

**INDEPENDENT AUDITORS REPORT
TO THE TRUSTEES OF
TF FINANCIAL SERVICES LIMITED (CONT'D)**

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

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

Report on Other Legal and Regulatory Requirements

Section 133 of the Companies Act 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters.

We confirm that:

- i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. in our opinion, proper books of account have been kept and the statements of financial position and comprehensive income are in agreement with the books of account; and
- iii. the statement of financial position and the income statement of the company are in agreement with the books of account.

In accordance with the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930), we hereby confirm that:

- i. the accounts give a true and fair view of the state of affairs of the company and its results for the period under review;
- ii. we were able to obtain all information and explanations required for the efficient performance of our duties as auditors;
- iii. the company's transactions are within its powers; and
- iv. the company has generally complied with the provisions in the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930)



ERIC DONTOH ICAG/P/1221

For And On Behalf Of:

ACCOUNTS SOLN CONSULTANTS ICAG/F/2018/023

CHARTERED ACCOUNTANTS

P. O. BOX KN2932

KANESHIE

27/09/2018

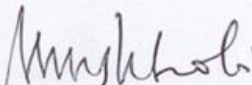
TF FINANCIAL SERVICES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017 GH¢	2016 GH¢
Interest income	5	17,655,298	13,124,855
Interest expense	6	(4,767,591)	(5,632,093)
Net interest income		<u>12,887,707</u>	<u>7,492,762</u>
Other Operating Income	7	218,548	156,331
Total Operating Income		<u>13,106,255</u>	<u>7,649,093</u>
Credit Loss Expenses	8	662,329	(7,312,824)
Net Operating Income		<u>13,768,584</u>	<u>336,269</u>
Personnel Expenses	9	(4,027,934)	(3,449,954)
Operating Expenses	10	(5,768,508)	(3,723,256)
Total Operating Expenses		<u>(9,796,442)</u>	<u>(7,173,210)</u>
Profit/ (Loss) before tax		<u>3,972,142</u>	<u>(6,836,941)</u>
Income Tax	11(a)	(1,191,642)	1,596,694
Profit/ (Loss) for the year		<u>2,780,500</u>	<u>(5,240,247)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>2,780,500</u> =====	<u>(5,240,247)</u> =====


The notes on pages 15 to 47 form an integral part of these financial statements.

TF FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION AT 31ST DECEMBER 2017

	Note	2017 GHC	2016 GHC
Assets			
Cash and cash equivalents	12	3,605,060	4,432,157
Investment in securities	13	-	-
Loans and advances to customers	14	45,288,681	25,805,508
Deferred tax asset	11.b (ii)	2,026,917	2,519,420
Income tax Asset	11.b (i)	-	76,784
Property and equipment	15	571,083	509,130
Other assets	16	807,061	615,124
		-----	-----
Total assets		52,298,802	33,958,123
		=====	=====
Liabilities			
Other liabilities	18	619,506	541,068
Loan Payable	17	31,527,575	25,055,728
Income tax liability	11.b (i)	9,894	-
		-----	-----
Total liabilities		32,156,975	25,596,796
		=====	=====
Equity			
Stated capital	19	20,000,000	7,000,000
Contribution towards Capital		-	4,000,000
Retained earnings	20	(3,262,045)	(5,500,506)
Statutory reserve	21	3,020,018	1,629,768
Regulatory risk reserve	22	383,854	1,232,065
		-----	-----
Total equity		20,141,827	8,361,327
		-----	-----
Total liabilities and equity		52,298,802	33,958,123
		=====	=====



 DIRECTOR



 DIRECTOR

The notes on pages 15 to 47 form an integral part of these financial statements.

TF FINANCIAL SERVICES LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Stated Capital GHC	Retained earnings GHC	Statutory reserve GHC	Regulatory Risk Reserve GHC	Total GHC
Balance at 1st January 2017	11,000,000	(5,500,506)	1,629,768	1,232,065	8,361,327
Profit for the year	-	2,780,500	-	-	2,780,500
Contribution towards Capital;					
Conversion of Debt to Equity	9,000,000	-	-	-	9,000,000
Regulatory and other reserves					
Transfer to statutory reserve	-	(1,390,250)	1,390,250	-	-
Transfer to risk reserve	-	848,211	-	(848,211)	-
Balance at 31st December 2017	20,000,000	(3,262,045)	3,020,018	383,854	20,141,827
Balance at 1st January 2016	7,000,000	(1,702,810)	1,629,768	2,674,616	9,601,574
Loss for the year	-	(5,240,247)	-	-	(5,240,247)
Contribution towards Capital;					
Conversion of Debt to Equity	4,000,000	-	-	-	4,000,000
Regulatory and other reserves					
Transfer to statutory reserve	-	-	-	(1,442,551)	-
Transfer to risk reserve	-	1,442,551	-	-	-
Balance at 31st December 2017	11,000,000	(5,500,506)	1,629,768	1,232,065	8,361,327

The notes on pages 15 to 47 form an integral part of these financial statements.

TF FINANCIAL SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2017

	Note	2017 GHC	2016 GHC
Cash flows from operating activities			
Profit/ (Loss) for the year before Taxation		3,972,142	(6,836,941)
<i>Adjustments for:</i>			
Depreciation	15	268,418	219,476
(Profit)/ Loss on Disposal	7	-	210,606
Interest Expense	6	4,767,591	5,632,093
		-----	-----
		9,008,151	(774,766)
<i>Changes in:</i>			
Loans and advances to customers	14	(19,483,173)	626,968
Other assets	16	(191,937)	(2,416)
Other liabilities	18	78,439	305,343
Investment in securities	13	-	-
Interest Paid	17	(3,830,443)	(2,708,448)
		-----	-----
		(14,418,963)	(2,553,319)
Income tax paid	11. b (i)	(612,461)	(634,986)
		-----	-----
Net cash flow from operating activities		(15,031,424)	(3,188,305)
		-----	-----
Cash flows from investing activities			
Acquisition of property and equipment	15	(330,371)	(330,725)
Proceeds from Disposal of property and equipment	7	-	102,298
		-----	-----
Net cash used in investing activities		(330,371)	(228,427)
		-----	-----
Cash flow from financing activities			
Loan Received	17	14,534,698	4,200,000
		-----	-----
Net cash from financing activities		14,534,698	4,200,000
		-----	-----
Net decrease in cash and cash equivalents		(827,097)	783,266
Cash and cash equivalents at 1 st January		4,432,157	3,648,891
		-----	-----
Cash and cash equivalents at 31 st December	12	3,605,060	4,432,157
		=====	=====

The notes on pages 15 to 47 form an integral part of these financial statements.

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

Opinion

We have audited the financial statements of TF FINANCIAL SERVICES LIMITED, which comprises the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 48.

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, 2017 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 Company Act 1963 (Act 179) and the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930) and any other relevant local legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report.

We are independent of the organisation in accordance with the International Ethics Standard Board for Accountant's Code of Ethics for Professional Accountants (IESBA CODE), and we have fulfilled our other ethical responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, 2017, and (of) its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Other Information

The directors are responsible for the other information. The other information comprises Report of the directors and corporate Governance but does not include the Company financial statements and our auditors report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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 AUDITORS REPORT
TO THE TRUSTEES OF
TF FINANCIAL SERVICES LIMITED (CONT'D)**

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 IFRSs, and for such internal control as the Directors determines 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, basis of accounting unless the Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatements 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 expression 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 Board of Directors.
- Conclude on the appropriateness of the Board of 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.

**INDEPENDENT AUDITORS REPORT
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- iv. the company has generally complied with the provisions in the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930)



ERIC DONTOH ICAG/P/1221
For And On Behalf Of:
ACCOUNTS SOLN CONSULTANTS ICAG/F/2018/023
CHARTERED ACCOUNTANTS
P. O. BOX KN2932
KANESHIE

27/09/2018

**REPORT OF THE DIRECTORS
TO THE TRUSTEES OF
TF FINANCIAL SERVICES LIMITED (CONT'D)**

In accordance with section 29 (b) of the Banking Act, 2004 Act 673 as amended, an amount of GH¢1,390,250 was transferred to the statutory reserve fund from retained earnings bringing the cumulative balance on the statutory reserve fund at the year end to GH¢3,020,018.

The Directors confirm that to the best of their knowledge:

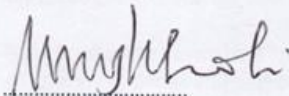
- the financial statements, prepared in accordance with applicable laws and the company's financial reporting framework, give a true and fair view of the company's financial position, performance and cash flows; and
- the state of the company's affairs is satisfactory.

RESULTS OF OPERATIONS

The company made a profit of GHC 2,780,500 as shown in the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 26/03/18 and signed on their behalf by:



DIRECTOR



DIRECTOR