

# LET SHEGO GHANA SAVINGS & LOANS PLC

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

Comprehensive Income Statement		2019	2018
		GHS '000	GHS '000
Interest income	24	309,598,372	181,906,538
Interest expense	25	(180,585,385)	(77,156,977)
<b>Net interest income</b>		129,012,987	104,749,561
Fee income	26	13,841,411	10,404,876
Commission expenses	27	(39,421,180)	(26,226,016)
<b>Net fee and commission expense</b>		(25,579,769)	(15,821,140)
<b>Operating income</b>		103,433,218	88,928,421
Impairment charge on loans and advances	28	(49,663,372)	(51,042,565)
Personnel costs	29	(11,790,285)	(10,485,306)
Operating expenses	30	(28,535,806)	(15,365,480)
<b>Profit before tax</b>		13,443,755	12,035,070
Income tax expense	17	(2,658,042)	(2,462,776)
<b>Profit for the year</b>		10,785,713	9,572,294
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>10,785,713</u>	<u>9,572,294</u>
Earnings per share			
<b>Basic and diluted (Ghana cedis)</b>	20	<u>1.14</u>	<u>1.01</u>

Cashflow Statement		2019	2018
		GHS '000	GHS '000
<b>Cash flows from/ (used in) operating activities</b>	31	54,430,304	(84,508,866)
Interest paid		(45,528,738)	(30,082,032)
Income tax paid	17	(6,113,853)	(196,924)
<b>Net cash used in operating activities</b>		<u>2,787,713</u>	<u>(114,787,821)</u>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	9	(1,263,266)	(1,819,650)
Proceeds from disposal of property and equipment	9	95,066	241,200
Lease payment	14	(2,415,938)	-
Purchase of intangible assets	11	(2,769,029)	(214,359)
<b>Net cash used in investing activities</b>		<u>(6,353,167)</u>	<u>(1,792,809)</u>
<b>Cash flows from financing activities</b>			
Drawdown from borrowings	18	34,492,864	209,353,500
Repayment of borrowings	18	(4,000,000)	(75,444,950)
<b>Net cash generated from financing activities</b>		<u>30,492,864</u>	<u>133,908,550</u>
<b>Net decrease in cash and cash equivalents</b>		26,927,410	17,327,920
Cash and cash equivalents at 1 January		<u>20,704,910</u>	<u>3,376,990</u>
<b>Cash and cash equivalents at 31 December</b>	5	<u>47,632,320</u>	<u>20,704,910</u>

Statement of Financial Position		2019	2018
		GHS '000	GHS '000
<b>Assets</b>			
Cash and cash equivalents	5	47,632,320	31,063,882
Loans and advances to customers	6	421,964,058	397,082,166
Other assets	7	3,419,090	11,950,828
Deferred commission expense	8	-	6,203,904
Deferred income tax asset	17	14,088,232	12,206,177
Property and equipment	9	3,242,777	3,690,401
Right of use assets	10	2,175,318	-
Intangible assets	11	<u>2,611,956</u>	<u>776,437</u>
<b>Total assets</b>		<u>495,133,751</u>	<u>462,973,795</u>
<b>Liabilities</b>			
Customer deposits	12	6,066,923	47,905,750
Other liabilities	13	22,513,916	11,712,542
Lease liabilities	14	1,693,878	-
Collateral Deposits	15	126,904,313	84,593,884
Deferred fee income	16	-	10,946,642
Current income tax	17	14,845,479	16,419,230
Borrowings	18	<u>267,049,250</u>	<u>246,354,763</u>
<b>Total liabilities</b>		<u>439,073,759</u>	<u>417,932,811</u>
<b>Equity</b>			
Stated capital	19	30,546,314	30,546,314
Retained earnings	21	5,700,417	307,560
Statutory reserves	22	19,434,736	14,041,880
Share based payment reserve	23	<u>378,525</u>	<u>145,230</u>
<b>Total equity</b>		<u>56,059,992</u>	<u>45,040,984</u>
<b>Total liabilities and equity</b>		<u>495,133,751</u>	<u>462,973,795</u>

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed the requirements of International Financial Reporting Standards (IFRS), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2017 (Act 930).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other regularities.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

#### Holding company

Letshego incorporated in 1998, is headquartered in Gaborone and has been publicly listed on the Botswana Stock Exchange since 2002.

#### Financial results

The Company is a subsidiary of Letshego Holdings Limited which acquired 100% of the Company effective 1 January 2018.

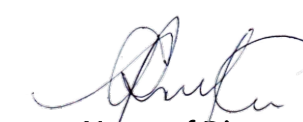
The financial results for the year ended 31 December 2019 are set out below:

	GHS
Profit before tax	13,443,755
from which is deducted income tax expense of	-2,658,042
giving a profit for the year after income tax of	10,785,713
from which is deducted transfer to statutory reserve of	-5,392,856
and income surplus account brought forward of	307,560
leaving an income surplus amount carried forward of	<b>5,700,417</b>

#### Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: nil).

  
Name of Director:  
BLAISE MANKWAH

  
Name of Director:  
ARNOLD PARKER