

# LETSHEGO GHANA SAVINGS & LOANS PLC

## AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

Comprehensive Income Statement		2020	2019
	GHS '000	GHS '000	
<b>Income</b>			
Interest income	226,085,339	309,598,372	
Interest expense	(146,388,482)	(180,585,385)	
<b>Net interest income</b>	<b>79,696,857</b>	<b>129,012,987</b>	
Fee Income	19,983,466	13,841,411	
Commission expenses	(22,540,348)	(39,421,180)	
<b>Net fee and commission expense</b>	<b>(2,556,882)</b>	<b>(25,579,769)</b>	
Other operating income	167,700	92,000	
<b>Operating income</b>	<b>77,307,675</b>	<b>103,525,218</b>	
Impairment charge	16,812,700	(49,663,372)	
Personnel costs	(13,907,771)	(11,790,285)	
Admin and other expenses	(33,028,560)	(28,627,806)	
<b>Profit before tax</b>	<b>47,184,044</b>	<b>13,443,755</b>	
Income tax expense	(14,570,174)	(2,658,042)	
<b>Profit for the year</b>	<b>32,613,870</b>	<b>10,785,713</b>	
Other comprehensive	-	-	
<b>Total comprehensive profit for the period</b>	<b>32,613,870</b>	<b>10,785,713</b>	

Statement of Financial Position		2020	2019
	GHS '000	GHS '000	
<b>Assets</b>			
Cash and bank balances	69,105,279	47,632,320	
Investment Securities	37,105,200	-	
Loans and advances to customers	552,484,130	421,964,058	
Other assets	3,602,589	3,419,090	
Deferred income tax asset	16,735,151	14,088,232	
Property and equipment	2,983,606	3,242,777	
Right of use assets	1,300,730	2,175,318	
Intangible assets	1,521,313	2,611,956	
<b>Total assets</b>	<b>684,837,998</b>	<b>495,133,751</b>	
<b>Liabilities</b>			
Deposits	169,662,923	132,971,236	
Other liabilities	29,732,155	22,513,916	
Lease liabilities	5,754	1,693,878	
Current income tax	25,760,043	14,845,479	
Borrowings	370,638,674	267,049,250	
<b>Total liabilities</b>	<b>595,799,549</b>	<b>439,073,759</b>	
<b>Equity</b>			
Stated capital	30,546,314	30,546,314	
Retained earnings	22,007,352	5,700,417	
Statutory reserves	35,741,671	19,434,736	
Share based payment reserve	743,112	378,525	
<b>Total equity</b>	<b>89,038,449</b>	<b>56,059,992</b>	
<b>Total liabilities and equity</b>	<b>684,837,998</b>	<b>495,133,751</b>	

Cash Flow Statement		2020	2019
	GHS '000	GHS '000	
<b>Cash flows from operating activities</b>	<b>20,734,040</b>	<b>58,258,826</b>	
Interest paid	(50,405,877)	(45,528,738)	
Income tax paid	(6,302,529)	(6,113,853)	
<b>Net cash (used in)/from operating activities</b>	<b>(35,974,366)</b>	<b>6,617,235</b>	
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(1,070,109)	(1,263,266)	
Purchase of Treasury Bonds	(37,105,200)	-	
Proceeds from disposal of property and equipment	176,339	95,066	
Purchase of intangible assets	-	(2,769,029)	
Payment for right of Use of assets	(1,894,811)	-	
<b>Net cash used in investing activities</b>	<b>(39,893,781)</b>	<b>(3,937,229)</b>	
<b>Cash flows from financing activities</b>			
Drawdown from borrowings	152,659,432	30,663,342	
Repayment of borrowings	(53,445,764)	(4,000,000)	
Lease liability payment	(1,872,562)	(2,415,938)	
<b>Net cash generated from financing activities</b>	<b>97,341,106</b>	<b>24,247,404</b>	
<b>Net decrease in cash and cash equivalents</b>	<b>21,472,959</b>	<b>26,927,410</b>	
Cash and cash equivalents at 1 January 2020	47,632,320	20,704,910	
<b>Cash and cash equivalents at 31 December</b>	<b>69,105,279</b>	<b>47,632,320</b>	

### 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 irregularities.

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

The Company is a subsidiary of Letshego Holdings Limited, which acquired 100% of the Company effective 1 January 2018. Letshego incorporated in 1998, its headquarters is based in Gaborone, Botswana, and publicly listed on the Botswana Stock Exchange since 2002.

#### Financial results

The financial results for the year ended 31 December 2020 are set out below:

	GHS
Profit before tax	47,184,044
From which is deducted income tax expenses of	(14,570,174)
giving a profit for the year after income tax of	32,613,870
from which is deducted transfer to statutory reserve of	(16,306,935)
and income surplus account brought forward of	5,700,417
leaving an income surplus amount carried forward of	22,007,352

  
Blaise Mankwa  
Board Chairman

  
Arnold Parker  
Chief Executive Officer