

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

	2018 GHC	2017 GHC
Interest income	26,387,054	17,655,298
Interest expense	(7,232,497)	(4,767,591)
<b>Net interest income</b>	<b>19,154,557</b>	<b>12,887,707</b>
Other Operating Income	207,977	218,548
<b>Total Operating Income</b>	<b>19,362,534</b>	<b>13,106,255</b>
Credit Loss Expenses	(1,122,734)	662,329
<b>Net Operating Income</b>	<b>18,239,800</b>	<b>13,768,584</b>
Personnel Expenses	(5,331,548)	(4,027,934)
Operating Expenses	(7,794,009)	(5,768,508)
<b>Total Operating Expenses</b>	<b>(13,125,557)</b>	<b>(9,796,442)</b>
<b>Profit before tax</b>	<b>5,114,243</b>	<b>3,972,142</b>
Income Tax	(1,534,273)	(1,191,642)
<b>Profit for the year</b>	<b>3,579,970</b>	<b>2,780,500</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the Year</b>	<b>3,579,970</b>	<b>2,780,500</b>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

Note	2018 GHC	2017 GHC
<b>Cash flows from operating activities</b>		
Profit for the year before taxation	4,962,220	3,972,142
<i>Adjustments for:</i>		
Net Impact of adopting IFRS 9	(105,237)	-
Depreciation	387,255	268,418
Profit on Disposal	(18,445)	-
Interest Expense	7,232,497	4,767,591
	12,458,290	9,008,151
<i>Changes in:</i>		
Loans and advances to customers	(22,063,795)	(19,483,173)
Other assets	(2,325,112)	(191,937)
Other liabilities	1,089,255	78,439
Interest Paid	(6,077,572)	(3,830,443)
	(16,918,934)	(14,418,963)
Income tax paid	(688,206)	(612,461)
<b>Net cash flow from operating activities</b>	<b>(17,607,140)</b>	<b>(15,031,424)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(717,665)	(330,371)
Proceeds from Disposal of property and equipment	18,445	-
<b>Net cash used in investing activities</b>	<b>(699,220)</b>	<b>(330,371)</b>
<b>Cash flow from financing activities</b>		
Loan Received	15,537,761	14,534,698
<b>Net cash from financing activities</b>	<b>15,537,761</b>	<b>14,534,698</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,768,599)</b>	<b>(827,097)</b>
Cash and cash equivalents at 1 <sup>st</sup> January	3,605,060	4,432,157
Cash and cash equivalents at 31 <sup>st</sup> December	836,461	3,605,060


**STATEMENT OF FINANCIAL POSITION AT 31<sup>ST</sup> DECEMBER 2018**

	2018 GHC	2017 GHC
<b>Assets</b>		
Cash and cash equivalents	836,461	3,605,060
Loans and advances to customers	64,858,064	42,794,269
Deferred tax asset	1,054,752	2,026,917
Income tax Asset	52,587	-
Property and equipment	901,492	571,083
Prepayments	5,653,569	3,279,259
Other assets	125,039	22,214
<b>Total assets</b>	<b>73,481,964</b>	<b>52,298,802</b>
<b>Liabilities</b>		
Other liabilities	1,032,116	619,506
Bank Overdraft	676,643	-
Loan Payable	48,220,262	31,527,575
Income tax liability	-	9,894
<b>Total liabilities</b>	<b>49,929,021</b>	<b>32,156,975</b>
<b>Equity</b>		
Stated capital	20,000,000	20,000,000
Retained earnings	(1,729,480)	(3,262,045)
Statutory reserve	4,810,003	3,020,018
Regulatory risk reserve	472,420	383,854
<b>Total equity</b>	<b>23,552,943</b>	<b>20,141,827</b>
<b>Total liabilities and equity</b>	<b>73,481,964</b>	<b>52,298,802</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, 2018 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 1963 (Act 179) and the Banks and Specialised Deposit Taking Institutions Act 2016 (Act 930) and any other relevant local legislation.

  
SIGNED BY  
SAMUEL ANOKYE ICAG/P/1538  
For And On Behalf Of:  
ASL CONSULTING ICAG/F/2019/023  
CHARTERED ACCOUNTANTS  
P. O. BOX KN 2932  
KANESHIE

25/01/2019

**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).

**Changes in accounting policies**

The Company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2018. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period.

**2. Quantitative Disclosures**

	2018	2017
Capital Adequacy Ratio	19.82%	27.92%
Gross Non-Performing Loans Ratio	7.60%	16.13%

**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 31<sup>st</sup> December 2018. The Full set of the Financial Statements is available for inspection at TF Financial Services Ltd Head Office.

  
DIRECTOR

  
DIRECTOR