



**PRESS RELEASE**

**PR. No.145/2022**

**LETSHEGO GHANA SAVINGS AND LOANS PLC (LETSHEGO)-**

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

LETSHEGO has released its Audited Financial Statements for the year ended December 31, 2021, as per the attached.

Issued in Accra, this 4<sup>th</sup>  
day of May 2022

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att'd.

**Distribution:**

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**Head Listing, GSE on 0302 669908, 669914, 669935**

**\*XA**



## **LETSHEGO GHANA SAVINGS AND LOANS PLC**

### **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021**

Published in compliance with the requirements of the Listing Rules  
of the Ghana Stock Exchange (GSE).

# AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

## Statement of Financial Position

2021 2020

Assets	2021	2020
Cash and bank balances	141,299,577	69,105,279
Investment Securities	257,803,447	37,105,200
Loans and advances to customers	872,728,249	552,484,130
Other assets	28,042,277	3,602,589
Deferred income tax asset	11,954,306	16,735,151
Property and equipment	3,104,398	2,983,606
Right of use assets	3,429,625	1,300,730
Intangible assets	1,052,983	1,521,313
<b>Total assets</b>	<b>1,319,414,862</b>	<b>684,837,998</b>
Liabilities	2021	2020
Deposits	494,264,862	169,662,923
Other liabilities	36,777,050	29,732,155
Lease liabilities	65,752	5,754
Current income tax	13,247,319	25,760,043
Borrowings	654,831,525	370,638,674
<b>Total liabilities</b>	<b>1,199,186,508</b>	<b>595,799,549</b>
Equity	2021	2020
Stated capital	30,546,314	30,546,314
Retained earnings	37,587,175	22,007,352
Statutory reserves	51,321,485	35,741,671
Share based payment reserve	773,380	743,112
<b>Total equity</b>	<b>120,228,354</b>	<b>89,038,449</b>
<b>Total liabilities and equity</b>	<b>1,319,414,862</b>	<b>684,837,998</b>

## Statement of Comprehensive Income

2021 2020

Interest income	384,829,222	232,054,747
Interest expense	(293,615,626)	(146,388,482)
<b>Net interest income</b>	<b>91,213,596</b>	<b>85,666,265</b>
Fee income	20,096,169	7,345,954
Commission expenses <sup>26</sup>	(18,281,557)	(15,872,244)
<b>Net fee and commission expense</b>	<b>1,814,612</b>	<b>(8,526,290)</b>
Other Operating Income	8,421,322	167,700
<b>Operating income</b>	<b>101,449,530</b>	<b>77,307,675</b>
Impairment charge on loans and advances	(4,962,795)	16,812,700
Personnel costs	(15,657,783)	(13,907,771)
Operating expenses	(25,594,178)	(33,028,560)
<b>Profit before tax</b>	<b>55,234,774</b>	<b>47,184,044</b>
Income tax expense	(24,075,128)	(14,570,174)
<b>Profit for the year</b>	<b>31,159,646</b>	<b>32,613,870</b>

## Statement of Cash Flow

2021 2020

<b>Cash flows from operating activities</b>	<b>114,529,212</b>	<b>20,734,040</b>
Interest paid	(78,816,255)	(50,405,877)
Interest received (Treasury Bonds)	66,159,102	-
Lease liability-interest	(358,410)	(10,146)
Income tax paid	(31,807,007)	(6,302,529)
<b>Net cash (used in)/from operating activities</b>	<b>9,706,642</b>	<b>(35,974,366)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,564,044)	(1,070,109)
Purchase of Treasury Bonds	(220,944,046)	(37,105,200)
Redemption of Treasury Bonds	62,000,000	-
Proceeds from disposal of property and equipment	58,900	176,339
Purchase of intangible assets	(540,436)	-
Payment for right of Use of assets	(4,458,465)	(1,894,811)
<b>Net cash used in investing activities</b>	<b>(225,448,091)</b>	<b>(39,893,781)</b>
<b>Cash flows from financing activities</b>		
Drawdown from borrowings	400,311,695	152,659,432
Repayment of borrowings	(112,332,749)	(53,445,764)
Lease liability-Principal	(43,200)	(1,862,416)
<b>Net cash generated from financing activities</b>	<b>287,935,746</b>	<b>97,351,252</b>
<b>Net decrease in cash and cash equivalents</b>	<b>72,194,298</b>	<b>21,472,959</b>
Cash and cash equivalents at 1 January 2020	69,105,279	47,632,320
<b>Cash and cash equivalents at 31 December</b>	<b>141,299,577</b>	<b>69,105,279</b>

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LETSHEGO GHANA SAVINGS AND LOANS PLC OPINION

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2021, summary statement of comprehensive income, summary statement cash flow for the year then ended, and the related notes, are derived from the audited financial statements of Letshego Ghana Savings and Loans PLC for the year ended 31 December 2021.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Standards on Auditing (ISA) 820 (Revised), Engagement to Report on Summary Financial Statements.

### Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards, the Companies Act, 2016 (Act 992) and The Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

### The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 29th April 2022. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

### Management's responsibility for the summary financial

Management is responsible for the preparation of the summary financial statements in accordance with the Guide for financial publication for banks & Bank of Ghana licensed financial institutions.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report on Summary Financial Statements is Pamela Osei-Bordas (ICAG/9/1319).

Ernst & Young (ICAG/9/2022/236)  
Chartered Accountants  
Korle, Ghana

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of financial statements for each financial year which give 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, 2016 (Act 992) and the Banks and Specialized 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 Board of 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 2018, its headquarters is based in Gaborone, Botswana, and publicly listed on the Botswana Stock Exchange since 2002.

### Qualitative Disclosures

- The company's risk management framework defines the approach to risk management.
- The scope of risks that are directly managed by the Company is as follows: Investing activities Credit Risk, Operational Risk, Market and Liquidity Risk, Legal and Compliance Risk, Reputational Risk and Capital Risk.

The risks inherent in the company's activities are managed through an ongoing process of identification, measurement and monitoring, subject to limits and other controls. The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. Oversight of risk management is the responsibility of the Audit and Finance Committee and Risk and Compliance Committee. The committees monitor risks associated with financial reporting, accounting policies, internal control and IT governance. The committees are responsible for risk management including setting the risk management framework, setting risk appetite and monitoring the company's management of risk including credit and compliance.

### Quantitative Disclosures

	2021	2020
Capital adequacy ratio	11.47%	20.32%
Non-Performing Loan ratio	7.32%	8.42%

  
Billie Markwe  
Board Chairman

  
Arnold Peter  
Chief Executive Officer