



# TF FINANCIAL SERVICES LTD.

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

### TF FINANCIAL SERVICES LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020

	2020 GH¢	2019 GH¢
Interest income	41,361,888	36,378,278
Interest expense	(13,873,664)	(10,614,789)
<b>Net interest income</b>	<b>27,488,224</b>	<b>25,763,489</b>
Other operating income	2,160	100,577
<b>Total operating income</b>	<b>27,490,384</b>	<b>25,864,066</b>
Credit loss expense	(3,047,402)	(1,635,474)
<b>Net operating income</b>	<b>24,442,982</b>	<b>24,228,592</b>
Personnel expenses	(7,555,266)	(5,964,009)
Operating expenses	(14,162,001)	(11,810,095)
<b>Total operating expenses</b>	<b>(21,717,267)</b>	<b>(17,774,104)</b>
<b>Profit before tax</b>	<b>2,725,715</b>	<b>6,454,488</b>
Income tax	(817,714)	(1,922,352)
<b>Profit for the year</b>	<b>1,908,001</b>	<b>4,532,136</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>1,908,001</b>	<b>4,532,136</b>

### TF FINANCIAL SERVICES LIMITED STATEMENT OF FINANCIAL POSITION AT 31<sup>ST</sup> DECEMBER 2020

	2020 GH¢	2019 GH¢
<b>Assets</b>		
Cash and cash equivalents	9,130,830	5,107,162
Loans and advances to customers	82,656,750	83,239,643
Deferred tax asset	1,585,490	814,578
Investment	5,805,104	-
Property, plant and equipment	1,344,604	1,123,769
Prepayments	6,704,725	7,349,949
Other assets	142,298	138,526
<b>Total assets</b>	<b>107,369,801</b>	<b>97,773,628</b>
<b>Liabilities</b>		
Other liabilities	1,480,864	1,334,993
Bank overdraft	-	1,501,759
Loan payable	75,837,495	66,479,649
Income tax liability	58,362	372,148
<b>Total liabilities</b>	<b>77,376,721</b>	<b>69,688,549</b>
<b>Equity</b>		
Stated capital	20,000,000	20,000,000
Retained earnings	1,963,008	1,009,008
Statutory reserve	8,030,072	7,076,071
Regulatory risk reserve	-	-
<b>Total equity</b>	<b>29,993,080</b>	<b>28,085,079</b>
<b>Total equity and liabilities</b>	<b>107,369,801</b>	<b>97,773,628</b>

  
DIRECTOR

  
DIRECTOR

### TF FINANCIAL SERVICES LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2020

	2020 GH¢	2019 GH¢
<b>Cash flow from operating activities</b>		
Profit before taxation	2,725,715	6,454,488
<i>Adjustments for:</i>		
Depreciation charges	490,701	310,344
Profit on disposal	-	(55,977)
Interest expense	13,873,664	10,614,789
	17,090,080	17,323,644
<i>Changes in:</i>		
Loans and advances to customers	582,893	(18,381,579)
Other assets	641,454	(1,709,866)
Other liabilities	145,871	1,127,991
Interest paid	(13,868,738)	(1,522,067)
<b>Cash flow from operating activities</b>	<b>(4,591,560)</b>	<b>(3,161,877)</b>
Income tax paid	(1,902,412)	(1,257,443)
<b>Net cash from operating activities</b>	<b>(2,689,148)</b>	<b>(4,419,320)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(711,536)	(661,644)
Proceeds from disposal of property, plant and equipment	-	185,000
Investment in Short Term Fixed Deposit	(5,805,104)	-
<b>Net cash used in investing activities</b>	<b>(6,516,640)</b>	<b>(476,644)</b>
<b>Cash flows from financing activities</b>		
Loan received	7,851,160	9,166,667
<b>Net cash used in financing activities</b>	<b>7,851,160</b>	<b>9,166,667</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,023,668</b>	<b>4,270,701</b>
Cash and cash equivalents at 1st January	5,107,162	836,461
<b>Cash and cash equivalents at 31st December</b>	<b>9,130,830</b>	<b>5,107,162</b>



### INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF TF FINANCIAL SERVICES LIMITED

#### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at December 31, 2020 and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930) and any other relevant local legislation.



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#### 1. Significant Accounting Policy

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required under the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930).

#### 2. Quantitative Disclosures

	2020	2019
Capital Adequacy Ratio	17%	17%
Gross Non-Performing Loans Ratio	7%	4%

#### 3. Risk Management

Effective risk management is of critical importance and key to the delivery of sustainable returns for shareholders. Risk taking is an inherent part of the company's business activities and is defined as the possibility of losing some or all of an original investment. Risk management systems and governance structures are designed to reduce earnings volatility and achieve an appropriate balance between risk and reward and increased profitability. The most important types of risk include:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board's commitment to good risk management may be supported by their continuing professional development in the field of risk management and their support for the implementation and continued improvement of the risk management framework within the company

The Financial Statements in this publication is an extract from the Financial Statement for the year ended 31st December 2020. The Full set of the Financial Statements is available for inspection at TF Financial Services Ltd Head Office.