

A grayscale background image of a businessman in a suit and tie, holding a pen and pointing at a tablet. Overlaid on the image are various financial charts, including a prominent yellow line graph and several white line graphs, all set against a backdrop of a city skyline at night.

**LETSHEGO GHANA**  
**AUDITED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2023**

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

# LETSHEGO GHANA SAVINGS AND LOANS PLC

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Statement of Comprehensive Income	Dec 2023	Dec 2022
<b>Income</b>	GHS '000	GHS '000
Interest income	552,014	443,280
Interest expense	(407,299)	(374,834)
<b>Net interest income</b>	<b>144,715</b>	<b>68,446</b>
Other income	<b>35,714</b>	<b>68,430</b>
<b>Income from lending activities</b>	<b>180,429</b>	<b>136,876</b>
Net expense on financial liabilities at fair value through profit or loss	(3,286)	-
Credit loss expense on loans and advances	18,104	(47,832)
Credit loss expense on investment securities	6,666	(30,943)
<b>Net operating income</b>	<b>201,916</b>	<b>58,101</b>
Total Operating expenses	(118,380)	(78,537)
Personnel Expenses	(24,150)	(16,516)
Depreciation and Amortisation	(5,579)	(6,057)
Administration and other expenses	(88,805)	(55,964)
<b>Profit from operations before taxation</b>	<b>83,382</b>	<b>(20,436)</b>
Income tax expense	(17,207)	(16,686)
<b>Profit for the Year</b>	<b>66,175</b>	<b>(37,122)</b>

Statement of Financial Position	31 Dec 2023	Restated 31 Dec 2022	Restated 1 Jan 2022
<b>Assets</b>	GHS '000	GHS '000	GHS '000
Cash and cash equivalents	84,975	58,283	141,300
Investment securities	203,081	183,165	257,803
Loans and advances to customers	1,121,442	818,439	866,247
Other assets	64,437	15,696	28,042
Deferred income tax asset	5,925	5,972	11,954
Property and equipment	4,953	3,333	3,104
Right of use assets	2,466	4,250	3,430
Intangible assets	1,316	985	1,053
<b>Total assets</b>	<b>1,488,596</b>	<b>1,090,122</b>	<b>1,312,933</b>
<b>Liabilities</b>			
Customer deposits	185,003	16,708	129,855
Financial liabilities at fair value through profit or loss	3,184	-	-
Collateral security deposit	399,252	266,239	364,410
Other liabilities	20,573	17,360	36,776
Lease liability	85	17	66
Current income tax	10,828	11,770	13,247
Borrowings	596,145	652,175	654,832
<b>Total liabilities</b>	<b>1,215,070</b>	<b>964,271</b>	<b>1,199,187</b>
<b>Equity</b>			
Stated capital	162,046	80,546	30,546
Retained earnings	22,244	(6,016)	31,106
Statutory reserves	84,409	51,321	51,321
Credit risk reserves	4,827	-	-
Share based payment reserve	-	-	773
<b>Total shareholders' equity</b>	<b>273,526</b>	<b>125,851</b>	<b>113,747</b>
<b>Total liabilities and equity</b>	<b>1,488,596</b>	<b>1,090,122</b>	<b>1,312,933</b>

1. During the financial year under review, the Company corrected a prior period error related to the computation of expected credit losses. Refer to **Note 2** for the accounting implications resulting from the restatement of the Company's previously reported financial statements as a result of the error.

Statement of Cash Flow	2023	2022
<b>Operating Activities</b>	GHS '000	GHS '000
Profit before taxation	83,382	(20,436)
<b>Adjustments for:</b>		
Interest earned on treasury bonds and forex movement	57,059	(43,299)
Amortisation, depreciation, right of use assets and disposals	5,504	5,822
Impairment and write off charge	(13,893)	95,169
Interest expense on borrowing and leases	115,609	118,344
Movement in working capital and other changes	(40,000)	(220,512)
<b>Cash from operations</b>	<b>207,660</b>	<b>(64,912)</b>
Interest received	1,643	12,227
Interest paid	(127,665)	(118,516)
Income tax paid	(18,102)	(12,181)
<b>Net cash flows from / (used in) operating activities</b>	<b>63,536</b>	<b>(183,382)</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment and intangible assets	(5,012)	(2,346)
Purchase of Treasury Bonds	-	(4,915)
Proceeds from the sale of Investment securities	24,240	145,135
Redemption of Treasury Bonds	-	7,000.00
<b>Net cash flows from investing activities</b>	<b>19,228</b>	<b>144,874</b>
<b>Financial Activities</b>		
Drawdown from borrowings	165,806	134,564
Repayment of principal portion of borrowings	(220,387)	(174,975)
Repayment of principal portion of lease liabilities	(1,492)	(4,099)
<b>Net cash flows generated from financing activities</b>	<b>(56,072)</b>	<b>(44,509)</b>
<b>Net movement in cash and cash equivalents</b>	<b>26,692</b>	<b>(83,017)</b>
Cash and cash equivalents at the beginning of the year	58,283	141,300
<b>Cash and cash equivalents at the end of the year</b>	<b>84,975</b>	<b>58,283</b>

Statement of Changes in Equity	Stated Capital	Income Surplus	Statutory Reserve	Credit risk reserve	Total Shareholder Funds
	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000
For The Year Ended 31st December 2023					
Balance as at 1st Jan 2023	80,546	(6,016)	51,321	-	125,851
<b>Movements during the year:</b>					
Additional capital injection	81,500	-	-	-	81,500
Profit for the year	-	66,175	-	-	66,175
Transfer to Statutory reserve	-	(33,088)	33,088	-	-
Transfer to credit risk reserve	-	(4,827)	-	4,827	-
Balance as at 31st December 2023	<b>162,046</b>	<b>22,244</b>	<b>84,409</b>	<b>4,827</b>	<b>273,526</b>

**2. Correction of prior period expected credit losses error**

During the financial years 2019 to 2022, the calculation of the Expected Credit Loss Allowance at the previous reporting dates incorrectly included a discount factor to Stage 3 exposures at default. Since the default date for Stage 3 exposures has already occurred, no discount factor should therefore be applied to Stage 3 exposures at default to calculate the Expected Credit Loss Allowance at a reporting date.

This error was corrected retrospectively in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors as follows:

**Impact on Statement of Financial Position**

	31 December 2022, as previously reported	Effect of restatement	31 December 2022, as restated	31 December 2021, as previously reported	Effect of restatement	1 January 2022, as restated
Advances to customers	852,877	(34,439)	818,439	872,728	(6,482)	866,247
<b>Total assets</b>	<b>1,124,561</b>	<b>(34,439)</b>	<b>1,090,122</b>	<b>1,319,415</b>	<b>(6,482)</b>	<b>1,312,933</b>
	-	-	-	-	-	-
Retained earnings	11,173	(17,189)	(6,016)	37,587	(6,482)	31,106
Credit risk reserve	17,250	(17,250)	-	-	-	-
<b>Total equity</b>	<b>160,290</b>	<b>(34,439)</b>	<b>125,851</b>	<b>120,228</b>	<b>(6,482)</b>	<b>113,747</b>

**Impact on Statement of Profit or Loss and Other Comprehensive Income**

	31 December 2022, as previously reported	Effect of restatement	31 December 2022, as restated
Credit loss expense on loans and advances	(19,875)	(27,957)	(47,832)
<b>Net operating income</b>	<b>51,397</b>	<b>(27,957)</b>	<b>23,440</b>
<b>Profit / (loss) before tax</b>	<b>7,521</b>	<b>(27,957)</b>	<b>(20,436)</b>
<b>Loss for the year</b>	<b>(9,165)</b>	<b>(27,957)</b>	<b>(37,122)</b>

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

The summary financial statements, which comprise statement of financial position as at 31 December 2023, statement of profit and loss and other comprehensive income, statement of changes in equity, and cash flow statements for the year then ended, and related notes, are derived from the audited financial statements of Letshego Ghana Savings and Loan Plc for the year ended 31 December 2023.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of preparation described in the notes.

**Summary financial statements**

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards as issued by the International Accounting Standards Board including the IAS29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and the Companies Act, 2019 (Act 992). 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 30th April 2024. That report also includes the communication of other key 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.

**Management's responsibility for the summary financial statements**

Management is responsible for the preparation of the summary financial statements in accordance with the basis of preparation described in the notes.

## 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 Auditors' report is Pamela Des Bordes (ICAG/P/1329).



Ernst & Young (ICAG/F/2022/126)  
Chartered Accountants  
Accra, Ghana

## SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee. Additional information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) have been included, where appropriate. These financial statements have been prepared under the historical cost convention.

The condensed financial statements have been extracted from the audited financial statements of the company in accordance with Bank of Ghana Guide for Publication for banks & Bank of Ghana Licensed Financial Institutions.

### Qualitative Disclosures

1. The company's risk management framework defines the approach to risk management.
2. 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 risk 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

Quantitative Disclosures	Dec 2023	Dec 2022
Capital adequacy ratio	20.7%	14.3%
Cost to income	69.0%	90.0%
Non performing loan ratio	8.5%	9.9%
Liquidity ratio	41.2%	254.5%
Tier 1 ratio	21.2%	15.3%
Leverage ratio	19.2%	13.6%

Blaise Mankwa  
Board Chairman

Geoffrey Kitakule  
Non-Executive Director