fair values hence no fair value disclosure has been provided in these financial statements.

# Notes to the financial statements

For the year ended 31 December 2023

## 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 public 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.

	2023 GH¢	2022 GH¢
Total liabilities	<b>168,692,073</b>	109,126,668
Less: Cash and cash equivalents	<b>(24,951,011)</b>	(24,152,598)
Less: Deferred tax liability	<b>(72,997,664)</b>	(19,866,509)
Adjusted net debt	<b><u>70,743,398</u></b>	<u>65,107,561</u>
Total equity	<b><u>304,536,845</u></b>	<u>110,476,716</u>
Adjusted net debt to equity	<b><u>0.23:1</u></b>	<u>0.59:1</u>

## 22. 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.

	2023 GH¢	2022 GH¢
Profit attributable to ordinary shareholders	<b><u>24,657,032</u></b>	<u>16,641,370</u>
Weighted average number of ordinary shares in issue	<b><u>70,000,000</u></b>	<u>70,000,000</u>
Basic earnings per share (expressed in GH¢ per share)	<b><u>0.35</u></b>	<u>0.24</u>

### 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 2023, the company had converted additional 40,000,000 ordinary shares and weighted average number of shares will be 70,000,000. The diluted earnings per share for the year 2023 is 0.22 (2022: 0.24).

# Notes to the financial statements

For the year ended 31 December 2023

## 23. Debt service cover ratio

The debt service cover ratio is used to measure the ability of the company to meet its debt payment obligations during the period. This is the ratio of Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to The Debt Service Cost falling due during the period. The Debt Service Cover Ratio for the period 2023 was 1.75 times (2022:1.96 times). The company could therefore pay its debt obligations 1.75 times using its earnings for the period. The minimum ratio specific to the debt was 1.25 times. The detailed computation has been disclosed in sub-note a-c.

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

The Directors of the Company monitor the performance measure EBITDA and they 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

	2023 GH¢	2022 GH¢
Profit before tax	26,908,406	20,598,436
Add depreciation (Note 12)	9,338,197	8,575,864
Add net finance costs (Note 10)	19,548,820	23,602,563
Add impairment loss/(reversal) on financial assets (Note 20(i))	<u>118,607</u>	<u>90,071</u>
<b>Adjusted EBITDA</b>	<b><u>55,914,030</u></b>	<b><u>52,866,934</u></b>

### b) Debt service cost

	2023 GH¢	2022 GH¢
Net finance cost	19,548,820	23,602,563
Add: imputed and interest income	17,011,664	4,067,398
Loan exchange difference	<b>(19,373,980)</b>	<b>(9,082,119)</b>
Less: non-cash finance cost	<b>(2,432,184)</b>	<b>(5,083,230)</b>
Add principal repayments due from earnings	<u>17,278,313</u>	<u>13,517,937</u>
<b>Total debt service cost</b>	<b><u>32,032,633</u></b>	<b><u>27,022,549</u></b>

### c) Debt service cover ratio

Adjusted EBITDA (Note 22a)	55,914,030	52,866,934
Total Debt Service Cost (Note 22b)	<u>32,032,633</u>	<u>27,022,549</u>
<b>Debt service cover ratio</b>	<b><u>1.75</u></b>	<b><u>1.96</u></b>

# Quantum Terminals PLC

## Notes to the financial statements

For the year ended 31 December 2023

### 24. Contingent liabilities

There were no contingent liabilities in 2023. (2022: Nil).

### 25. Capital commitments

The Company has capital commitments in respect of the purchase of LPG Bulk Road Vehicles tanks to aid in the evacuation of LPG at Anokyi to the tune of GH¢4,100,636 outstanding as at the reporting date (2022: GH¢2,960,204).

### 26. Segment reporting

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

#### a. Information about reportable segment

	2023 GH¢	2022 GH¢
Revenue	<b>68,153,863</b>	61,322,350
Profit/(loss) before taxation	<b>26,908,406</b>	20,598,436
Net finance cost	<b>(19,548,820)</b>	(23,602,563)
Depreciation and amortisation	<b>9,338,197</b>	8,575,864
<b>Other material non-cash items:</b>		
Impairment charge	<b>(132,128)</b>	(77,624)
<b>Total assets</b>	<b><u>473,228,918</u></b>	<b><u>219,603,384</u></b>
<b>Total liabilities</b>	<b><u>169,136,331</u></b>	<b><u>109,126,668</u></b>

#### b. Geographical information

Quantum Terminals PLC operates an LPG storage and loading facility at Anokyi within the Western Region of Ghana. The company's registered office is Plot No. 64A/28 – 32, Tema Industrial Area, Tema.

#### c. Major customer

Total revenue of GH¢68,153,863 is from Sage Distribution Limited, the sole customer of the company (2022: GH¢61,322,350)

### 27. Going concern

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

### 28. Events after reporting period

There were no significant events after the reporting date of 31 December 2023 which are likely to affect these financial statements.