

# LETSHEGO GHANA SAVINGS AND LOANS PLC

AUDITED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022

Statement of profit or loss and other comprehensive income	2022	2021
	GHS '000	GHS '000
<b>Income</b>		
Interest income	443,280	384,829
Interest expense	(374,834)	(293,616)
<b>Net interest income</b>	<b>68,446</b>	<b>91,213</b>
Other income	33,769	10,237
<b>Income from lending activities</b>	<b>102,215</b>	<b>101,450</b>
Credit loss expense on loans and advances	(19,875)	(4,963)
Credit loss expense on investment securities	(30,943)	-
<b>Net operating income</b>	<b>51,397</b>	<b>96,487</b>
Total operating expenses	(43,876)	(41,252)
Personnel Cost	(16,516)	(15,658)
Operating expenses	(27,360)	(25,594)
<b>Profit from operations before taxation</b>	<b>7,521</b>	<b>55,235</b>
Income tax expense	(16,686)	(24,075)
<b>Profit for the Year</b>	<b>(9,165)</b>	<b>31,160</b>
<b>Total comprehensive profit for the year</b>	<b>(9,165)</b>	<b>31,160</b>

Statement of Changes in Equity	Stated Capital	Income Surplus	Statutory Reserve	Shared Base Reserve	Credit Risk Reserve	Total Shareholder Funds
	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000	GHS '000
For The Year Ended 31st December 2022						
1st January 2022	30,546	37,588	51,321	773	-	120,228
<b>Movement during the year:</b>						
New share capital issued	50,000	-	-	-	-	50,000
Loss for the year	-	(9,165)	-	-	-	(9,165)
Transfer to credit risk reserve	-	(17,250)	-	-	17,250	-
Share based payment reserve	-	-	-	(773)	-	(773)
<b>31st December 2022</b>	<b>80,546</b>	<b>11,173</b>	<b>51,321</b>	<b>-</b>	<b>17,250</b>	<b>160,290</b>

Statement of Financial Position	2022	2021
	GHS '000	GHS '000
<b>Assets</b>		
Cash and bank balances	58,283	141,300
Investment Securities	183,165	257,803
Loan book receivable	852,877	872,728
Other receivables	15,696	28,042
Deferred income tax	5,972	11,954
Property and equipment	3,333	3,104
Right of use assets	4,250	3,430
Intangible assets	985	1,054
<b>Total assets</b>	<b>1,124,561</b>	<b>1,319,415</b>
<b>Equity and liabilities</b>		
Issued capital	80,546	30,546
Retained income	11,173	37,588
Statutory reserves	51,321	51,321
Credit risk reserve	17,250	-
Share based payment reserve	-	773
<b>Total equity</b>	<b>160,290</b>	<b>120,228</b>
Customer deposits	16,708	129,855
Collateral deposits	266,239	364,410
Other liabilities	17,362	36,777
Lease liability	17	66
Current income tax	11,770	13,247
Borrowings	652,175	654,832
<b>Total liabilities</b>	<b>964,271</b>	<b>1,199,187</b>
<b>Total equity and liabilities</b>	<b>1,124,561</b>	<b>1,319,415</b>

Statement of Cash Flow	2022	2021
	GHS '000	GHS '000
Net cash (used in) / from operating activities	(92,772)	9,407
Net cash from / (used in) investing activities	54,264	(220,990)
Net cash (used in) / from financing activities	(44,509)	283,778
Net movement in cash and similar instruments	(83,017)	72,195
Cash and cash equivalents at the beginning of the year	141,300	69,105
<b>Cash and cash equivalents at the end of the year</b>	<b>58,283</b>	<b>141,300</b>

# LETSHEGO GHANA SAVINGS AND LOANS PLC

AUDITED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2022

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

### Opinion

The summary consolidated and separate financial statements, which comprise statement of financial position as at 31 December 2022, statement of profit and loss and other comprehensive income, statement of changes in equity, and separate 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 2022.

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 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 31st May 2023. 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/2023/126)  
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 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 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 are 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

Qualitative Disclosures	2022	2021
Capital Adequate Ratio	12.29%	10.76%
Non-Performing Loan Ratio	9.9%	6.1%



Blaise Mankwa  
Board Chairman



Geoffrey Kitakule  
Non Executive Director