TDC DEVELOPMENT COMPANY LTD.

Leader In The Real Estate Development Business

2018 ANNUAL REPORT

And Financial Statements

VISION

To continue to maintain our leadership in the real estate business in Ghana and beyond.

MISSION STATEMENT

To create and manage unique and sustainable urban settlements to meet stakeholder expectations.

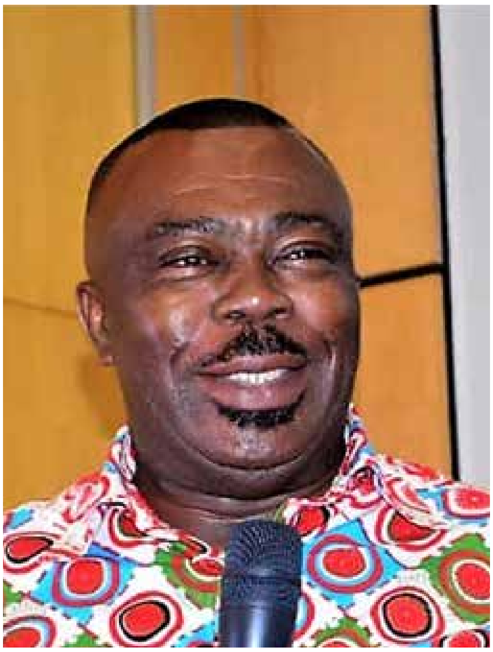
CORPORATE VALUES (RESPECT)

Responsibility
Eco-Friendliness
Service Excellence
Professionalism
Equal Opportunity
Creativity
Transparency

H.E. NANA ADDO DANKWA AKUFO-ADDO
(PRESIDENT OF THE REPUBLIC OF GHANA)

HON. KEN OFORI-ATTA
MINISTER OF FINANCE

HON. SAMUEL ATTA AKYEA
MINISTER OF WORKS AND HOUSING



HON. ASAMOAH BOATENG
AG. DIRECTOR GENERAL,
STATE INTERESTS & GOVERNANCE AUTHORITY (SIGA)

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TDC DEVELOPMENT COMPANY LIMITED NOTICE AND AGENDA FOR THE 1ST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 1st Annual General Meeting of TDC Development Company Limited will be held at the Royal Nick Hotel, Community Six (6), Tema on 7th August, 2019 at 10:00 a.m. to transact the following business:

1. To receive and adopt the report of the Directors, Auditors and Financial Statements for the year ended 31st December, 2018.
2. To declare dividend for the year ended 31st December, 2018.
3. To authorise the Directors to determine the remuneration of the Auditors.

DATED THIS 10TH DAY OF JULY, 2019
BY ORDER OF THE BOARD

GIFTY CAULLEY-BEAMER (MRS)
AG. BOARD SECRETARY

CORPORATE INFORMATION

BOARD OF DIRECTORS	Elizabeth Mansa Banson (Ms.)	Chairman
	Valerie Barbara Ashitey (Ms.)	Member
	Hon. Seth Abladey	Member
	Alice Abena Ofori-Atta (Ms.)	Managing Director
SECRETARY/RECORDER	Kwabena Sarfo-Agyekum Nyanor (Mr.)	
MANAGEMENT	Alice Abena Ofori-Atta (Ms.)	Managing Director
	Samuel Oduro Asante	GM, Operations
	Abdul Al-Mumin Yakubu	GM, Finance & Admin
	Kwasi Darko Asare	Head of Estates
	William Koso	Ag. Head of Development
	John Felix Wardy	Head of HR & Admin.
	Kwabena Sarfo - Agyekum Nyanor	Head of Legal
	Isaac Tettey	Head of Corporate Planning & Comm.
	Stephen Yeboah-Ampedu	Head of Procurement
	Daniel Ayaim	Chief Internal Auditor
	Brig. Gen. Sylvester Nkrumah	Head of Task Force
	Daniel Schandorf	Ag. Head of MIS
	Vida Asiedu-Amponsah (Mrs)	Marketing Manager
	Patrick Obeng Ansong	Ag. Projects Coordinator
REGISTERED OFFICE	Baba Yara Street, Comm. 1, Tema	
& CONTACT ADDRESS	P. O. Box Co 46 Tema	
	Tel: 0303 202731-4	
	Fax: 0303 202737	
	E-Mail: info@tdcghana.com	
	Website: www.tdcghana.com	
	Digital Address: GT-005-3503	
AUDITORS	Adom Boafo & Associates	
	(Chartered Accountants)	
	Mango Street Avenue	
	Asylum Down	
	P. O. Box CT 3960, Cantonments	
	Accra	
SOLICITOR/COMPANY SECRETARY	Kwabena Sarfo-Agyekum Nyanor	
MAIN BANKERS	Societe Generale Ghana	
	Barclays Bank Ghana Limited	
	National Investment Bank Limited	
	GCB Bank Limited	

EXCEPTIONAL MULTI - LEVEL FAMILY APARTMENTS & SHOPS

KEY FEATURES

Spacious Sitting Rooms And Bedrooms
Secured Gated Community
Paved Car Park
24 Hours Standby Generator
Standby Water Supply, Laundry Area
Access Control(with Audio/video Communication To Apartments)
Fully Fitted Kitchen(with Cooker Unit & Refrigerator)
Children's Play Ground
Supermarkets And Retail Stores Provided

Call To Make Your Deposits Now!!

CONTACT THE MARKETING DEPARTMENT OR
VISIT US ON, WEBSITE: wwwtdcghana.com
Email:info@tdcghana.com
TEL:0303 202731-4 / 0303 206 602 / 0303200156
MOB: 0504 895 302

TDC DEVELOPMENT COMPANY LTD.

SITE 3 APARTMENTS

With The Successful Completion Of The Phase 1 Of Tdc Development Company Ltd's First 8- Storey Block Of 2- Bedroom Apartments, The Company Commenced The Phase 2 Project Comprising 4 No. Block Of 8 - Storey 3- Bedroom Apartments At Site 3 Community 1, Tema

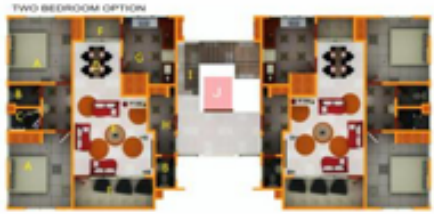
Prime Location: Site 3, Comm. 1 Tema
Off The Tema Stadium Road, Opp. Tdc Head Office

Just Don't Take Our Word For It,
Please Call And Arrange For A Private Tour

SITE 3 APARTMENTS

LEGEND
A- BEDROOM
B- W/C
C- SHOWER
D- DINING AREA
E- LIVING ROOM
F- BALCONY
G- KITCHEN
H- ENTRANCE
I - STAIRS
J - LIFT

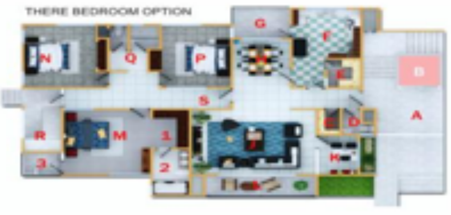
TWO BEDROOM OPTION



Total Floor Area of one apartment: 107m²

A- STAIR HALL
B- LIFT
C- BOX ROOM
D- VISITORS WASH ROOM
E- KITCHEN STORE
F- KITCHEN
G- KITCHEN TERRACE
H- DINING
J- LIVING AREA
K- STUDY
L- BALCONY
M -MASTER BEDROOM
1- CLOSET SPACE
2- WASHROOM
3- BALCONY
N -BEDROOM 1
P- BEDROOM 2
Q- SHARED WASHROOM
R- ESCAPE STAIRCASE

THERE BEDROOM OPTION



Total Floor Area of one apartment: 218m²

CONTACT THE MARKETING DEPARTMENT OR
VISIT US ON WEBSITE: wwwtdcghana.com Email:info@tdcghana.com
TEL:0303 202731-4/ 0303 206 602 / 0303200156 / 0504895302

Apartments For Sale

Your Exceptional Multi - Level Family Home
In The Heart Of Ghana's Most Planned City, Tema, Tdc's 8- Storey, 128 Apartments Provide Spaciously Proportioned Living Conditions From 2-3 Bedroom Apartments All Offering The Legendary Amenities And Services That Have Been The Hallmark Of Tdc In The Over 60 Years Of Our Operations.

To Live In The Tdc Multi - Complex Apartment Is To Come Home Every Day To A Comfortable And Relaxing Environment Where Preferences Are Anticipated And Expectations Exceeded.

You Could Also Enjoy The Best Shopping Experience From The Tdc Ultra Modern Shops Attached To The Condos.

PAYMENT PLAN
3 BEDROOM

Option 1
OUTRIGHT PAYMENT
Cedi equivalent of $286,400.00

Option 2
INSTALMENT PAYMENT
40% cash deposit
Balance payable over the construction period

Option 3
AFTER CONSTRUCTION
70% cash deposit
Balance payable within 3 months

Leaders In Real Estate Development Business

BACKGROUND OF THE COMPANY

INTRODUCTION

TDC Development Company Ltd (TDC) is a real estate development and management company in Ghana. Its operations are centred around 26 residential communities as well as commercial, industrial, institutional and farming enclaves in the Tema Acquisition Area with a new mandate since 2017 to operate elsewhere in Ghana and beyond.

BACKGROUND

In the early 1950s, the Government of the Gold Coast decided to build a new sea port to serve Accra and the Eastern part of the country, to ease the heavy load of economic activities on the Takoradi Harbour, the only deep-water port at that time. The Government also decided to develop the new modern township of Tema to provide accommodation for the numerous workers that would be employed for the industrial activities to be created by the synergy of the construction of the Tema Port and the Akosombo Dam.

The Tema Development Corporation (then) was subsequently established in 1952 through the Tema Development Corporation Ordinance 1952 (No. 35 of 1952) and was charged with the duty of securing the layout and development of the new town and port of Tema. Government compulsorily acquired some 63sq. miles of land known as the Tema Acquisition Area (TAA) from the Traditional Authorities of Tema, Nungua and Kpone which was leased out to the newly-established Tema Development Corporation for 125 years.

The 1952 Ordinance has since gone through series of amendments. Until January 2017, TDC operated on the mandate as provided in the Tema Development Corporation (Amendment) Instrument, 1989 (L.I. 1468) which sets out the Corporation's functions as follows:

(a) To plan, lay-out and develop the Tema area;

(b) Without prejudice to the general effect of paragraph (a), of this Part, the Corporation may for the purpose of the attainment of the objects described in that paragraph and with the prior approval of the Tema District Assembly,

(i) Construct and maintain roads, public buildings and markets;

(ii) Prepare and execute housing schemes;

(iii) Develop industrial and commercial sites;

(iv) Provide public utilities such as sewerages and street lights; and

(v) Carry on such other activities as are incidental or conducive to the attainment of its objects.

TDC DEVELOPMENT COMPANY LTD

In January 2017, Government granted approval and TDC was converted to a Limited Liability Company and its mandate was enhanced to include expanded operational and geographical scope beyond the Tema Acquisition Area. Its new objects are:

(a) To carry on the objects of Tema Development Corporation as per the Tema Development Corporation Instrument 1965 (L.I. 469) as amended by the Tema Development Corporation (Amendment Instrument), 1989 (L.I. 1468).

(b) To acquire land both in and outside Ghana for real estate development and management.

(c) Planning, development and construction of towns and cities in and outside Ghana.

(d) Development and management of commercial and industrial areas.

(e) Consultancy Services.

(f) To partner and or collaborate with other real estate developers (both local and international) and agencies for provision of the above services.

(g) Investment in real estate concerns.

(h) Any other activities incidental to the attainment of the above-stated objects.

This puts enormous responsibility on TDC to expand its operations, engage skilled, experienced and well-tested human capital as well as deploy appropriate technology to improve the fortunes of the Company and remain competitive.

It needs to be emphasised that TDC is a unique real estate development Company and a pace setter setup to plan, layout and develop the Tema township of 63 sq miles (40,320 acres) into residential, commercial, institutional and industrial enclaves unlike other real estate development companies.

As a State-Owned Entity, TDC is expected to be involved in providing social housing, its commercial focus notwithstanding.

PROFILE OF DIRECTORS

MS. ELIZABETH MANSA BANSON - BOARD CHAIRMAN

Ms. Banson is the current Board Chairman of TDC Development Company Limited (TDC).

Prior to her appointment as Board Chairman of TDC, Ms Banson had served in various managerial positions as Legal Officer, Senior Legal Officer, Head of Administration and the Legal Department and the Solicitor Secretary of the Company. She was later appointed the Managing Director of the Company and served in that capacity for 8 years.

She is an accomplished and experienced lawyer with over 4 decades of working experience in both the legal and real estate industry. She holds an LLB and BL degrees from the University of Ghana and is a qualified Barrister and Solicitor of the Supreme Court of Ghana and a Notary Public. She holds various certificates in Finance and Administration, Mortgage and Housing Finance in Emerging Markets from the World Bank and the International Finance Company in Washington DC, and Corporate Governance and Corporate Leadership from the University of Singapore Business School, International Housing and Finance, Housing Infrastructure Policy, Programmes and Affordability from Fannie Mae, Freddie Mac and many others.

She has received several awards and honours and is a recipient of THE ORDER OF THE VOLTA awarded for her exemplary service to the nation.

She has served on several public and private Boards and has through her leadership skills relentlessly rendered major development to the Tema township and the nation as a whole.

She is a member of FIDA (International Federation of Women Lawyers) and the Ghana Bar Association.

MS. ALICE ABENA OFORI-ATTA - MANAGING DIRECTOR

She is an experienced and accomplished corporate transactional attorney licenced to practice law in New Jersey (USA) and Ghana.

She has over three decades of experience working in various capacities in several corporate America institutions with the last two decades spent exclusively within the field of law in matters involving a broad range of M&A / Corporate and Real Estate development sectors.

Her concentration has been on property financing for commercial and residential real estate industry, asset based financing, estate leasing matters, collateral debt obligations in the sub-prime residential mortgage markets, analysing residential mortgage-backed securities and related risks on residential loan agreements.

Ms. Ofori-Atta holds a Bachelor of Science degree in Business Administration from St. John's University, New York; Juris Doctor degree from St. John's University School of Law, New York; Barrister-at-Law degree from Ghana School of Law, Accra; Certificat de langue Francaise from Sorbonne University, Paris, France; and a Computer Programming Certificate from PSI, New York.

She is a member of the New Jersey State Bar Association and the Ghana Bar Association.

PROFILE OF DIRECTORS

MS. VALARIE BARBARA ASHITEY - MEMBER

She has been in the banking industry for over 20 years. She is currently the Head of Branch Network (Retail Banking) at Sahel Sahara Bank and part of the Executive Management Team.

Prior to joining Sahel Sahara Bank she worked for several years at Universal Merchant Bank (UMB) in various positions/roles. She was a Corporate Relationship Manager for various business sectors. She also worked on the Canadian International Development Agency Budgetary Support Programme. She was later appointed the Corporate Regional Manager for the Northern Sector with oversight responsibility for the Western Region.

During her tenure with the Bank, she was head of the Large Corporates and Multinational Team and later headed the Agribusiness, Manufacturing and Commerce Teams.

She represented UMB on the Board of Fonds de Guarantie des Investissements Privesen Afrique de L'Ouest (GARI) in Togo.

Valerie holds a BSc. Administration degree from the University of Ghana and a Masters Degree in Finance from Centre Africain d'Etudes Superieures en Gestion (CESAG) in Senegal. She also holds a Diploma in French from Alliance Francaise and an Executive MBA from GIMPA. A chartered banker, she is an Associate of the Chartered Institute of Bankers, Ghana.

MR. SETH ABLADEY, MEMBER

He started his carrier as a technician supervisor, he is a business man, and now with the Kpone Katamanso Municipal Assembly and manager of a private firm. He is also into elections and political research.

MR. KWABENA SARFO-AGYEKUM NYANOR, HEAD OF LEGAL/COMPANY SECRETARY

He is the Legal Head of TDC Development Company Limited. Mr. Nyanor holds a BA Hons degree in Law and Sociology from the University of Ghana and Barrister at Law from the Ghana School of Law. In 1994 he qualified as a Barrister and Solicitor of the Supreme Court of Ghana.

Kwabena's practice cuts across private and Corporate Law. Though a general practitioner, he has over the years been invoved with civil and criminal law, general litigation, law of natural resources and international Corporate Practice which makes him one of the versatile legal brains in the country. His rich experiece from his legal practice brought sanity and change into the legal department and TDC as a whole.

He has ensured strict compliance with TDC's legal policies and procedures.

Mr. Nyanor's passion is to strive to ensure that the legal aspect of TDC's operations is not seen as a bottleneck. He brings on board a depth of legal expertise and Management experience.

COMMUNITY TWO (2), EIGHT STOREY SHOPS AND OFFICE PROJECT

EXECUTIVE MANAGEMENT

ALICE ABENA OFORI-ATTA (MS.)
MANAGING DIRECTOR

SAMUEL O. ASANTE
GENERAL MANAGER (OPERATIONS)

ABDUL AL-MUMIN YAKUBU
GENERAL MANAGER (FIN. & ADMIN.)

KWASI DARKO ASARE
HEAD OF ESTATES

KWABENA NYANOR
HEAD OF LEGAL

JOHN FELIX WARDY
HEAD OF HR & ADMIN

WILLIAM KOSO
AG. HEAD OF DEVELOPMENT

DANIEL AYAIM
CHIEF INTERNAL AUDITOR

ISAAC TETTEY
HEAD OF CORPORATE PLAN. & COM

STEPHEN YEBOAH-AMPEDU
HEAD OF PROCUREMENT

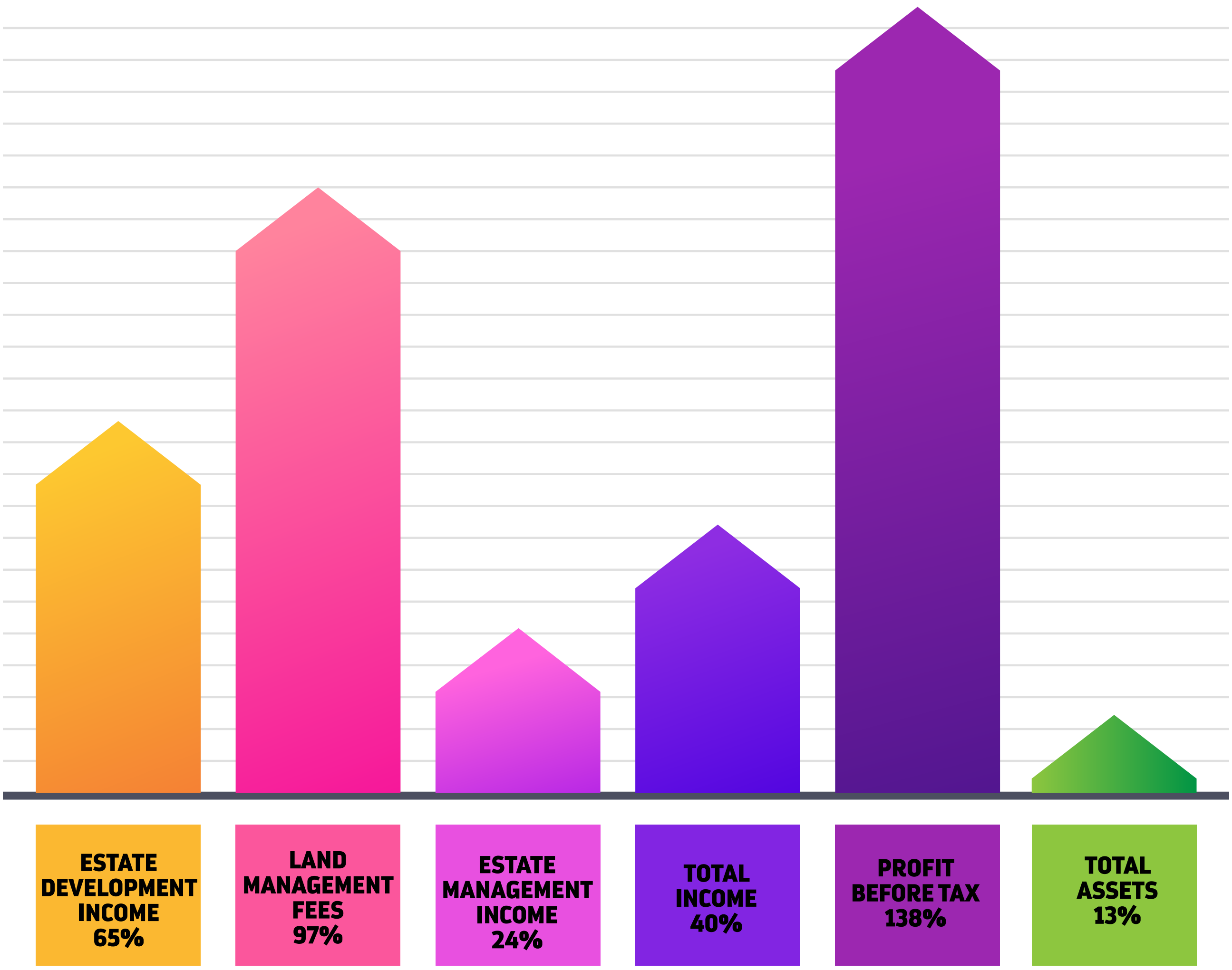
BRIG. GEN SYLVESTER NKRUMAH (RTD)
HEAD OF TASK FORCE

PATRICK OBENG ANSONG
AG. PROJECTS COORDINATOR

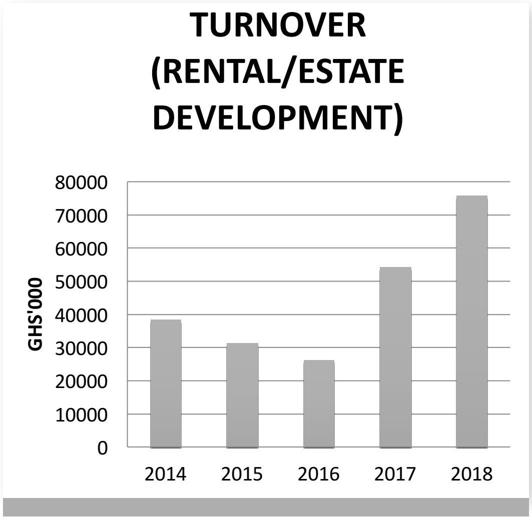
DANIEL SCHANDORF
AG. HEAD OF MIS

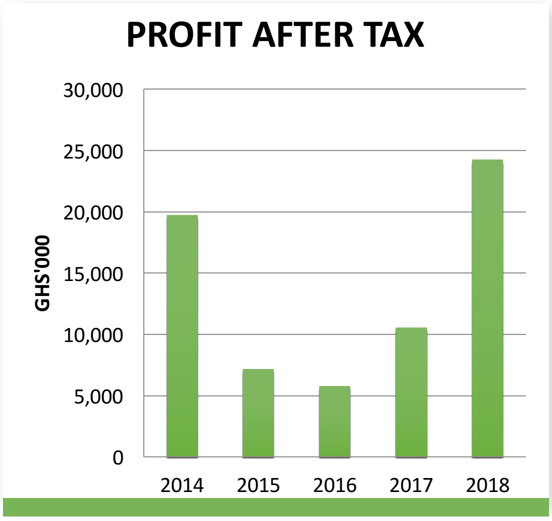
VIDA ASIEDU-AMPONSAH
MARKETING MANAGER

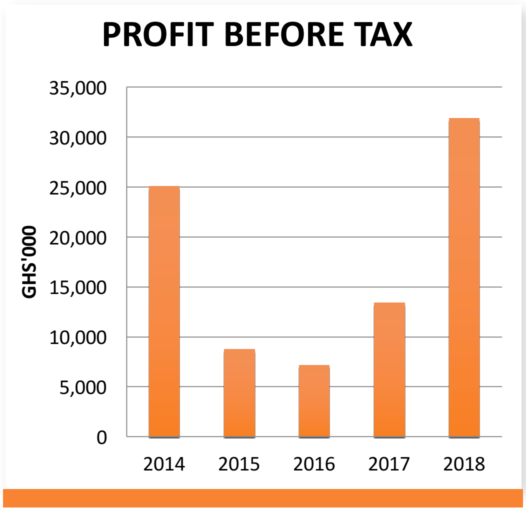
FINANCIAL HIGHLIGHTS (GROWTH) - 2018

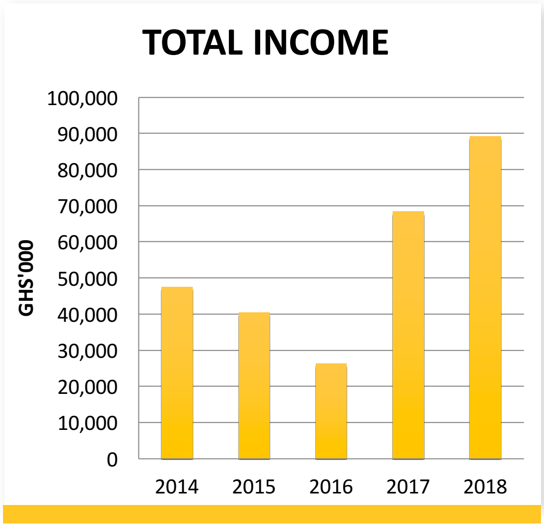


Financial Performance At A Glance (2014 – 2018)









Five Year Financial Summary

	2018 GHS	2017 GHS	2016 GHS	2015 GHS	2014 GHS
TOTAL REVENUE	**75,739,425**	**54,254,206**	**37,857,057**	**40,416,758**	**47,588,218**
Profit Before Tax	31,849,752	13,397,869	7,170,046	8,776,782	25,086,511
Tax Expense	7,629,161	2,848,157	1,382,422	1,623,771	5,353,725
Profit for the year	**24,220,591**	**10,549,712**	**5,787,624**	**7,153,011**	**19,732,786**
FINANCIAL POSITION					
Non-Current Assets					
Property, Plant and Equipment	8,159,369	9,496,892	10,962,017	9,434,836	8,512,629
Investment Property	53,414,830	54,856,468	12,352,675	12,691,179	13,068,128
Investment Property Under Construction	9,361,000	9,361,000	49,427,438	31,251,103	15,147,273
Equity Securities	69,000	139,000	75,000	90,000	45,000
Current Assets					
Inventories, Receivables and Prepayments	132,383,936	111,172,344	100,935,994	88,506,989	57,651,614
Cash/Bank and Short Term Investments	54,772,321	43,494,840	23,041,059	18,100,467	54,567,642
TOTAL ASSETS	**258,160,456**	**228,520,544**	**196,794,183**	**160,074,574**	**148,992,286**
Equity and Liabilities					
Equity					
Stated Capital	58,002,800	58,002,800	58,002,800	8,002,800	8,002,800
Capital Surplus	66,622,325	49,944,400	41,700,187	38,380,139	36,093,725
Income Surplus	67,196,561	42,975,970	32,426,258	76,638,634	70,735,623
	191,821,686	**150,923,170**	**132,129,245**	**123,021,573**	**114,832,148**
Non-Current Liabilities					
Deferred Tax Liabilities	1,250,049	1,250,049	1,250,049	1,250,049	1,250,049
Current Liabilities					
Taxation	22,108,761	14,576,068	11,920,848	10,602,739	10,132,142
Trade and Other Payables	42,979,960	61,771,257	51,494,041	23,950,213	21,586,947
Dividend Payable	–	–	–	1,250,000	1,200,000
Total Liabilities	**66,338,770**	**77,597,374**	**64,664,938**	**37,053,001**	**34,160,138**
TOTAL EQUITY AND LIABILITIES	**258,160,456**	**228,520,544**	**196,794,183**	**160,074,574**	**148,992,286**

BOARD CHAIRMAN'S REPORT

Honourable Minister of Finance, Honourable Minister of Works and Housing, Ag. Director General of the State Interests and Governance Authority - SIGA, Tema Mantse, Distinguished Invited Guests, Ladies and Gentelmen. On behalf of the Board of Directors, I welcome you all to the 1st Annual General Meeting of TDC Development Company Limited. It has indeed been an eventful period since I assumed the role as the Board Chairman in July 2017. I would like to thank all our stakeholders for the steadfast support and unwavering confidence reposed in the Company over the years.

It is my singular honour and privilege to present to you the Annual Report and Financial Statements of the Company for the year ended 31st December, 2018. The report focuses on the economic environment, governance and some organisational initiatives taken during the period under review.

Global Economic Environment

Global growth momentum has moderated somewhat with downward revisions of forecasts in both advanced economies and emerging market economies. This comes on the back of tightening global financing conditions, increasing trade tensions and macroeconomic stress conditions among others. Growth at the global level was 3.1% in 2018 compared to the 3.0% achieved in 2017.

The recent choice of Ghana as host of the Secretariat of the African Continental Free Trade Area (AfCFTA) provides additional impetus to Ghana's bid to remain an important international entity.

This should have a positive impact on TDC's operations as a sizeable number of our existing and potential clients earn income from abroad. It will also create investment opportunities for the Company as it seeks to attract investors to partner with in executing its mandate.

Domestic Economic Environment

On the domestic front, growth has shown a quick rebound after encountering challenges in recent years.

GDP growth in 2018 after the economy was rebased, was 6.3% compared to the 8.1% achieved in 2017. Inflation declined from 11.8% at the end of 2017 to 9.4% at the end of December 2018; and this has further declined to 9.1% at the end of June 2019.

The Base Rate has declined from 20% in 2017 to 17% in 2018 due to the tight monetary policy regime being adopted by the Bank of Ghana. Currently, the rate stands at 16% and it is expected that this will reduce the cost of capital and credit.

Industry Conditions

Activities in the real estates sector is gaining momentum within the context of the improved macroeconomic environment characterised by relatively low inflation rates, interest rates and stable exchange rates regime. The current housing deficit which is estimated at over 2 million units is being fuelled by a rapidly growing middle-class as well as increased urbanization.

The gradual improvement in housing supply notwithstanding, the sector still faces some challenges;

- land acquisition challenges faced by developers in the industry. This comes about as a result of incidents of multiple ownership and sales of lands. TDC has had its fair share when some chiefs from time to time litigate on the title to portions of land within the Tema Acquisition Area, such as the Adjei Kojo and Community 23 areas and more recently Community 24.
- Prolonged and cumbersome process of land title registration in the country.
- High cost of building inputs and construction finance which ultimately results in high costs of houses.
- The slow pace of the public procurement process which on the average takes six (6) months to complete a cycle is disadvantageous to us as a public company especially in this competitive environment.

Honourable Minister, we shall be grateful if an intervention can be made on behalf of our company towards achieving expedited processing of applications to the Public Procurement Authority (PPA).

Corporate Governance

The Board continued to support the transformational agenda and the reinforcement of corporate governance and sustainability commitments of the Company.

The Board's principal focus during the year continued to be on the execution of our strategic objectives, which are mainly organizational transformation, operational excellence and urban redevelopment to improve business efficiency.
The Company has a committed Board of Directors who have put in place all the necessary Board structures including Board Committees to assist it in its oversight functioning role. The Company was selected to be part of five (5) SOEs in Ghana that participated in World Bank Project on Corporate Governance.

The World Bank Team assessed the Company's governance structures and practices in response to a request made by the Shareholder, Ministry of Finance, with the objective of identifying gaps in corporate governance practices in SOEs and recommending improvements. Subsequent to the study, the Board has been engaged in series of workshops with the assistance of the shareholder aimed at removing the shortfalls that were identified.

Various policy documents have either been reviewed or new ones developed. These activities have put both the Board and Management in a better standing to execute effectively the mandate of the company.

I am glad to report that the Board since assumption of office has been very proactive. The various Board Committees; Audit, Risk, Finance and Corporate Governance as well as the Management Committee remained active throughout the year.

Board Interventions and Achievements

On assumption of office, the Board had to review some decisions that were then in operation and these are outlined below:

- Termination of Joint Venture with a foreign company at Community 23 which led to the Company realising GH¢7m from the transaction.
- Review of Facilities Management Contract with Broll Ghana Limited that has resulted in the saving of US$24,000.
- Apartments previously earmarked for rental were subsequently sold resulting in earnings of US$2.88 million.
- Outsourcing of the collection of overdue rents.
- Introduction of electronic payment platforms for the collection of rents which has created the much needed convenience for our clients.
- Improvement in the liquidity position of the company from GH¢8.90 million inherited in July 2017 to GH¢24.12 million within six months. This positive trend has prevailed to date.

Financial Performance

The Company grew its Comprehensive Income by 40% from GH¢54.25 million in 2017 to GH¢75.74 million in 2018. This was largely driven by our resolve to maximise our revenues from Rental, Estates Development and Other Property Operating Income which in total recorded a 41% growth from GH¢49.33 million in 2017 to GH¢69.36 million in 2018.

Overall, we grew Profit Before Tax by 138% from the GH¢13.40 million in 2017 to GH¢31.85 million in 2018 and also achieved an impressive growth in Profit After Tax by 130% from GH¢10.55 million registered in 2017 to GH¢24.22 million in 2018.

Honourable Minister, we are pleased with this performance which has been achieved through hard work and resilience in the face of the numerous industry challenges referred to earlier.

Honourable Minister, the Company registered improvements in its Operating Profit margin from 25% in 2017 to 38% in 2018 and its Net Profit margin of 27% in 2017 to 46% in 2018.
I am glad to report that the Company grew in Total Assets by 13% from GH¢228.52 million in 2017 to GH¢258.16 million in 2018. Consequently, Shareholder's Fund increased by 27% from GH¢150.92 million in 2017 to GH¢191.82 million in 2018.

The above significant growth indices resulting from our enhanced operational efficiency and productivity have improved the Return on Capital Employed from 8% in 2017 to 14% in 2018 and Return on Equity of 9% in 2017 to 17% in 2018.

Honourable Minister, this in summary epitomises the overall remarkable performance for the year under review.

Dividend

A number of projects are currently on-going, and these are being funded from internally generated funds. In this regard, it is important to plough back most of the profit to continue to fund and complete these projects. Having taken these issues into consideration and in consonance with the expectations of the Shareholder, the Board wishes to propose a dividend payment of GH¢1.4 million.

Urban Redevelopment Programme

TDC continues to prepare itself towards the implementation of the redevelopment programme to ensure a successful regulation of Tema into a world class urban environment as conceived 63 years ago by our founding fathers. The initial phase of the redevelopment program will cover the Kaiser Flats in Community 4, Sites 1,2 and 3 in Community 1 and Community 2. The Kaiser Flats enclave has been zoned into 3 sites and these will be redeveloped in phases.

Outlook

To summarize, 2018 was a year of good progress for the Company. The year saw a number of positive interventions by the Board that have made the company stronger and well poised to even improve further in the coming years.

We believe that these interventions and many more yet to come will enhance the sustainability of our business by minimizing risk and improving Shareholder value.

Acknowledgement

On behalf of the Board, I would like to take this opportunity to thank Management and Staff of the Company for their dedication and passion in delivering results. It is their focus and resilience in the face of challenges that enabled our substantial progress. I look forward to your continued support in the years ahead with renewed confidence and determination to maintain our stellar role as the country's leader in the real estate business.

I would also like to thank the Ministry of Finance, our shareholder, the Ministry of Works and Housing, the State Enterprises Commission and all other stakeholders for their continued faith and trust in all our endeavours.

On behalf of my fellow Directors and the entire TDC family, I renew our pledge to remain committed to Government's mission towards the reduction of the housing deficit as well as maintaining our exemplary and undisputed leadership in the real estate and its ancillary endeavours.

Thank you and may God bless us all.

ELIZABETH MANSA BANSON (Ms.)
CHAIRMAN

VISIT OF THE CHIEF JUSTICE TO THE TEMA COURTS

MANAGING DIRECTOR'S REPORT

Madam Chairman, Honourable Minister of Finance, Honourable Minister of Works and Housing, Ag. Director General of the State Interests and Governance Authority - SIGA, Board, Management and Staff of TDC, Distinguished Stakeholders, the Press, Ladies and Gentlemen.

Good morning and welcome to our 1st Annual General Meeting. It is with pleasure that I address you and provide an account of what the Company achieved in 2018.

As you are all aware, TDC was converted in January 2017 to a Limited Liability Company with an enhanced mandate which allows it to operate beyond the Tema Acquisition Area (TAA) and to also undertake other operational activities that hitherto it could not. The conversion was to enable TDC to acquire land and operate outside the Tema Acquisition Area (TAA) and also to take advantage of other business opportunities.

Management with the support from the Board has undertaken a number of activities to ensure sustainable growth in profitability.

Operating Environment

The 2018 operational year saw a significant improvement compared to 2017 which was a transitional year. I took Office in July 2017 and had to settle quickly to understand and review the business operations of TDC.

The immediate concern was how to overcome the precarious financial position that the company was in. The main priority therefore was to reverse the trend notwithstanding the major challenges that we were confronted with as outlined below:

- Land bank exhaustion;
- Encroachment and Land Protection Challenges;
- Some SOEs huge indebtedness to TDC;
- Old housing stock; and
- Non-cooperation of some of the Assemblies which has led to proliferation of kiosks and containers all around.

We continued to experience encroachments during the period and had to sustain our patrol operations in order to control the menace with its attendant increase of property protection costs.

It is positive to note that there were indications of good demand for residential and commercial plots as well as housing units based on the number of applications that were received during the year.

Housing Delivery

• Community 1, Site 3

The construction of one hundred and twenty-eight (128) apartments (2 bedroom and 3 bedroom) is steadily in progress. All the sixty-four (64) 2-bedroom apartments have been completed and put up for sale. The second phase of the project comprising another sixty-four (64) 3-bedroom apartments is 85% complete.

• Community 26 - Kpone Affordable Housing Project

Ladies and gentlemen, as we are all aware, Tema is known for naming its areas within the Acquisition Area as community for its trade mark. And I am happy to announce that the Kpone Affordable Housing Site has been named Community 26.

A significant progress was made during the year with regards to the Community 26 Affordable Housing Project at Kpone. This project comprises one hundred and forty-nine (149) blocks to provide 2,968 apartments upon completion. The project is at various stages of completion. It is expected that Phase I which comprises 128 apartments will be completed by the end of 2019. Infrastructure services at the site have also progressed to make the place habitable.

• Community 23, Terrace Houses

The construction of sixteen (16) terrace houses at Community 23 was completed during the year. These apartments are meant to re-settle squatters who were displaced by the construction of the link road from the Community 24 Site to the Accra – Tema Motorway.

• Community 24, House Ownership Scheme (HOS)

Plans are far advanced for the construction of a gated town-house enclave at Community 24 under our House Ownership Scheme to increase housing delivery.

Collaboration with the Ministry of Roads and Highways

Upon engagement with the Ministry of Roads and Highways, the ministry has agreed to complement TDC's housing delivery efforts by constructing major arterial roads adjoining TDC's new project sites. To this end a five-member technical standing committee has been formed to facilitate the achievement of this objective.

It is anticipated that this collaboration will impact significantly on government's efforts aimed at reducing the housing deficit and providing affordable prices.

Operating and Financial Review

The company's financial performance showed a tremendous improvement in 2018 compared with 2017. The Total Comprehensive Income for the period amounted to GH¢75.74 million as against GH¢54.25 million in 2017. This represented a growth of 40% over that of the previous year. The significant improvement in growth for the period was attributable to the improved revenue from Rental and Other Property Operating Income and Estates Development which in total witnessed a 41% growth from GH¢49.33 million in 2017 to GH¢69.36 million in 2018 as already indicated in the Board Chairman's report.

Madam Chairman, Honourable Ministers, Distinguished Ladies and Gentlemen, Management took a bold decision to become more efficient and thereby reducing cost. This exercise yielded positive results as the Company was able to turnaround its high debt burden resulting in a payment of close to 5% of its revenue as finance cost in 2017 to 1% in 2018.

As a result of our efficient management of resources by reducing costs and improving our investment income, we closed the year 2018 with a Profit Before Tax of GH¢31.85 million which represents a 138% growth from the 2017 figure of GH¢13.40 million.

The Company's Profit After Tax of GH¢24.22 million in 2018 represents a 130% growth from the GH¢10.55 million achieved in 2017.

Operating Profit margin increased from 25% in 2017 to 38% in 2018 and Net Profit margin also improved from 27% in 2017 to 46% in 2018.

The Company managed to reduce general and administrative expenses which improved to 39% of revenue in 2018 as against 64% in 2017.

We are pleased to inform you that TDC grew in Total Assets by 13% from GH¢228.52 million in 2017 to GH¢258.16 million in 2018. The Company's assets were mainly funded from its equity resources which constituted 74% of the asset base.

TDC with the aim of increasing shareholder's wealth, recorded a growth in Shareholder's Fund by 27% from GH¢150.92 million in 2017 to GH¢191.82 million at the end of 2018.
In addition to the significant growth in earnings, Return on Capital Employed improved from 8% in 2017 to 14% in 2018 while Return on Equity increased from 9% in 2017 to 17% in 2018.

STRATEGIC INITIATIVES

Tema Urban Redevelopment Project - Kaizer Flats, Community 4, Tema.

As already indicated by the Board Chairman, this project is one of the strategic interventions by the Company to modernize the city and increase its housing delivery. Aside the redevelopment projects in Community 2 and Community 1 Site 3, the Kaiser Flat enclave is the next on the table. TDC successfully executed the demolition of four (4) Kaizer Blocks of Flats and associated canopy walkways during the period under review. Foundations for the four (4) blocks have been completely raked. Carting away debris for these blocks has also been completed. Phase II of the demolition, which is the nine (9) remaining blocks, is yet to start.

Electronic Rent Collection System

In a bid to increase the collection of revenue for the Company, TDC has signed contracts with GT Bank and NIB to use their various payment platforms for the collection of Shop/Office rent, Ground rent and House rents. GT Bank has fully activated the e-payment platform for TDC's rent collection. Honourable Ministers, Distinguished ladies and gentlemen, rent payments to TDC has been made so easy by just dialling *737*46# and you are through. The Company is at the moment fine-tuning the processes with NIB to put them in operation.

Enterprise Resource Planning System (ERP)

The Company is focusing on being more responsive to clients request and needs. This requires capacity building and long-term investments in all aspects of our operations to reduce client waiting time and also response time to clients request and needs. As a result of this the Company embarked on the ERP Project. Data migration from the existing Property Management System (PMS) to the ERP progressed during the year. So far 34,000 property files out of about 50,000 have been scanned.

Staff Training and Development

TDC continued to retrain and sharpen the skills of its employees to enable them to respond adequately and effectively to the dynamic competitive environment. Several staff benefited from various training programs within the year under review.

Balanced Scorecard

TDC introduced the balanced scorecard system of organizational performance management to ensure an objective performance management environment in the Company. During the year under review, the Company completed the setting of Key Performance Indicators for both Corporate and Departmental levels. It is expected that the individual KPIs will be completed in the ensuing year.

Corporate Social Responsibility

We fully embraced our environmental, social and governance responsibilities and we are committed to conducting business in ways that positively impact the society. We sponsored the Tema

Best Farmers' Award Scheme during the year under review. In addition, TDC supported the Ghana Education Service Teachers' Award Scheme as a way of encouraging Teachers within the Ashaiman and Tema Metropolis to perform to expectation.

Outlook

TDC plans to complete its projects on-time and also initiate the following:

- Acquire new land banks to expand our geographical scope of operations
- Redevelop the Kaiser Enclave, Community 4, Tema
- Develop an Industrial Park/Complex
- Construct a gated community at Community 24
- Construct high-rise buildings at Community 5
- Substantially complete the Community 26 Affordable Housing Project

Conclusion

I would like to say that 2018 has been a good year and we are excited about the year ahead. I would like to take this opportunity to thank the Ministry of Works and Housing, the Ministry of Finance, the State Interests and Governance Authority - SIGA and our Security Agencies for their unflinching support and confidence in TDC.
And to our dynamic Board of Directors, Management and Staff, I say thank you for your dedication and passion in delivering results. I am most grateful.

Thank you and may God bless us all.

ALICE ABENA OFORI-ATTA (Ms.)
MANAGING DIRECTOR


KPONE AFFORDABLE HOUSING
Contact:
0303 206602, 0303 202731 - 4, 0303 200156, 050 4895302
Website: www.tdcghana.com E- mail: info.tdcghana.com
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Just don't take our word for it, please call and arrange for a private tour.
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Website: www.tdcghana.com E- mail: info.tdcghana.com


LOBBY - 1.760m²
SANITARY - 5.040m²
TOTAL FLOOR AREA - 42.900m²
B LIVING ROOM - 16.832m²
BEDROOM - 18.509m²
KITCHEN - 6.580m²
STORE ROOM - 2.520m²
LOBBY - 8.400m²
SANITARY - 4.900m²
TOTAL FLOOR AREA - 60.837m²
C LIVING ROOM - 18.480m²
BEDROOM - 18.480m²
KITCHEN - 7.840m²
STORE ROOM 2.520m²
LOBBY - 5.474m²
SANITARY - 7.840m²
TOTAL FLOOR AREA - 60.837m²
LIVING ROOM - 8.714m²
BEDROOM - 9.404m²
KITCHEN - 5.108m²
SANITARY - 4.200m²
TOTAL FLOOR AREA - 30.485m²
STAIRCASE/ENTRANCE HALL - 4.329m²
TOTAL FLOOR AREA FOR THE ONE BLOCK - 79.644m²
TOTAL FLOOR AREA FOR THE TWO BLOCKS - 192.816m²
kitchen
sto.
utility
Living area
dining
wash room
bedroom 1
bedroom 2
APARTMENT TODAY !
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Kpone Afforadable Housing
TDC now offers you with a comfortable 1 or 2 bedroom Apartments for sale in a 4 - storey with quality finishing at the Kpone Affordable Housing project site.
For a solid 1 or 2 - bedroom, a living parlor, which incorporates a fitted kitchen cabinet, with shops within reach, you are by far better of, not to mention the centralised sewerage system.
The built quality is what you would expect from a real estate company with over 60 years experience in housing delivery.
So if concerns about price and quality have kept you from owning a family apartment, experience our offer and you may well forget about your reservations.
TDC Ltd.
TDC DEVELOPMENT COMPANY LTD.
Leader's In Real Estate Industry
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Report Of The Directors

State of Affairs of the Company

The Directors consider the state of affairs of the Company to be satisfactory. The Board of Directors has made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not be a going concern in the year ahead.

Nature of Business Activity

The Company is engaged in the business of real estates and infrastructural development.

Statement of Directors' Responsibilities

The Directors present their report and audited financial statements of the Company for the year ended 31 December 2018.

The Directors are responsible for the preparation and fair presentation of the financial statements, comprising the Statement of Financial Position as at 31 December 2018, Statement of Comprehensive Income and Statement of Cash Flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Public Financial Management Act, 2016 (Act 921).

The Directors' responsibilities include designing, implementing and maintaining internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Financial Statements

The Directors in submitting to the Shareholder the financial statements for the year ended 31 December 2018 report as follows:

Dividend

The Directors recommend payment of dividend of Gh¢1.40 per share for the year ended 31 December 2018.

Auditor

In accordance with Section 134(5) of the Companies Act, 1963 Adom Boafo & Associates are willing to continue in office as Auditor of TDC Development Company Limited.

Results

The Results for the year ended 31 December 2018 are set out on page 28 and show a net profit before tax of GH¢31,849,752.

There has been no change in the authorised nature of activities of the Company.

The Directors in submitting to the Shareholder the financial statements for the year ended 31 December 2018 report as follows:

	2018 GH¢
Profit before taxation for the year	31,849,752
from which is deducted taxation of	(7,629,161)
giving a profit for the year after taxation of	24,220,591
to which is added balance on income surplus account brought forward of	42,975,970
Leaving a balance of	67,196,561

Approval of the financial statements

The financial statements were approved by the Board of Directors on 11th July, 2019
and signed on their behalf by:

....
Elizabeth Mansa Banson (Ms.)
Board Chairman

....
Alice Abena Ofori- Atta (Ms.)
Managing Director

Independent Auditor's Report To The Members Of The Company

Report on the Financial Statements

Opinion

We have audited the financial statements of the Company which comprise the Statement of Financial Position as at 31 December, 2018, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flows Statement 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 28 to 54.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act 1963 (Act 179) and the Public Financial Management Act 2016 (Act 921).

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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and forming our opinion thereon, and not provide a separate evidence to support such transactions.

Responsibilities of the Board for the Financial Statements

The Board is responsible for the preparation of the financial statements in accordance with IFRS and in the manner required by the Companies Act 1963 (Act 179) and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board is 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 Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism 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 controls.

Obtain an understanding of internal controls 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 controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

Conclude on the appropriateness of the Board'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. 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

Independent Auditor's Report To The Members Of The Company - CONT.

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 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 explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. in our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books; and

iii. the Statement of Financial Position and the Statement of Comprehensive Income of the Company are in agreement with the books of accounts.

In accordance with the Companies Act 1963 (Act 179), the Company has kept accounting records that are sufficient to explain its transactions and financial position with respect to its operations and any other business that it carries on.

The engagement Partner on the audit resulting in this independent auditor's report is Alfred Laryea Sowah

Adom Boafo & Associates
Chartered Accountants
Accra, Ghana
License No. ICAG/F/2017/041
11/07/ ... 2019 ADOM BOAFO AND ASSOCIATES

Prof. Kwame Adom-Frimpong PARTNER
Practicing Certificate: License No. ICAG/P/1109

Statement Of Comprehensive Income For The Year Ended 31St December 2018

	Notes	2018 GH¢	2017 GH¢
Revenue	2	69,362,477	49,328,074
Direct Cost	3	(16,287,348)	(6,817,862)
		53,075,129	42,510,212
General Administrative Expenses	4	(26,945,048)	(31,498,407)
Other Income	6	16,626	1,198,448
Operating Profit		26,146,707	12,210,253
Investment Income	5	6,360,322	3,727,684
Finance Cost	7	(657,277)	2,540,068
Profit Before Tax		31,849,752	13,397,869
Taxation		(7,629,161)	(2,848,157)
Net Profit after Tax transferred to Income Surplus		24,220,591	10,549,712

Statement of Changes in Equity For the Year Ended 31St December 2018

Year Ended December 2018

	Stated Capital GH¢	Land Replacement Reserve GH¢	Income Surplus GH¢	Available for Sale Investment GH¢	Total Equity GH¢
Balance at 1 January 2018	58,002,800	49,880,400	42,975,970	64,000	150,923,170
Profit for the Year	-	-	24,220,591	-	24,220,591
Additions for the Year	-	16,741,925	-	-	16,741,925
Movement in available for Sale Investment	-	-	-	(64,000)	(64,000)
Balance at 31 December 2018	**58,002,800**	**66,622,325**	**67,196,561**	**-**	**191,821,686**

Year Ended December 2017

	Stated Capital GH¢	Land Replacement Reserve GH¢	Income Surplus GH¢	Available for Sale Investment GH¢	Total Equity GH¢
Balance at 1 January 2017	58,002,800	41,700,187	32,426,258	-	132,129,245
Total Comprehensive income for the year	-	-	10,549,712	-	10,549,712
Additions for the year	-	8,180,213	-	-	8,180,213
Movement in available for sale investment	-	-	-	64,000	64,000
Balance at 31 December, 2017	**58,002,800**	**49,880,400**	**42,975,970**	**64,000**	**150,923,170**

Statement of Financial Position As At 31St December 2018

ASSETS	Notes	2018 GH¢	2017 GH¢
Non-Current Assets			
Property, Plant and Equipment	8	**8,159,369**	9,496,892
Investment Property	9	**53,414,830**	54,856,468
Investment Property Under Construction	10	**9,361,000**	9,361,000
Equity Securities	11	**69,000**	139,000
		71,004,199	73,853,360
Total Non-Current Assets			
Current Assets			
Inventories and Works-In-Progress	12	**102,681,168**	91,950,747
Trade and Other Receivables	13	**29,702,768**	19,221,597
Investments In Fixed Deposits	14	**28,292,765**	18,498,715
Cash and Bank Balances	15	**26,479,556**	24,996,125
Total Current Assets		**187,156,257**	154,667,184
TOTAL ASSETS		**258,160,456**	228,520,544
EQUITY AND LIABILITIES			
Stated Capital	16	**58,002,800**	58,002,800
Land Replacement Reserve	17	**66,622,325**	49,880,400
Available for sale Investment		**-**	64,000
Income Surplus Account		**67,196,561**	42,975,970
Total Equity		**191,821,686**	150,923,170
Non-Current Liability			
Deferred Tax Liability		**1,250,049**	1,250,049
Current Liabilities			
Bank Overdraft	19	**-**	13,376,219
Bank Loan	20	**-**	6,000,000
Taxation	21	**22,108,761**	14,576,068
Trade and Other Payables	18	**42,979,960**	42,395,038
Total Current Liabilities		**65,088,721**	76,347,325
TOTAL EQUITY AND LIABILITIES		**258,160,456**	228,520,544

Cash Flows Statement For The Year Ended 31St December 2018

	2018 GH¢	2017 GH¢
Profit Before Taxation	31,849,752	13,397,869
Adjustment before Working Capital movements:		
Depreciation	2,936,340	1,606,521
Gains on disposal of Inves't Property, Plant and Equip't.	(16,626)	(46,232)
Investment Income	(6,360,322)	(3,727,684)
Movement in Available for Sale Investment	64,000	(64,000)
	28,473,145	11,166,473
Income Tax Paid	(96,468)	(192,937)
	28,376,677	10,973,536
Movement in Working Capital		
Decrease/(increase) in Trade and Other Receivables	(10,481,171)	3,717,913
Increase in Inventory Property	(10,805,051)	(13,954,262)
(Decrease)/increase in Trade and Other Payables	584,922	7,969,311
Net Cash Flow from Operating Activities	7,675,377	8,706,498
INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(170,203)	(141,395)
Disposal of Investment Property	29,651	-
Acquisition of Investment Property/Inv. Prop. under Construction	-	(2,437,355)
Interest on Investment and other Income	6,376,948	3,773,916
Net Cash Flow from Investing Activities	6,236,397	1,195,167
FINANCING ACTIVITIES		
Dividend Paid	-	-
Bank Loan	(6,000,000)	-
Increase/(Decrease) in Land Replacement Reserve	16,741,925	8,244,213
Net Cash Inflow from Financing Activities	10,741,925	8,244,213
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,653,699	18,145,877
Cash and Cash Equivalents		
Opening Cash and Cash Equivalents	30,118,622	11,972,745
Net increase in Cash and Cash Equivalents	24,653,699	18,145,877
Closing Cash and Cash Equivalents	54,772,321	30,118,622

Cash Flows Statement For The Year Ended 31St December 2018 - CONT.

REPRESENTING CASH AND CASH EQUIVALENTS AS AT 31ST DECEMBER 2018

	2018 GH¢	2017 GH¢
Cash and Bank Balances	**26,479,556**	24,996,125
Bank Overdraft	**-**	(13,376,219)
Short-Term Investments	**28,292,765**	18,498,715
	54,772,321	30,118,622

Notes to the financial statements

1.0 Corporate information

TDC Development Company Limited is a Company limited by shares under the provisions of the Companies Act, 1963 (Act 179). The Company was incorporated on 17th January 2017 and domiciled in Ghana with registered office address of Baba Yara Street, P.O. Box CO 46, Tema. The Company has no subsidiaries.

The principal activities of the Company are real estate and infrastructural development.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and it complies with the Public Financial Management Act 2016¸ (Act 921), and the Companies Act, 1963 (Act 179) of Ghana.

The financial statements have been prepared on historical cost basis, except for land and buildings and those available-for-sale financial assets that have been measured at fair value. The financial statements are presented in Ghana Cedi, which is the Company's functional currency. Except as indicated, financial information has been presented in Ghana Cedi and has been rounded to the nearest Ghana Cedi.

The Company presents its statement of financial position broadly in Current and Non-current split. An analysis regarding recovery or settlement within twelve months after the reporting date (Current) and more than 12 months after the reporting date (Non-current) is presented in the respective notes.

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Company entities.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

1.2.1 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company has an option to measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. No reclassification of insurance contracts is required as part of the accounting for the business combination. However, this does not preclude the Company from reclassifying insurance contracts to accord with its own policy only if classification needs to be made on the basis of the contractual terms and other factors at the inception or modification date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or a liability, will be recognised as measurement period adjustments in accordance with the applicable IFRS. If the contingent consideration is classified as equity, it will not be remeasured and its subsequent settlement will be accounted for within equity.

Goodwill is initially measured at cost, being the excess of the fair value of the consideration transferred over the Company's share in the net identifiable assets acquired and liabilities assumed and net of the fair value of any previously held equity interest in the acquiree.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to an appropriate cash-generating unit that is expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

1.2.2 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Notes to the financial statements

The useful lives of intangible assets are assessed to be either finite or indefinite.
Intangible assets with finite lives are amortised over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

1.2.3 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators
Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset. In respect of revalued non-current assets, impairment losses are recognized in other comprehensive income and presented in the revaluation reserve within equity, to the extent that it reverses a previous revaluation surplus relating to the same asset. Any excess is recognised in profit or loss

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

1.2.4. Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually at 31 December, either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

1.2.5 Property and equipment

Property and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment losses. Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation on leasehold land and on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case, the increase is recognised in the income statement.

A revaluation deficit is recognised in the income statement, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Notes to the financial statements

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Equipment is reflected at cost less accumulated depreciation and accumulated impairment losses.
An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

1.2.6. Depreciation

Depreciation is provided on the straight-line basis at rates considered appropriate to reduce the cost to net realizable value over the estimated useful life. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that, future economic benefits associated with the term will flow to the Company and the cost of the item can be reliably measured. Land is not depreciated.

Residential Buildings	1.67%
Shops and Commercial Buildings	2.50%
Administrative Buildings	5.00%
Office furniture, fixtures and fittings	10.00%
Plant and Machinery	10.00%
Motor Vehicle	20.00%
ICT Equipment	20.00%

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal are determined by comparing the asset's proceeds to it's carrying amount and are included in the income statement. When revalued assets are sold, the amounts included in the revaluation surplus are transferred to income surplus.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses on non-revalued assets are recognised in the income statement as an expense, while reversals of impairment losses are also stated in the income statement.

Impairment losses on revalued assets are recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset

1.2.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at historical cost less accumulated depreciation and accumulated impairment loss.

Depreciation is provided on a straight-line basis over the useful lives of investment properties as follows:

1.2.8. Investment properties

The investment properties' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognised in the income statement as an expense.

Investment properties are derecognised either when they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. Transfer between investment property and owner-occupied property does not change the carrying amount of the property transferred and it does not change the cost of that property for measurement or disclosure purposes.

1.2.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Notes to the financial statements

1.2.10 Investment in an associate

The Company's investment in its associate is accounted for in the separate financial statement of the Company as available-for-sale financial assets. (See below for available-for-sale financial asset)

1.3.0 Financial assets

1.3.1. Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial investment.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

1.3.2. Available-for-sale financial assets

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

Available-for-sale financial assets in the Company include investment in equity instruments (both quoted and unquoted), investments in private equity, investment in treasury bills having tenor of more than three months and investment in debt securities (bonds) issued by the Government of Ghana

Subsequent measurement

After initial measurement, available-for-sale financial assets are subsequently measured at fair value, with unrealised gains or losses recognised in other comprehensive income in the available-for-sale reserve (equity).

Interest earned whilst holding available-for-sale investments is reported as interest income using the Effective Interest Rate (EIR). Dividends earned whilst holding available-for-sale investments are recognised in the income statement as 'Investment income' when the right of the payment has been established. When the asset is derecognised the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve

The Company evaluates its available-for-sale financial assets to determine whether the ability and intention to sell them in the near term would still be appropriate. In the case where the Company is unable to trade these financial assets due to inactive markets and management's intention significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances.

Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and management has the intention and ability to hold these assets for the foreseeable future or until maturity. The reclassification to held-to-maturity is permitted only when the entity has the ability and intention to hold the financial asset until maturity.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR.
If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

1.3.3. Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are measured at amortised cost, using the EIR, less allowance for impairment.

1.3.4. Held to maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortised cost, using the EIR, less impairment. The EIR amortisation is included in 'investment income' in the income statement. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.

Held to maturity financial assets in the Company include investment in debt securities (bonds) issued by state government and other corporate entities.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

1.3.5 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.
Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability the debtor will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in payment status or economic conditions that correlate with defaults.

1.3.6. Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of investment income in the income statement.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'finance cost' in the income statement.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Company's internal credit grading system, which considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.
Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, payment status, or other factors that are indicative of incurred losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

1.3.7. Available-for-sale financial investments

For available-for-sale financial investments, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.
In the case of equity investments classified as available-for-sale, objective evidence would include a 'significant or prolonged' decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. The Company treats 'significant' generally as 20% and 'prolonged' generally as greater than six months.

Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment.

Previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

1.3.8. Financial assets carried at cost

For financial assets carried at cost, if there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

1.3.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

1.3.10 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Company's best estimate of the most appropriate model assumptions.

Notes to the financial statements

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

If the fair value cannot be measured reliably, these financial instruments are measured at cost, being the fair value of the consideration paid for the acquisition of the investment or the amount received on issuing the financial liability. All transaction costs directly attributable to the acquisition are also included in the cost of the investment.

1.4.0 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.4.0 Taxes

1.4.1. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

1.4.2. Deferred tax

Deferred tax is provided using the liability method in respect of temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.4.3 Foreign currency translation

The Company's financial statements are presented in Ghana Cedis and items included in the financial statements are measured using Ghana Cedis as the functional currency.
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.
All exchange differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign

Notes to the financial statements

currency are translated using the exchange rates at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

1.5.0 Financial liabilities – initial recognition and subsequent measurement

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, minus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowings and insurance payables.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification, as follows:

1.5.1. Interest bearing loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.
Gains and losses are recognised in the income statement when the liabilities are derecognised.

1.6.0 Trade and other payables

Account payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Derecognition of Trade and other payables

Trade and other payables are derecognised when the obligation under the liability is settled, cancelled or expired.

1.7.0 Classification of financial instruments between debt and equity

A financial instrument is classified as debt if it has a contractual obligation to:

- Deliver cash or another financial asset to another entity

Or

- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

1.8.0 Provisions

General

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

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.
Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1.9.0. Onerous contracts

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the expected economic benefits expected to be received under it.

The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

Notes to the financial statements

1.10.0. Equity movements

1.10.1. Ordinary share capital

The Company issued ordinary shares that are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognised in equity.

1.10.2. Dividends on ordinary share capital

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

1.11.0. Investment income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

Investment income also includes dividends when the right to receive payment is established. For listed securities, this is the date the security is listed as ex-dividend.

1.12.0. Realised gains and losses

Realised gains and losses recorded in the income statement on investments include gains and losses on financial assets and investment properties.

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortised cost and are recorded on occurrence of the sale transaction.

1.13.0. Finance cost

Interest paid is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest-bearing financial liability.
1.14.0. Significant accounting judgments estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1.14.1. Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

1.14.2. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.
Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.15.0 Application of new and revised International Financial Reporting Standards (IFRSs)

1.15.1 Application of new and revised international Financial Reporting standards (IFRSs) The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Initial application of new amendments to the existing Standards effective for current financial period

The following new amendments to the existing standards issued by the International Accounting Standards Board are effective for current financial period:

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014), issued by IASB on 21 November 2013. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans.
The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to

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recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service as a negative cost.

Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" issued by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted.

The most important changes include new or revised requirements regarding: (i) definition of 'vesting condition'; (ii) accounting for contingent consideration in a business combination; (iii) aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; (iv) proportionate restatement of accumulated depreciation/ amortisation application in revaluation method and (v) clarification on key management personnel. The amendments are to be applied for annual periods beginning on or after 1 July 2014.

Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" issued by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted.

The most important changes include new or revised requirements regarding: (i) scope of exception for joint ventures; (ii) scope of paragraph 52 if IFRS 13 (portfolio exception) and (iii) clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The amendments are to be applied for annual periods beginning on or after 1 July 2014).

The adoption of these amendments to the existing standards has not led to any material changes in the Entity's financial statements.

1.15.2 New Standards and amendments to existing standards in issue not yet adopted

At the date of authorisation of these financial statements the following new standards and amendments to existing standards were in issue, but not yet effective:
IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).

IFRS 9 "Financial Instruments" issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016).

IFRS 14 "Regulatory Deferral Accounts" issued by IASB on 30 January 2014. This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

IFRS 15 "Revenue from Contracts with Customers" and further amendments (effective for annual periods beginning on or after 1 January 2018).

IFRS 15 "Revenue from Contracts with Customers" issued by IASB on 28 May 2014 (on 11 September 2015 IASB deferred effective date of IFRS 15 to 1 January 2018). IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.
The standard supersedes IAS 18 "Revenue", IAS 11 "ConstructionContracts" and a number of revenue-related interpretations.

Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services.

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The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date was deferred indefinitely until the research project on the equity method has been concluded).

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014 (on 17 December 2015 IASB deferred indefinitely effective date).

The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures"

- Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016).

  Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures"

- Investment Entities: Applying the Consolidation Exception issued by IASB on 18 December 2014. The narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances.

Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016).

Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations issued by IASB on 6 May 2014. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisition.

Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016).

Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure Initiative issued by IASB on 18 December 2014. The amendments to IAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation issued by IASB on 12 May 2014.

Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016). Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants issued by IASB on 30 June 2014. The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment.

Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).

Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements issued by IASB on 12 August 2014. The amendments reinstate the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)" issued by IASB on 25 September 2014. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording.

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The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. Changes include new or revised requirements regarding: (i) changes in methods of disposal;

(ii) servicing contracts; (iii) applicability of the amendments to IFRS 7 to condensed interim financial statements; (iv) discount rate: regional market issue; (v) disclosure of information 'elsewhere in the interim financial report'. The amendments are to be applied for annual periods beginning on or after 1 January 2016.

The Entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates.

1.15.3 Standards and Interpretations effective in the current period

The following standards, amendments to the existing standards and interpretations issued by the
International Accounting Standards Board are effective for the current period:

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014), issued by IASB on 21 November 2013. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service as a negative cost.

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The adoption of these amendments to the existing standards and interpretations has not led to any changes in the Company's financial statements.

1.15.4 Standards and Interpretations in issue not yet adopted

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Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

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Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains

caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

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The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts.

The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

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Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016).

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation issued by IASB on 12 May 2014. Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

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Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016).

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Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements issued by IASB on 12 August 2014. The amendments reinstate the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements.

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Changes include new or revised requirements regarding: (i) changes in methods of disposal; (ii) servicing contracts; (iii) applicability of the amendments to IFRS 7 to condensed interim financial statements; (iv) discount rate: regional market issue; (v) disclosure of information 'elsewhere in the interim financial report'. The amendments are to be applied for annual periods beginning on or after 1 January 2016.

The Company has elected not to adopt these standards, revisions and interpretations in advance of their effective dates.

1.16.0 Financial risk management framework

The Company has exposure to the following risks from its use of financial instruments:

1.16.1 Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

1.16.2 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices and foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

1.16.3 Interest rate risk

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate instruments. The Company does not have any interest-bearing borrowings. Interest rate risk is therefore limited to the Company's investments in floating rate deposits.

1.16.4 Equity risk

Investments in marketable securities are reflected at fair value and are therefore susceptible to market fluctuations. Investment decisions are delegated by the board to the investment committee, which has ultimate responsibility for the investment portfolio's risk profile and related decisions.

1.16.5 Currency risk

The Company has financial assets which are denominated in foreign currencies. These assets are exposed to currency translation risk, primarily the United States of America Dollar, the Euro and Great Britain Pound. These are material to the Company and sensitivity analyses on these exposures are set out in Note b.

1.17.0 Other Risks Exposed to the Company

1.17.1 Operational risk

It is the risk that there is a loss as a result of inadequate or failed processes, people or systems and external events.

1.17.2 Operational risk includes

Information and technology risk: the risk of obsolescence of infrastructure, deficiency in integration, failures/ inadequacies in systems/ networks and the loss of accuracy, confidentiality, availability and integrity of data.

1.17.3 Going concern/ business continuity risk

The risk that inadequate processes, people, financial controls and resources exist to continue business in the foreseeable future.

1.17.4 Compliance risk

The risk of not complying with laws and regulations, as well as investment management mandates.

1.17.5 Fraud risk:

The risk of financial crime and unlawful conduct occurring within the Company.

The Company mitigates these risks through its culture and values, a comprehensive system of internal controls, internal audit, compliance functions and other measures such as back-up facilities and contingency planning. The initiation of transactions and their administration is conducted on the basis of the segregation of duties, designed to ensure the correctness, completeness and validity of all transactions.

1.17.6 Legal risk

Legal risk is the risk that the Company will be exposed to contractual obligations which have not been provided for. There is a risk that practices established in the past may be unacceptable in changing legislative environments.
The risk is managed through clear contracting. The Company monitors and influences events to the extent possible by participation in discussions with legislators, directly and through industry representative Company.

Notes to the financial statements

1.17.7 Investment risk

Investment risk relates to the relative sensitivity of long-term policy liabilities and
the supporting policyholder assets to interest rate, market, credit, liquidity, currency and derivative risks.

1.17.8 Staff turnover and succession planning

The Company has recently undertaken job evaluation to determine entry level requirement for proper placement and compensation. A detailed succession plan has been approved by the Board.

1.18.0 Interest income

Interest income and expense for all interest-bearing financial instruments, including financial instruments measured at fair value through profit and loss, are recognized within investment income and finance costs in the statement of comprehensive income using the effective-interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

1.19.0 Dividend income

Dividend income for available-for-sale equities is recognized when the right to receive payment is established, which is the last day of registration in respect of its quoted shares and when declared in respect of unquoted shares.

1.20.0 Rental income

Rental income from investment properties is recognized in the statement of comprehensive income on a straight-line basis over the term of each lease

1.21.0 Employee Benefits

1.21.1 Defined benefit plans

Under the national pension scheme, the Company contributes 13% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

1.21.2 Defined contribution plans

The Company has a provident fund scheme for staff under which the Company contributes 15% of staff basic salary. The Company's obligations under the plan is limited to the relevant contributions and these are settled on due dates.

1.22.0 Bonus plans

The Company operates bonus for the benefit of employees. A provision is recognized when the Company is contractually obliged to pay bonus to its employees or where a past practice has created a constructive obligation to do so.

1.23.0 Post balance sheet events

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

1.24.0 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation of uncertain timing or amount as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the obligation at the reporting date. When the effect of discounting is material, provisions are discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.25.0 Leases

Leases of property and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Financial leases are capitalized at the inception of the leases at the lower of fair value of the leased property and the present value of the minimum lease payments.
Property and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Leases where a significant portion of the risks and rewards are retained by the lessor are classified as operating leases.

1.26.0 Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments, fair value is determined by using valuation techniques.
Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors.

Notes to the financial statements

Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the balance sheet.

1.27.0 Critical accounting estimates and judgment

The Company makes certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements.
These estimates rely on the assumption that past experience adjusted for the effect of current developments and likely trends is an appropriate basis for predicting future events.

1.28.0 Valuation of unlisted investments

The Company accounts for its unlisted investments at cost. It then assesses at each reporting date whether there is objective evidence that these investments are impaired. An investment is considered impaired if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the investment (a loss event) and that loss event has an impact on the investment.

Objective evidence that an investment is impaired includes observable data that comes to the attention of the Company about the following events:

- Significant financial/liquidity difficulty of the investee Company
- Continuous loss-making activities of the investee Company
- negative net worth of the investee Company
  1.28.1 Other conditions that impact on the investee Company's ability to operate

If there is objective evidence that an impairment loss has been incurred on investment in unlisted shares carried at cost, the carrying amount of the asset is reduced and the amount of the loss is recognized in the income statement.

Notes to the financial statements

Note 2. Revenue

	2018 GH¢	2017 GH¢
Revenue from Rental and Other Operating Income (Note 2a)	**54,104,456**	40,065,816
Revenue from Estate Development	**15,258,021**	9,262,258
	69,362,477	49,328,074

Note 2a. Revenue from Rental and Other Operating Income

Rental Income	**23,471,977**	18,853,664
Land Management Fees	**23,636,749**	12,022,880
Other Property Operating Income	**6,995,730**	9,189,272
	54,104,456	40,065,816

Note 3. Direct Cost

Service Charge Expense	**3,152,956**	2,169,792
Cost of sales-Estate Development	**13,134,392**	4,648,070
	16,287,348	6,817,862

Note 4. General Administrative Expenses

Staff Cost	**16,272,941**	16,796,269
Marketing Expenses	**79,492**	95,412
Transport Expenses	**1,129,113**	1,270,493
Audit Fees (Audit fee charged for the year GH¢97,044 less overprovision of GH ¢69,130 in 2017)	**27,914**	150,000
Directors Fees	**386,467**	155,649
Printing and Stationery	**369,821**	369,980
Maintenance of Office Building and Equipment	**539,283**	600,564
Bank/Legal Charges	**522,002**	100,832
Interest Expense	**1,229,838**	4,483,283
Utilities	**778,844**	1,102,016
Staff Welfare Expenses	**2,993,646**	3,474,315
Other sundry Expenses	**1,107,960**	1,293,074
Depreciation	**1,507,727**	1,606,521
	26,945,048	31,498,408

Notes to the financial statements

Note 5. Investment Income	2018 GH¢	2017 GH¢
Income from Fixed Deposits	**6,133,105**	3,602,846
Interest from Bank (Current Account)	**227,217**	124,838
	6,360,322	3,727,684
Note 6. Other Income		
Profit from Disposal of Non-Current Assets	**16,626**	46,232
Provision for Impairment of Trade Receivables written Back	**-**	1,152,216
	16,626	1,198,448
Note 7. Finance Cost		
Interest on Loan	**657,277**	2,540,068

Note 8. Property, Plant and Equipment

	Balance 1/1/2018 GH ¢	Additions during year GH ¢	Balance 31/12/2018 GH ¢
Cost			
Admin. Buildings	10,881,634	-	**10,881,634**
Furniture/ Fittings	1,333,778	39,485	**1,373,263**
ICT Equipment and Accessories	1,935,163	122,843	**2,058,006**
Plant/ Machinery	908,602	2,980	**911,582**
Motor Vehicles	**3,589,405**	4,895	**3,594,300**
Total	**18,648,582**	170,203	**18,818,785**

Depreciation	Balance 1/1/2018	Charge for the year	Balance 31/12/2018
Admin. Buildings	4,007,762	502,428	**4,510,190**
Furniture/ Fittings	800,716	137,326	**938,042**
ICT Equipment and Accessories	1,053,066	411,601	**1,464,667**
Plant/ Machinery	369,407	91,158	**460,565**
Motor Vehicles	**2,920,739**	365,213	**3,285,952**
Total	**9,151,690**	1,507,726	**10,659,416**
Net Book Value 31/12/18			**8,159,369**
Net Book Value 31/12/17			**9,496,892**

Notes to the financial statements

Note 9. Investment Property

	2018 GH¢	2017 GH¢
Balance 1/1	54,856,468	12,352,675
Transfers from Projects under construction (Note 9a)	-	43,350,566
TDC Towers Additional Cost	-	632,715
Impairment	(1,417,918)	(1,411,917)
Disposal (Cost)	(23,720)	(67,571)
Balance 31/12	53,414,830	54,856,468

Note 9a. Investment Property – Transferred from Projects under Construction

Site 3 Infilling Shop Nos. C1 and C2	-	3,284,128
TDC Towers	-	40,066,438
	-	-
	-	43,350,566

Note 10. Investment Property under Construction

	2018 GH¢	2017 GH¢
Balance at 1 January	9,361,000	49,427,438
Additions	-	-
Transfer to completed Property	-	40,066,438
Adjustments	-	-
Balance 31/12	9,361,000	9,361,000

Note 10a. Investment Property Under Construction

	Balance 1/1/2018 GH¢	Additions GH¢	Transfer to Completed Projects GH¢	Adjustments GH¢	Balance 31/12/2018 GH¢
Community 20 Shops	3,984,000	-	-	-	3,984,000
Conference Centre Project	5,377,000	-	-	-	5,377,000
	9,361,000	-	-	-	9,361,000

Notes to the financial statements

Note 11. Equity Securities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

	2018 GH¢	2017 GH¢
Investment in equity at 1/1	139,000	75,000
Increase / (Decrease) in share price	(70,000)	64,000
Investment in equity at 31/12	69,000	139,000

Note 12. Inventories and Work In Progress

	2018 GH¢	2017 GH¢
Trading Inventory (Note 12a)	34,344,530	47,236,047
Works-in-progress (Note 12b)	64,794,995	40,730,426
Stores (Note 12c)	3,541,643	3,984,273
	102,681,168	91,950,747

Note 12a. Trading Inventory

Houses	11,419,020	18,068,208
Serviced Plots	22,925,510	29,167,839
	34,344,530	47,236,047

Note 12b. Works-in-Progress

Residential Property under Construction	59,960,867	35,644,569
Capital Works-in-progress	4,834,128	5,085,857
	64,794,995	40,730,426

Note 12c. Stores

	2018 GH¢	2017 GH¢
Stationery Stores	123,457	119,400
Civil Engineering and Building Stores	3,418,186	3,864,873
	3,541,643	3,984,273

Notes to the financial statements

Note 13. Trade and Other Receivables

	2018 GH¢	2017 GH¢
Trade Receivables	27,002,218	18,454,386
Receivables from Staff	345,298	269,962
Prepayments and Contractors' Mobilisation	483,665	426,649
Sundry Receivables	1,871,587	70,600
	29,702,768	19,221,597

Note 14. Investment in Fixed Deposits

	2018 GH¢	2017 GH¢
Fixed Deposit Investments	28,292,765	18,498,715

Note 15. Cash and Bank Balances

	2018 GH¢	2017 GH¢
Bank	26,454,567	24,927,184
Cash	24,989	68,941
Total	26,479,556	24,996,125

Note 16. Stated Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

	Number of shares		Proceeds	
	2018	2017	2018 GH¢	2017 GH¢
Authorised Ordinary Shares				
Shares of no-par value	1,000,000	-	-	-
Issued Ordinary Shares				
(1,000,000 ordinary shares of no-par value)	1,000,000	-	58,002,800	58,002,800
	1,000,000	-	58,002,800	58,002,800

Note 17. Land Replacement Reserve

This amount represents funds set aside for the sole purpose of acquiring lands for business purposes.

Notes to the financial statements

Note 18. Trade and Other Payables

	2018 GH¢	2017 GH¢
Customer Deposits	**38,732,973**	33,436,050
Contractors Retention Account	**1,003,040**	2,469,953
Audit Fees	**124,001**	150,000
Sundry Payables	**3,119,946**	6,339,035
	42,979,960	42,395,038

Note 19. Bank Overdraft

GCB Bank Limited	-	13,376,219

Note 20. Bank Loan (GN Bank)

Balance 1/1	**6,000,000**	6,000,000
Interest	**1,031,250**	2,540,068
Payment	**(7,031,250)**	(2,540,068)
Balance 31/12	-	6,000,000

Note 21. Taxation

Year	Balance 1/1 GH¢	Charge for the Year GH¢	Payment GH¢	Balance 31/12 GH¢
2017	**11,920,848**	2,848,157	(192,937)	14,576,068
2018	**14,576,068**	7,629,161	(96,468)	22,108,761

Taxation Computation

	2018 GH¢	2017 GH¢
Profit before tax	**31,849,752**	13,397,869
Depreciation	**1,507,726**	1,606,521
	33,357,478	15,004,390
Capital Allowance	**(2,840,836)**	(3,611,764)
Taxable profit	**30,516,642**	11,392,626
Tax 25%	**7,629,161**	2,848,157

Capital Allowance Computation

	Class 1 Assets GH¢	Class 2 Assets GH¢	Class 3 Assets GH¢	GH¢
Cost 1/1	1,161,632	4,082,249	10,881,634	
Additions	122,843	47,360	-	
	1,284,475	4,129,609	10,881,634	
Depreciation Allow	(513,790)	(1,238,883)	(1,088,163)	**(2,840,836)**
Written Down Value 31/12	770,685	2,890,726	9,793,471	

INAUGURATION OF TDC BOARD AUDIT COMMITTEE

TDC DONATES TO TMA ON FARMERS DAY AS PART OF ITS CORPORATE SOCIAL RESPONSIBILITY

NOTES

NOTES

TDC TOWERS

PROPERTY LOCATION

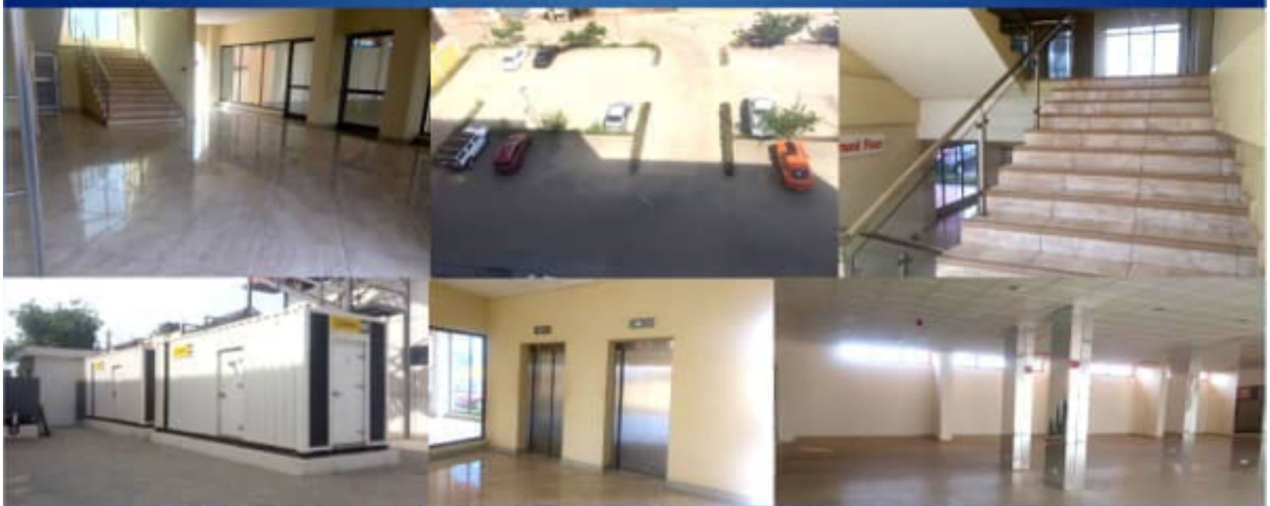
TDC Towers is a 8 storey commercial building located in Tema Community 2 between the Aggrey and Lumumba Roads and just opposite the Tema Community 2 Police Station.

The Structure which is "**L**" shaped, sits at the edge of Salifu Dagati Extension Street, facing the police station and parts of the Tema Harbor.

T D C T O W E R S

PROPERTY FEATURES

- Open plan Office space
- Ground Floor available for banking halls and retail outlets
- 1st to 2nd floor available for retail and restaurant
- 450 seater conference facility
- Cafeteria available on the 7th floor
- Cafeteria/ Restaurant space to complement Conference Facility.



+233 504 895 302 +233 303 206 602 0552 559 309
: TDC DEVELOPMENT COMPANY

TWO-BEDROOM RESIDENTIAL APARTMENTS AT SITE 3, COMMUNITY 1