



Financial Statements









VISIT THE FUND SECRETARIAT

No. 59, 7th Avenue Ext. North Ridge (Opposite G.B.C.)
P. O. Box CT 5363. Cantonments - Accra Tel: +233 302 234 239 / 234 394 / 220 322 / 227 999 / 253 746
Fax: +233 302 234 738 Email: info@teachersfund.org.gh Website:www.teachersfund.org.gh or contact your Regional / District GNAT Secretariat

Membership of Teachers Fund is open to GNAT Members only



20 Annual Report and Financial Statements



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SENA CHARTERED SECRETARIES LIMITED

(Corporate Secretaries, Management & Investment Consultants, Office Secretarial Services)

Telephone:

233 302 666377

233 302 668114

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SENA CHAMBERS TOTAL HOUSE LIBERIA ROAD

P.O. BOX AN5520

ACCRA, GHANA

25th July 2018

ALL DIRECTORS AND SHAREHOLDER REPRESENTATIVES
TF PROPERTIES LIMTED
GNAT HEIGTS
ACCRA - GHANA

Dear Sir,

NOTICE OF MEETING

We enclose the notice of the sixth (6th) Annual General Meeting of TF Properties Limited to be held on Wednesday the 8th day of August 2018 at 11:00a.m. at the Boardroom of the Teachers' Fund Secretariat, North Ridge, Accra

Yours faithfully,



COMPANY SECRETARY

(SENA CHARTERED SECRETARIES LIMITED)

DISTRIBUTION:

Mr. Dominic Kwame Adu

Mr. Anthony J.K. Quansah

Mr. Martin Asiedu

Mr. Jacob Kholi

Mr. Foster Buabeng

Mr. Jacob Kholi

Mr. Asaa Joseph Nsobila

Mr. Michael Korletey

Dr. Kweku Ainuson

Mrs. Dorothy Monica Mensah

Mr. Kojo Mattah

Mr. Charles Samuel Gyamfi

Mr. David O. Achempong

Mr. Prince Charles Agyemang-Duah

Mr. Prince Amuzu

Mr. Romeo Hademe

Mr. Saaka Adams

Mr. Amuda Kassim Issifu

Mrs. Alberta Otoo

Mr. David Kattah

DIRECTORS: SAM OKUDZETO, FCIS (CHAIRMAN), MABEL OCRAN, ACIS (MANAGING) ESINE OKUDZETO, LLB(HONS), BBA (HONS)

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SENA CHAMBERS **TOTAL HOUSE** LIBERIA ROAD P.O. BOX AN5520 ACCRA, GHANA

NOTICE OF MEETING

Notice is hereby given that the sixth (6th) Annual General Meeting of TF Properties Limited will be held on Wednesday the 8th day of August 2018 at 11:00a.m. at the Boardroom of the Teachers Fund Secretariat, North Ridge, Accra to transact the following business:

AGENDA:

- 1. To receive the report of Directors and the Audited Accounts for the year ended December 31st, 2017 and the Report of the auditors thereon.
- 2. To declare dividend if any.
- 3. To fix the Director's fees.
- 4. To ratify the appointment of External Auditors Messrs Deloitte & Touché.
- 5. To authorize the Board of Directors to fix the remuneration of the Auditors.

DATED THIS 25TH DAY OF JULY 2017

By order of the Board

O. BOX AN 5520 ACCRA-NORTH

COMPANY SECRETARY

DIRECTORS: SAM OKUDZETO, FCIS (CHAIRMAN), MABEL OCRAN, ACIS (MANAGING) ESINE OKUDZETO, LLB (HONS), BBA (HONS)



CORPORATE INFORMATION

Directors:	Dominic Adu (Chairman) Jacob Kholi Anthony Jacklingo Kweku Quansah Martin Asiedu Foster Buabeng
Secretary:	Sena Chambers 1 st Floor Total House 25 Liberia Road Accra - North
Registered office:	# 30 Independence Avenue GNAT Heights 8th Floor P. O. Box CT 5363 Cantonments, Accra
Auditors:	Deloitte & Touche Chartered Accountants The Deloitte Place Walker Bush Highway North Dzorwulu P.O. Box GP 453 Accra
Bankers:	Ecobank Ghana Limited Stanbic Bank Ghana Limited

BOARD PROFILE



Dominic Adu Chairman

Dominic is the Founder and Chief Executive Officer of the Ghana Home Loans Ltd., now GHL Bank. He rose from the position of Investment Analyst of AGIS (formerly CDC Capital Partners) in 1997 to become the Principal in charge of West Africa from 2001-2006. Dominic was the Finance Manager of Ashanti Goldfields Co. Ltd (Obuasi Goldmine) in 1997. Other experiences include Financial and Management Accountant with Watson Wyatt Worldwide (UK), Financial Accountant with Guys & St. Thomas Trust (UK) and Audit Senior with BDO Stoy Hayward(London). He has a Master's degree in Financial Economics from the University of London and a Bachelor's degree in Economics from the Manchester University. He is also a member of ACA-England and Wales.



Jacob Kholi Director

Jacob is a Partner with and the regional Chief Investment Officer of The Abraaj Group formerly Aureos West Africa, a private Venture Capital Fund in Ghana. Before his appointment as a partner of the Abraaj Group, he served as the Managing Partner of Aureos Ghana Advisors Ltd. From 1991 to 1995 he worked with Shell Ghana Ltd in various capacities including Capital Expenditure Accountant, Financial Accountant and Management Accountant. Mr. Jacob Kholi has extensive experience in investment management and serves on the Boards of several organizations in Ghana including Voltic Ghana Limited, Sam Woode Limited, Regimanuel Gray Ltd and Ghana Aluminum Products Ltd.

Jacob Kholi is an Accountant by profession and a member of the Institute of Chartered Accountants (Ghana). He also holds a Msc in Finance and Financial Law degree from the University of London, an Executive MBA in International Business from the Paris Graduate School of Management and a BSc degree in Business Administration from the University of Ghana, Legon.



Anthony J. K. Quansah Director

Anthony is the former Headmaster of Gomoa Senior High/Technical School. He holds a Bachelor of Commerce degree from the University of Cape Coast and an HND in Accountancy from Cape Coast Polytechnic. He served on the Teachers Fund Board of Trustees from January 2010 to December 2013, representing the Central Region and also on the Cape Coast Polytechnic Council from 1993 to 2004.



BOARD PROFILE



Martin Amoako Asiedu Director

Martin is a Valuation & Estate Surveyor, Fellow of the Ghana Institution of Surveyors. He holds a BSc (Hons) Land Economy degree from KNUST and an Executive MBA from UG, Legon. Before his appointment as a Board Member (Director) of TF Properties Ltd he was the General Manager of UGEL Hostels, University of Ghana (2005- 2012) and Facilities Manager at Red & Mas Ltd from (2000-2005). He also worked as Valuer & Estate Surveyor at KOA CONSULT (formerly Owusu-Adjapong & Co.) from 1990- 2000. He was a National Service Personnel and Assistant Valuation Officer at Land Valuation Board, Greater-Accra Region from September, 1988 to December, 1989.



Foster Boabeng Director

Foster is the General Manager of Teachers Fund. He served the Fund in the capacity of Head, Accounts Department from 2002 to 2012 Prior to his joining Teachers Fund, he held various Accounts and Audit roles at Golden Neo-Life Diamite (2000 to 2001), Cashpro Company Ltd. (1998 - 2000), and Deloitte & Touche' (1996 to 1998).

He holds an MBA Finance Degree from University of Ghana Business School and is also a member of the Institute of Chartered Accountants (Ghana)



REPORT OF THE DIRECTORS For the year ended 31 December 2017

In accordance with the requirements of Section 132 of the Companies Act, 1963 (Act 179), the Directors have the pleasure in presenting the report of the Company for the year ended 31 December, 2017.

Principal activities

The principal activity of the company is to acquire, develop, rent, management and disposal of landed property and to act as an estate agent.

Financial results

The results of the Company are set out on pages 8 to 10. The Company recorded a net profit after tax of GH¢45,493,385 as against a net loss of GH¢8,558,238 in 2016. The increase in profit can be attributed to valuation gains on investment property.

Auditor

The auditors, Deloitte & Touche, have expressed their willingness to continue as the company's auditors in accordance with section 134 (5) of the Companies Act, 1963 (Act 179) they so continue.

On behalf of the board:

Director

Date: 03 - 08 - 2018

Director

Date: 03 - 08 - 2018



STATEMENT OF THE DIRECTORS RESPONSIBILITY For the year ended 31 December 2017

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- > State whether the applicable accounting standards have been followed;
- ➤ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company, and which enables them to ensure that the financial statements comply with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the Companies Act, 1963 (Act 179). They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.



MESSAGE FROM THE BOARD CHAIRMAN

Dear Shareholder Representatives, Management and Staff present, Ladies and Gentlemen, I welcome you to the 6th Annual General Meeting of TF Properties Ltd.

ECONOMIC AND INVESTMENT ENVIRONMENT

Globally, economic activity continued to expand in 2017, supported by a rebound in investment, manufacturing and trade. This led to a moderate pickup in emerging market and developing economies where rising commodity prices and benign financing conditions bolstered the recovery in commodity exporting countries. Global output growth was estimated at 3.8 per cent in 2017, higher than the 3.2 per cent recorded in 2016. (The 2017 Annual report – Bank of Ghana)

The report further states that Ghana's real GDP growth in 2017 was estimated at 8.5 per cent compared to 3.7 per cent in 2016. This was driven mainly by significant improvement in the oil and gas sector. The domestic currency maintained relative stability against the US dollar in 2017. Inflation also declined from 15.4 per cent in December 2016 to 11.8 per cent in December 2017.

For the year 2017, Treasury bill continued a downward trend ending the year at 13.3 percent for 91-day Treasury bills; 13.6 percent for the 182-day bill and 15 percent for the 1-year fixed note. The Central Bank's Monetary Policy Committee (MPC), having the objective to steer inflation towards its medium-term target band of 8 ± 2.0 percent, reduced MPR from 25.5 per cent at end-December 2016 to 20.0 per cent at end-December 2017.

In the real estate sector, large volumes of modern retail space remain in the pipeline across Sub-Saharan Africa, although the weakening of the oil-driven economies has led to the postponement or scaling down of some projects in these countries (Africa Report 2017/2018). The report further places the reduction in demand for office space in Accra squarely at the doorstep of the recent economic downturn. It is therefore generally anticipated that the demand for real estate market and particularly demand for office space would experience a turnaround in the medium to long-term in keeping with the economic cycle. There has been substantial addition of office spaces which are mainly "for owner-occupation, but these will still result in the release of a significant amount of second-hand space". According to the report, "asking rents remain relatively high but are coming under downward pressure due to rising vacancy rates and the limited number of tenants seeking space".



MESSAGE FROM THE BOARD CHAIRMAN

There is significant capital flow into the real estate sector which possibly indicates significant benefits for risk-takers. Global Emerging Trends in Real Estate 2018 alludes to "the sharply increased competition" even as huge capital is injected into the sector. PwC projected in 2014 that "the real estate investment industry will find itself at the centre of rapid economic and social change, which is transforming the built environment". The six (6) year growth projection has indeed witnessed massive investment in the sector which is likely to continue beyond 2020. "As real estate is a business with long development cycles – from planning to construction takes several years – now is the time to plan for these changes" (Real Estate 2020 Building the future, 2014).

Performance

Rental Income for the year under review was $\$ 8,581,207; this was a 1 percent decrease over that of 2016 which stood at $\$ 8,677,450. Operating cost increased by 31% from $\$ 41,794,734 in 2016 to $\$ 2,349,139 in 2017. Gross profit decreased by 9% in 2017 from $\$ 6,882,715 to $\$ 6,232,068.

Administrative expenses went up by 108% from $2,025,588$ in 2016 to $4,215,494$ in 2017. The increase was due to a doubtful debt provision of $1,449,505 .

The net result for the year 2017 was a profit of \$45,493,385\$ as against a loss of \$8,558,237\$ in 2016, a significant increase of 632% as a result of appreciation in the fair values of the investment properties.

The Company's indebtedness to Teachers Fund stands at \$22,554,996\$ at the end of 2017 against the value of the investment in properties of \$202,496,365\$.

Shareholder fund in the properties is ¢162,150,628

INVESTMENT PROPERTIES AND PROJECTS

A condition survey of our buildings was carried out and recommendations have been made to improve upon the conditions of the main investment properties of GNAT Heights and the Hostel. Whilst planning to carry out the recommendation we have kept the properties in good tenantable condition. The Hostel, JTN Yankah Hall, operated at full occupancy in the 2017/2018 academic year.

The GNAT Heights experienced an exit of key tenants from the building. We have made efforts to find suitable tenants for the vacancy created by the exited tenants. At the Ridge Office we also experienced the exiting of Credit Mall from the building but Teachers Fund took up the vacant space that resulted.



MESSAGE FROM THE BOARD CHAIRMAN

The proposed office complex is being marketed with personal meetings, internet publications and billboard adverts to ensure extensive pre-let of the office space before construction begins.

ACKNOWLEDGEMENT

I conclude by expressing my sincere gratitude to the Board of Trustees of Teachers Fund for a healthy working relationship. I also thank my colleagues on the Board for their unflinching support and for closely watching the performance of the company in such professional manner. I end with appreciation to the management and staff for their dedication to duty. God bless GNAT, Teachers Fund, TF Properties Ltd and may God bless Ghana.

Thank you.

DOMINIC ADU

CHAIRMAN





INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of TF Properties Limited which comprise the statement of financial position as at 31 December 2017, the statement of comprehensive income retained earnings, statement of changes in equity, statement of cash flows for the year then ended, the notes to the financial statements including a summary of significant accounting policies and other national disclosures.

In our opinion, the financial statements give a true and fair view of the financial position of TF Properties Limited as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (IFRS for SMEs) and in the manner required by the Companies Act, 1963 (Act 179).

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 Statements section of our report. We are independent of the company in accordance with the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants (IFAC Code) as adopted by the Institute of Chartered Accountants Ghana (ICAG) and we have fulfilled our other ethical responsibilities in accordance with the IFAC Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Statement of Directors' Responsibility and the Report of the Directors. The other information does not include the consolidated financial statements and our auditor's 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 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 that we obtained prior to the date of this auditor's report, if 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 (CONT'D)

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities (IFRS for SMEs), and the requirements of the Companies Act, 1963 (Act 179) and 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 the ISAs, we exercise professional judgment 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 management's 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.



INDEPENDENT AUDITOR'S REPORT (CONT'D)

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.

We communicate with the audit committee and the 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

The Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

The engagement partner on the audit resulting in this independent auditor's report is **Daniel Kwadwo Owusu (ICAG/P/1327).**

For and on behalf of Deloitte & Touche (ICAG/F/2018/129)

Chartered Accountants

The Deloitte Place, Plot No.71

Off George Walker Bush Highway

North Dzorwulu

Accra, Ghana

7th Aug. 2018



Statement of comprehensive income and retained earnings For the year ended 31 December 2017

	Note	2017 GH¢	2016 GH¢
Revenue	4 -	8,581,207	8,677,450
Direct cost	5	(2,349,139)	(1,794,734)
Gross profit	2	6,232,068	6,882,715
Other income	6	404,814	714,120
Revaluation gain on Investment properties	11.1	59,682,707	
General and administrative expenses	7	(4,215,494)	(2,025,588)
Profit before finance cost and tax		62,104,095	5,571,247
Finance cost	8	(4,163,794)	(13,700,157)
Profit before tax		57,940,301	(8,128,910)
Income tax expense	9(a)	(12,446,916)	(429,328)
Profit for the year		45,493,385	(8,558,238)
Retained earnings at start of the year		62,358,570	70,916,807
Dividend paid Retained earnings as at end of the year		107,851,955	<u>62,358,569</u>

The notes on pages 19 to 38 form an integral part of these financial statements



Statement of financial position As at 31 December 2017

Assets		2017	2016
Non-current assets	Note	GH¢	GH¢
Property, plant and equipment	10	430,422	574,745
Investment property	11	202,496,365	142,771,264
Capital Work in Progress	13(b)	7,882,026	7,823,349
Intangible Asset	12		
Total non-current asset		210,808,813	<u>151,169,358</u>
Current assets			
Trade and other receivables	13	3,311,814	4,375,936
Cash and cash equivalent	14	3,044,793	6,170,310
Current tax asset	9(c)	1,943,946	1,258,426
Total current asset		8,300,553	11,804,673
Total assets		219,109,366	162,974,031
			4570
Liabilities and equity			
Equity	2 12	F4 200 672	10 200 672
Stated capital	15	54,298,673	10,298,673 44,000,000
Deposit for shares		107,851,955	62,358,569
Retained earnings	7.5	162,150,628	116,657,242
Total equity		102,130,020	110,037,242
Non-current liability			
Long term loan	16	22,554,996	21,972,490
Deferred tax liabilities		29,283,035	16,836,119
Total non-current liability		51,838,031	38,808,609
Current liabilities			
Trade payables	17	5,120,707	7,508,180
Total current liabilities	+1	5,120,707	7,508,180
		56,958,738	46,316,789
Total Liability			.5/525/.05
Total Liabilities and equity		219,109,366	162,974,031

Director

Date: 03 - 08 - 2018 Date: 03 - 08 - 2018

The notes on pages 19 to 38 form an integral part of these financial statements

Director



Statement of cash flows For the year ended 31 December 2017

Operating activities	Note	2017 GH¢	2016 GH¢
(Loss)/profit before tax		57,940,301	(8,128,910)
Adjustments for non-cash income and expenses:			
Depreciation of property, plant and equipment		214,534	192,494
Amortisation of intangible assets Cash flow included in investing activities:		58,154,835	(7,936,416)
Change in trade and other receivables Change in trade and other payables Cash flow from operating activities	2	1,064,122 (2,387,472) 56,831,485	6,341,366 <u>271,404</u> (1,323,646)
Tax paid Net cash from operating activities		<u>(685,520)</u> <u>56,145,965</u>	<u>(440,696)</u> (1,764,342)
Cash flows from investing activities Purchases of property plant and equipment Additions to investment properties Additions to Capital work in progress Revaluation gain on investment properties Purchase of intangible assets Net cash used in investing activities	3	(70,211) (42,395) (58,677) (59,682,707) ———————————————————————————————————	(361,126) (247,006) (7,823,349) - - - (8,431,481)
Cash flows from financing activities Increase in borrowings Capital Introduced Net cash used in financing activities		582,506 	(34,344,723) <u>44,000,000</u> <u>9,655,277</u>
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of year		(3,125,517) <u>6,170,310</u>	(540,548) <u>6,710,858</u>
Cash and cash equivalents at end of year	14	3,044,793	<u>6,170,310</u>

The notes on pages 19 to 38 form an integral part of these financial statements



1. General information

TF Properties Limited is a limited liability company incorporated in Ghana. The address of its registered office and principal place of business is # 30 Independence Avenue GNAT Heights 8th Floor, P. O. Box CT 5363 Cantonments, Accra.

The principal activity of the company is to Acquire, Develop, Rental, Management and Disposal of Landed property and to act as an estate agent.

2. Summary of significant accounting policies

a. Basis of preparation and accounting policies

The financial statements prepared by TF Properties Limited are in accordance with the 'IFRS for Small and Medium-sized Entities' issued by the International Accounting Standards Board. The financial statements are presented in Ghana Cedi (GH_{ϕ}).

b. Judgments and Estimates

The presentation of financial statements in conformity with IFRS for SMEs requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments 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 the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates is 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.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the note 3.

c. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The company's policy for recognition of revenue from operating leases is described in note 2.4 below. Revenue represent rent income received from tenants and falling within the accounting year. Interest income is recognized using the effective interest rate method.



d. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.



d. Taxation

i. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

ii. Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income/income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

iii. Deferred tax

Deferred income tax is recognised on temporary differences (other than temporary differences associated with unremitted earnings from foreign subsidiaries and associates to the extent that the investment is essentially permanent in duration and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

e. Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.



Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

The following annual rates are used for the depreciation of property, plant and equipment:

Software	33%
Fixtures and Fittings Office Equipment Leasehold Property Buildings Motor Vehicle	15% 15% Over the year of the Lease 3% 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/ (losses) – net' in the profit or loss.

h. Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in profit or loss in the period in which the property is derecognised. Details of investment properties are disclosed in note 12.

i.Intangible assets

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.



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.

j. Impairment of assets

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

k. Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

I. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at banks and in hand, short-term fixed deposits with an original maturity of three months or less, bank overdrafts which are repayable on demand. All of the component of the cash and



cash equivalent form an integral part of the company's cash management. Cash and cash equivalents are measured subsequently at amortised cost.

m. Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

n. Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the lender, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

o. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

p. Employee benefits

The company operates a defined contribution plan and a defined benefit plan. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Under the National pension scheme, the company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pension. The company's obligation is limited to the relevant contribution, which were settled on due dates. The pension liabilities and obligation therefore rest with SSNIT.



A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

a. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Fair value measurements and valuation processes

The company's investment properties are measured at fair value for financial reporting purposes. The board of directors of the company appointed a qualified external valuer to determine the appropriate valuation techniques and inputs for fair value measurements. The qualified external valuer established the appropriate valuation techniques and inputs to the model.

New and revised standards, amendments and interpretations

Amendment to IFRS for SMEs

The International Accounting Standards Board (IASB) has published amendments to its 'International Financial Reporting Standards for Small and Medium-sized Entities' (IFRS for SMEs) The amendments are the result of the first comprehensive review of that standard, which was originally issued on 2009.

Section	Amendments	be implemented for periods beginning on or after
Section 1 Defini tion of an SME	Clarification with regard to publicly accountability and clarification with regard to the use of the IFRS for SMEs in the parent's separate financial statements added.	On or after 1 January 2017
Section 2 Concepts and pervasive principles.	Added guidance on the undue cost and effort exemption.	On or after 1 January 2017
Section 4 Statement of financial position.	Requirement to present investment property measured at cost less accumulated depreciation and impairment separately on the face of the statement of financial position added and relief from requirement to disclose certain comparative information provided.	On or after 1 January 2017
Section 5 Statement of comprehensive income and income statement.	Clarification with regard to the single amount presented for discontinue operations added and alignment with changes made to IAS 1 on reclassifications.	On or after 1 January 2017
Section 6 Statement of changes in equity and statement of income and retained earnings.	Alignment with changes made to IAS 1 on Other comprehensive income components	

Required to



Section 9 Consolidated and separate financial statements.	Clarifications on consolidation, guidance on dealing with different reporting dates, clarifications on disposal of subsidiaries, option to account for investments in subsidiaries, associates and jointly controlled entities in separate financial statements using the equity method, and amended definition of combined financial statements.	On or after 1 January 2017
Section 11 Basic financial instruments.	Several clarification and 'undue cost and effort' exemption regarding the requirement to measure investments in equity instruments at FV added.	On or after 1 January 2017
Section 12 Other financial instruments issues.	Clarifications on the scope of this section and clarifications regarding hedge accounting added.	On or after 1 January 2017
Section 17 Property, plant and equipment	Alignment with changes made to IAS 16 on classification of spare parts, stand-by and servicing equipment, exemption regarding the use of cost of the replacement, and option to use the revaluation model for property, plant and equipment added.	On or after 1 January 2017
Section 18 Intangible assets other than goodwill.	Modified requirement that useful life of intangible should not exceed 10 years when entities are unable to reliably estimate the useful life.	On or after 1 January 2017



Section Section 19 Business combinations and goodwill.	Amendments Several minor amendments constituting clarifications, added guidance, and addition of an undue cost or effort exemption regarding the requirement to	Required to be implemented for periods beginning on or after On or after 1 January 2017
	recognise intangible assets separately in a business combination.	
Section 20 Leases	Clarification added as to what arrangements (do not) constitute a lease.	On or after 1 January 2017
Section 22 Liabilities and equity	Some guidance, exemptions as well as alignment with full IFRSs regarding IFRIC 19 and IAS 32 added.	On or after 1 January 2017
Section 26 Share based payment.	Several clarification added and scope aligned with IFRS 2	On or after 1 January 2017
Section 27 impairment of assets.	Clarification regarding applicability to assets from construction contracts	On or after 1 January 2017
Section 28 Employee benefits.	Clarification added and disclosure requirement on accounting policy for termination benefits removed.	On or after 1 January 2017
Section 29 Income taxes	Alignment of key principles with IAS 12 as regards recognition and measurement of deferred tax and 'undue cost and effort' exemption regarding requirement to offset income tax assets and liabilities added.	On or after 1 January 2017
Section 30 Foreign currency translation.	Scope clarified	On or after 1 January 2017



Section 33 Related party disclosures.	Definition of 'related party' aligned with IAS 24	On or after 1 January 2017
Section 34 Specialised activities	Certain dislosure relief for biological assets added and the main recognition and measurements requirements for exploration and evaluation assets aligned with IFRS 6	On or after 1 January 2017
Section 35 Transition to the IFRS for SMEs Glossary.	Some definitions amended and five new terms added.	On or after 1 January 2017



4. Revenue	
2017	2016
GH¢ CH	GH¢
Rental income <u>8,581,207</u> <u>8,677</u>	,450
F. Diwark cook	
5. Direct cost	2016
GH¢	GH¢
25	3,019
Security Expense	3,107
Guines	0,116
Repairs and Maintenance	3,179
Ground Rent	5,311
Horticulture	5,698
1 est control	9,363
Cleaning & Santadion	3,844
Tuci	0,053
Property Rate	3,695
The state of the s	1,350
The una sarety	4,734
6. Other income	
2017	2016
GH¢	GH¢
Interest on Short Term Investment 252,574 66	5,513
Shuttle 48,515 4	5,877
Exchange gain (Unrealized GH¢) 79,465	-
Others	2,730
404,814 71	4,120



7. General and administrative expenses

	The state of the s	
	2017	2016
	GH¢	GH¢
		0114
Telephone and Telex	14,140	20,133
Printing and stationery	21,099	24,636
Depreciation	214,534	192,494
Amortisation		-
Audit fees	40,000	30,000
Bank Charges	4,761	2,833
Sundry Expenses	230,624	249,419
Personnel Cost	1,331,269	943,967
Directors Emoluments	178,800	178,800
Utilities	461	1,130
Other professional charges	362,961	276,167
Cable Television-DSTV	14,630	7,705
Medical Bills	54,260	42,605
Stamp duties & fees	220,000	,
Provision for Bad debts	1,449,505	_
Fuel & lubricants	78,452	55,698
, as streamed	4,215,494	2,025,588
		<u>=/0=0/000</u>
8. Finance cost		
o. Finalice cost	CHAPTER A	
	2017	2016
	GH¢	GH¢
Loan interest	4,163,794	13,700,157
Loan interest	4,103,794	13,700,137
9. Taxation		
(a) Income tax expense		
* * * * * * * * * * * * * * * * * * * *		
	2017	2016
Current income toy	GH¢	GH¢
Current income tax	40 446 046	400 000
Deferred Tax	12,446,916 12,446,916	<u>429,328</u> <u>429,328</u>
	12,440,910	429,328

Income tax is calculated at the rate of 25% (2016:25%) of the estimated assessable profit for the year.



Income tax expense for the year GH $\$ 12,446,916 in 2017 (GH $\$ 429,328 in 2016) differs from the amount that would result from applying the tax rate of 25% (both 2017 and 2016) to profit before tax because, under the tax laws of Ghana items such as depreciation of GH $\$ 214,534 that is recognised in measuring profit before tax is not tax-deductible.

(b) Deferred Tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 25% (2016: 25%). The movement on the deferred income tax account is a follows:

2017	2016
€ GH¢	GH¢
16,836,119	16,406,791
12,446,916	429,328
29,283,035	16,836,119
	GH¢ 16,836,119 12,446,916

The deferred tax resulted mainly from temporary differences from capital allowance, revaluation of investment property and provisions.

(c) Corporate tax

×	At 01/01/2017	Profit/Loss account	Paid during the year	At 31/12/17			
	GH ¢	GH¢	GH¢	GН¢			
2015 2016 2017	(1,053,991) (204,435) ————————————————————————————————————	- - - 	(3,369) (547,552) (134,599) (685,520)	(1057,360) (751,987) (134,599) (1,943,946)			



Net Book Value as at 31 December 2016	Balance at 31 December 2016	Disposals	Charge for the year	Balance at 1 January 2016	Depreciation	Balance at 31 December 2016	Disposals	Additions	Balance at 1 January 2016	Net Book Value as at 31 December 2017	מומוולל מר 10 מלילווומלו 101	Balance at 31 December 2017	Disposals	Charge for the year	Balance at 1 January 2017	Depreciation	Balance at 31 December 2017	Disposals	Additions	Balance at 1 January 2017	Cost		10a. Property Plant and equipment
13,872	60,797	(1,540)	1,725	60,612		74,669	(1,540)	11,389	64,820	24,570		63,897		3,100	60,797	14.	88,467		13,798	74,669	GH¢	Office Equipment	
399,640	177,908		51,101	126,807		577,548		314,037	263,511	361,460		272,500	 .	94,592	177,908		633,960		56,412	577,548	GH¢	Furniture & Fittings	
136,579	388,312		103,564	284,748		524,891			524,891	39,929		484,962		96,650	388,312		524,891			524,891	GH¢	Motor vehicle	
24,655	65,145	1	36,104	29,041		89,800	L	35,700	54,100	4,463		85,337		20,192	65,145		89,800			89,800	GH¢	Beddings	
574,745	692,163	(1,540)	192,494	501,208		1,266,908	(1,540)	361,126	907,322	430,422		906,696		214,534	692,162		1,337,119		70,211	1,266,908	GH¢	Total	



Income tax expense for the year GH¢ 12,446,916 in 2017 (GH¢ 429,328 in 2016) differs from the amount that would result from applying the tax rate of 25% (both 2017 and 2016) to profit before tax because, under the tax laws of Ghana items such as depreciation of GH¢214,534 that is recognised in measuring profit before tax is not tax-deductible.

(b) Deferred Tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 25% (2016: 25%). The movement on the deferred income tax account is a follows:

	2017	2016
	€ GH¢	GH¢
At start of year	16,836,119	16,406,791
	12,446,916	429,328
Income statement charge		
At end of year	29,283,035	16,836,119

The deferred tax resulted mainly from temporary differences from capital allowance, revaluation of investment property and provisions.

(c) Corporate tax

At 31/12/17	Paid during the year	Profit/Loss account	At 01/01/2017	e.
GН¢	GН¢	GН¢	GН¢	
(1057,360) (751,987) (134,599) (1,943,946)	(3,369) (547,552) (134,599) (685,520)	- - - -	(1,053,991) (204,435) ————————————————————————————————————	2015 2016 2017

2017



Net Book Value as at 31 December 2016	Balance at 31 December 2016	Disposals	Charge for the year	Balance at 1 January 2016	Depreciation	Balance at 31 December 2016	Disposals	Additions	Balance at 1 January 2016	Net Book Value as at 31 December 2017	Balance at 31 December 2017	Disposals	Charge for the year	Balance at 1 January 2017,	Depreciation	Balance at 31 December 2017	Disposals	Additions	Balance at 1 January 2017	Cost		10a. Property Plant and equipment
13,872	60,797	(1,540)	1,725	60,612		74,669	(1,540)	11,389	64,820	24,570	63,897		3,100	60,797	3	88,467		13,798	74,669	GH¢	Office Equipment	
399,640	177,908	ı	<u>51,101</u>	126,807		577,548		314,037	263,511	361,460	2/2,500		94,592	177,908		633,960		56,412	577,548	GH¢	Furniture & Fittings	
136,579	388,312		103,564	284,748		524,891			524,891	39,929	484,962		96,650	388,312		524,891			524,891	GH¢	Motor vehicle	
24,655	65,145	1	36,104	29,041		89,800	ı	35,700	54,100	4,463	85,33/		20,192	65,145		89,800			89,800	GH¢	Beddings	
574,745	692,163	(1,540)	192,494	501,208		1,266,908	(1,540)	361,126	907,322	430,422	969,906		214,534	692,162		1,337,119	.	70,211	1,266,908	GH¢	Total	



11. Investment properties

Revaluation Balance at 31 December 2016	Adjustment/ disposal	Additions	Balance at 1 January 2016	Balance at 31 December 2017	Revaluation	Adjustment/ disposal	Additions	Balance at 1 January 2017	Fair values
11,187,133	ť	T.	11,187,133	21,188,419	10,001,286	,	-	11,187,133	Ridge Land GH ¢
46,224,924	i	76,457	46,148,467	60,484,467	14,259,543		<i>3</i>	46,148,467	Hostel - Legon GH ¢
<u>6,493,094</u>	i	ř	6,493,094	12,297,914	5,804,820			6,493,094	Ridge offices GH¢
<u>65,801,920</u>		,	65,801,920	95,480,000	29,678,080		•	65,801,920	Gnats Heights - Offices GH ¢
6,841,535		57,345	65,801,920 - 6,784,190	6,841,535				6,841,535	Kasoa Lands GH ¢
1,490,801	ı i	67,604	1,423,198	1,472,174	(61,023)		42,395	1,490,801	Plant & Equipment GH ¢
	r	45,600	4,686,256	4,731,856	.				.Ksi GH¢
142,771,264	•	247,006	142,524,258	1,472,174 4,731,856 202,496,365	59,682,707		42,395	4,731,856 142,771,264	Total GH¢



11.1. Fair value of investment properties

The fair value of the company's investment property at 31 December 2017 and 31 December 2016 has been arrived at on the basis of a valuation carried out. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

12. Intangible assets

Cost GH¢ GH¢ Balance at 1 January 20,572 20,572 Additions
Balance at 1 January 20,572 20,572 Additions
Additions Balance at 31 December Amortisation Balance at 1 January Charge for the year Balance at 31 December Net Book Value as at 31 December 13. Trade and other receivables 20,572 20,572 20,572 20,572 20,572 20,572 Charge for the year
Balance at 31 December Amortisation Balance at 1 January Charge for the year Balance at 31 December Net Book Value as at 31 December 13. Trade and other receivables 20,572 20,572 20,572 20,572 20,572 20,572 6H¢ GH¢ GH¢
Amortisation Balance at 1 January Charge for the year Balance at 31 December Net Book Value as at 31 December 13. Trade and other receivables 20,572 20,572 20,572 Charge for the year 20,572 20,572 20,572 Charge for the year 20,572 C
Balance at 1 January Charge for the year Balance at 31 December Net Book Value as at 31 December 13. Trade and other receivables 20,572 20,572 20,572 20,572 Charge for the year 20,572 20,572 20,572 Charge for the year 20,572 20,572 20,572 Charge for the year 20,572
Charge for the year Balance at 31 December Net Book Value as at 31 December 13. Trade and other receivables 2017 CH¢ GH¢ CH¢
Balance at 31 December Net Book Value as at 31 December 13. Trade and other receivables 20,572 20,572 20,572 GH¢ GH¢
Net Book Value as at 31 December 13. Trade and other receivables 2017 GH¢ GH¢
13. Trade and other receivables 2017 2016 GH¢ GH¢
2017 2016 GH¢ GH¢
2017 2016 GH¢ GH¢
GH¢ GH¢
Trade receivables 3,190.751 3.080.714
-,,
Provision for bad debts (1,449,505)
Staff Loans 232,902 216,361
Project work in progress
Other receivables <u>1,337,667</u> <u>1,078,862</u>
3,311,814 12,199,286
13(b) Project Work in Progress- Long term

The company made a provision for bad debts of GHC1,449,505 during the period (2016: Nil) against trade receivables due to default by customers.

Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.



14. Cash and cash equivalent

Cash at bank Cash in hand Short term investment

2017	2016
GH¢	GH¢
410,046 2,035	1,013,467 2,502
2,632,712	5,154,342
3,044,793	6,170,310

15. Stated Capital

The number of authorised shares is 10,000,000 shares of no par value. Stated capital is made up as follows:-

Number of Shares GH¢

Issued and fully paid in cash

Number of Shares Shares S4,298,673

There is no unpaid liability on any shares.

16. Borrowings

	2017 GH¢	2016 GH¢
Non – Current: Loan from teachers fund	22,554,996	21,972,490
Current Total borrowings	- 22,554,996	- 21,972,490

The loan facility will expire in 2022 and the interest rate is one (1) year note +2.

A finance charge provision of GH¢4,163,794 was made during the period against interest charged on the borrowings.



17. Trade and other payables

	2017	2016
	GH¢	GH¢
Trade payables	1 200	42.025
Trade payables	1,209	43,925
Other payables	89,019	74,194
Accruals	95,399	150,586
Deferred incomes	4,935,080	7,239,475
	<u>5,120,707</u>	7,508,180

Trade payables refer to the amount due to supplies

18. Related party transactions

The following transactions were entered into with other related companies during the year:

The balances outstanding as at year-end were as follows:

Amount due to related parties	2017 GH¢	2016 GH¢
Teachers Fund Amount due from related parties Teachers Fund	<u>22,554,996</u> 1,661	<u>21,972,490</u> 4,858
TF Financial Services Ltd Credit Mall Limited	233,750 25,204 260,615	196,017 198,271 399,145

The company rented out facilities to related parties, repaid loan and obtained further funding as follows:

	2017	2016
Transaction with related parties	GH¢	GH¢
TF Financial Services - Office rental	337,221	313,826
Credit Mall Limited - Office rental	电影对象性表现的数据 由44	279,802
Teachers Fund - Office rental	673,881	359,329
Teachers Fund - Interest capitalized as loan	4,163,794	13,700,157
Teachers Fund - Debt converted as deposit for shares		44,000,000
Teachers Fund -New Loan		-
Loan repaid to Teachers Fund	-3,581,288	-4,044,880
·	1,593,608	54,608,233



17. Trade and other payables

	2017 GH¢	2016 GH¢
Trade payables	1,209	43,925
Other payables Accruals	89,019 95,399	74,194 150,586
Deferred incomes	4,935,080	7,239,475
	5,120,707	7,508,180

Trade payables refer to the amount due to supplies

18. Related party transactions

The following transactions were entered into with other related companies during the year:

The balances outstanding as at year-end were as follows:

Amount due to related parties	2017 GH¢	2016 GH¢
Teachers Fund	22,554,996	21,972,490
Amount due from related parties Teachers Fund TF Financial Services Ltd Credit Mall Limited	1,661 233,750 <u>25,204</u> <u>260,615</u>	4,858 196,017 <u>198,271</u> <u>399,145</u>

The company rented out facilities to related parties, repaid loan and obtained further funding as follows:

	2017	2016
Tunnanation with valated unvited	GH¢	GH¢
Transaction with related parties		
TF Financial Services – Office rental	337,221	313,826
Credit Mall Limited – Office rental		279,802
Teachers Fund – Office rental	673,881	359,329
Teachers Fund – Interest capitalized as loan	4,163,794	13,700,157
Teachers Fund – Debt converted as deposit for shares		44,000,000
Teachers Fund –New Loan		-
Loan repaid to Teachers Fund	-3,581,288	<u>-4,044,880</u>
Fox	1,593,608	54,608,233



Key management compensation

The compensation paid or payable to key management for employee services is shown below:

2017 2016 GH¢

597,251

493,538

Remuneration

Directors' remuneration

During the year, board fees paid to the Directors of the company amounted to GH¢ 178,800 (2016: GH¢ 178,800)

Terms and conditions of related party transactions

The transactions with related parties attract no interest. Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties.

19. Contingencies

There were no contingent liabilities at the end of the period under review. (2016: nil)

20. Commitments

(a) Capital commitments

There was no commitment for capital expenditure entered into but not provided for as at 31 December 2017 (2016: nil).

21. Event after the reporting period

No significant event occurred after the end of the reporting date which is likely to affect these financial statements.



MESSAGE FROM THE GENERAL MANAGER - TF PROPERTIES LTD

he Chairman of the Board of Trustees (Teachers Fund), distinguished Regional and External Trustees, the Chairman of Board of Directors (TF Properties), Directors of TF Properties, Auditors from Deloitte & Touché, Management & Staff present, Ladies and Gentlemen!



According to the Africa Report compiled by Cushman & Wakefield in 2018, the continent's GDP growth averaged more than 5% per annum between 2000 and 2014, primarily driven by fast-growing Sub-Saharan economies. However, economic growth has since moderated, due primarily to the exposure of African countries to external factors including falling commodity prices and slower growth in China. The International Monetary Fund (IMF) estimates that African GDP growth slowed to 3.4% in 2015, easing further to 2.1% in 2016 and 2017.

Ghana's economy has been driven by the service sector, contributing roughly 57% to GDP followed by the industrial sector contributing 24% and the agriculture sector contributing 19%. The services sector is dominated by the transport and storage sector followed by trade, repairs and household goods as well as business, real-estate and other services.

The recent downturn in the Ghanaian economy has reduced office space demand in Accra. Several new office properties have been completed in the CBD and Airport Area. A number of the new developments due in the medium-term are for owner-occupation, but these will still result in the release of a significant amount of second-hand space. Asking rents remain relatively high but are coming under downward pressure due to rising vacancy rates and the limited number of tenants seeking space. The Accra market is expected to remain balanced in the tenant's favour for the next few years.

The above state of affairs underpinned the performance of the company in the 2017 financial year as shown in the Audited Accounts and Financial Statements. Highlights of various events and milestones achieved as well as challenges for the financial year included:

- 1. Full occupancy status achieved at the James Topp Nelson Yankah Hall (a 1,000 Bed Capacity Hostel at University of Ghana Campus, Legon).
- 2. Record of only two casualties at the Hostel during the Atomic Junction Gas Explosion incident.
- 3. Drop in occupancy levels at the GNAT Heights, occasioned by Legal action brought against Broadband Home, a tenant that defaulted in rent payment for about two years, and notice of a merger between Airtel and Tigo, which necessarily resulted in a decision of the former to relocate to the latter's head office.
- 4. Successfully secured the external funding component of USD 22m and about 52% pre-let target for Project Vista.



MESSAGE FROM THE GENERAL MANAGER - TF PROPERTIES LTD

It is worth noting that there is evidence of ample supply of office spaces in the property market but TF Properties will not renege on its quest to bring into the market, an 'A' Grade 8-Storey Office Complex with 2-Levels of Basement Parking. This is based on our conviction that the economy will bounce back anytime soon. This, coupled with the fact that the project has a gestation period of 2years and the fact that tenants are attracted to quality makes the exquisite design of the facility, the excellent façade, provisions for a green building with resultant savings in energy cost, provision for a Building Monitoring System (BMS) as one of its kind in Ghana and the excellent location of the project with close proximity to the major arterial roads in Accra, something that prospective tenants can never ignore. We shall therefore strive to hit a pre-let target of 60% (excluding the TF Group) in the ensuing year before we break ground.

We shall also work assiduously to market and refill the vacant spaces at the GNAT Heights in close collaboration with other Facility Management Companies and Estate Agents. Whilst doing this, we shall carefully manage and implement the recommendations arising out of the condition survey of the building to bring it up to speed with the dictates of the market.

It is our conviction that the future is bright. The successful elections and peaceful change of government has re-enhanced investor confidence in the economy. We anticipate that the resulting business boom will lead to higher patronage of our investment properties.

Let me take this opportunity to thank the following people. First, the management team and staff for their tremendous effort through these challenging times; secondly, the Board of Directors and other stakeholders for their invaluable assistance, direction and visionary leadership; and most importantly to the Creator for the wisdom and courage to press on. We do hope that 2018 will be a more successful year.

TF Properties-Teacher Inspired Investments! God bless us all. Thank you.

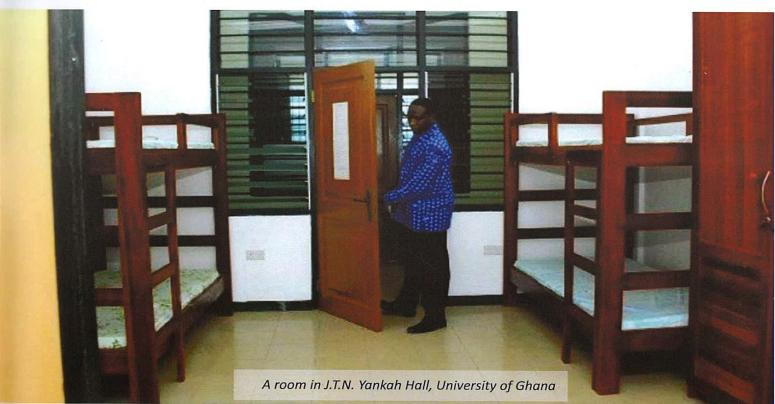
CHARLES GYAPONG

MBA, FGhIS, MRICS, PMP



PROJECTS IN PICTURES

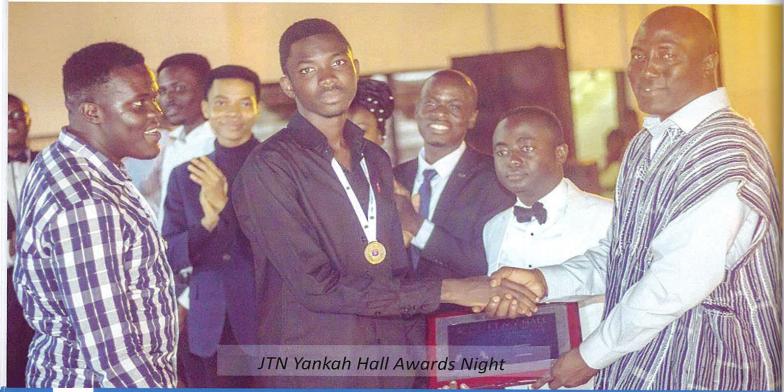






PROJECTS IN PICTURES





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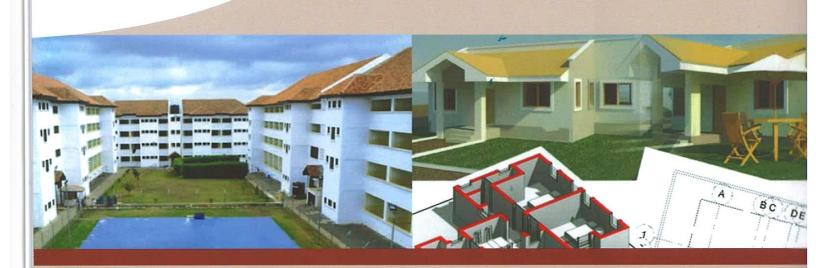






A Subsidiary of Teachers Fund

Membership of Teachers Fund is open to GNAT Members only



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