

# AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Published in compliance with the requirements of the Bank of Ghana and the Ghana Stock Exchange



**IZWE SAVINGS & LOANS PLC**  
(Reg. No.: PL000162015)

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## Statement of Financial Position as at 31 December 2019

Figures in Ghanaian Cedi	2019	2018
<b>Assets</b>		
Cash and cash equivalents	10 419 943	17 385 469
Cash restricted for use	13 992 852	3 150 000
Trade and other receivables	21 938 206	19 326 991
Net advances	298 980 220	279 825 636
Current tax receivable	943 032	757 070
Right-of-use assets	21 931 414	-
Deferred tax	5 012 521	3 718 013
Property and equipment	3 898 188	2 631 119
Intangible assets	19 110	25 171
<b>Total Assets</b>	<b>377 135 486</b>	<b>326 819 469</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Share capital	18 532 825	18 532 825
Reserves	9 053 778	7 313 816
Retained income	13 382 848	11 642 649
<b>Total Equity</b>	<b>40 969 451</b>	<b>37 489 290</b>
<b>Liabilities</b>		
Bank overdraft	22 702 986	13 964 493
Derivative liability	16 145	291 085
Trade and other payables	30 983 671	27 159 484
Lease liabilities	18 830 133	-
Loans and borrowings	262 752 841	181 370 771
Loans from related parties	880 259	66 544 346
<b>Total Liabilities</b>	<b>336 166 035</b>	<b>289 330 179</b>
<b>Total Equity and Liabilities</b>	<b>377 135 486</b>	<b>326 819 469</b>

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Ghanaian Cedi	2019	2018
Interest income calculated using the effective interest method	109 030 365	96 343 891
Interest and similar expense	(60 369 651)	(45 632 740)
<b>Net interest income</b>	<b>48 660 714</b>	<b>50 711 151</b>
Fee and commission income	21 046 134	13 099 733
Fee and commission expense	(7 478 107)	(6 091 273)
<b>Net fee and commission income</b>	<b>13 568 027</b>	<b>7 008 460</b>
Other operating income	2 563 968	1 898 763
<b>Net operating income</b>	<b>2 563 968</b>	<b>1 898 763</b>
Depreciation - right-of-use-assets	(1 415 897)	-
Depreciation	(1 061 882)	(933 141)
Amortisation	(15 761)	(31 764)
Personnel costs	(10 954 783)	(9 026 245)
Exchange differences	(10 797 212)	(2 027 725)
Impairment loss on loans and advances	(8 599 061)	(12 946 722)
Other operating expenses	(26 968 412)	(22 218 887)
<b>Total operating expenses</b>	<b>(59 813 008)</b>	<b>(47 184 484)</b>
<b>Profit before taxation</b>	<b>4 979 701</b>	<b>12 433 890</b>
Taxation	(1 499 540)	(3 757 198)
<b>Profit for the year</b>	<b>3 480 161</b>	<b>8 676 692</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>3 480 161</b>	<b>8 676 692</b>

## Statement of Changes in Equity

Figures in Ghanaian Cedi	Stated capital	Statutory reserves	Retained income	Total equity
<b>Opening balance as previously reported</b>	<b>18 532 825</b>	<b>2 975 470</b>	<b>5 921 678</b>	<b>27 429 973</b>
Adjustment on initial application of the IFRS 9, net of tax	-	-	1 382 625	1 382 625
<b>Balance at 01 January 2018 as restated</b>	<b>18 532 825</b>	<b>2 975 470</b>	<b>7 304 303</b>	<b>28 812 598</b>
Total comprehensive income for the year	-	-	8 676 692	8 676 692
Transfer between reserves	-	4 338 346	(4 338 346)	-
<b>Total contributions by and distributions by owners of company</b>	<b>-</b>	<b>4 338 346</b>	<b>(4 338 346)</b>	<b>-</b>
<b>Balance at 01 January 2019</b>	<b>18 532 825</b>	<b>7 313 816</b>	<b>11 642 649</b>	<b>37 489 290</b>
Total comprehensive income for the year	-	-	3 480 161	3 480 161
Transfer between reserves	-	1 739 962	(1 739 962)	-
<b>Total contributions by and distributions by owners of company</b>	<b>-</b>	<b>1 739 962</b>	<b>(1 739 962)</b>	<b>-</b>
<b>Balance at 31 December 2019</b>	<b>18 532 825</b>	<b>9 053 778</b>	<b>13 382 848</b>	<b>40 969 451</b>

## Statement of Cash Flows

Figures in Ghanaian Cedi	2019	2018
<b>Cash flows from operating activities</b>		
Cash generated from/(used in) operations	14 307 029	(31 614 884)
Interest and similar expenses paid	(6 952 811)	(3 368 788)
Tax paid	(2 835 903)	(6 480 039)
<b>Net cash from operating activities</b>	<b>4 518 315</b>	<b>(41 463 711)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(2 356 107)	(898 146)
Proceeds from sale of property and equipment	14 200	82 000
Purchase of intangible assets	(9 700)	(10 520)
Proceeds from sale of intangible assets	-	118 933
<b>Net cash from investing activities</b>	<b>(2 351 607)</b>	<b>(707 733)</b>
<b>Cash flows from financing activities</b>		
Proceeds from related party loans	-	63 795 888
Repayment of related party loans	(68 933 526)	(1 896 961)
Proceeds from loans and borrowings	244 568 599	201 216 614
Repayment of loans and borrowings	(177 662 252)	(236 904 957)
Payment on lease liabilities	(5 000 696)	-
<b>Net cash from financing activities</b>	<b>(7 027 875)</b>	<b>26 210 584</b>
<b>Total cash and cash equivalents movement for the year</b>	<b>(4 861 167)</b>	<b>(15 960 860)</b>
Cash and cash equivalents at the beginning of the year	6 570 976	22 531 836
<b>Total cash and cash equivalents at end of the year</b>	<b>1 709 809</b>	<b>6 570 976</b>

## Independent Auditor's report on the Summary Financial Statements to the Members of Izwe Savings and Loans PLC

### Opinion

The summary financial statements of Izwe Savings and Loans PLC, which comprise the summary statement of financial position as at 31 December 2019, the summary statements of profit or loss and other comprehensive income, summary statement of changes in equity and summary cash flows for the year then ended, and related notes, are derived from the audited financial statements of Izwe Savings and Loans PLC for the year ended 31 December 2019.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the International Financial Reporting Standards, the requirements of the Companies Act, 2019 (Act 992), and the Banks and Specialized Deposit-Taking Institutions Act 2016, (Act 930).

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the requirements of the Companies Act, 2019 (Act 992), and the Banks and Specialized Deposit-Taking Institutions Act 2016, (Act 930) as applicable to financial statements. 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 Audited Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 March 2020. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the summarised financial statements for the current period.

### Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

### 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 Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Charlotte Forson (ICAG/P/1509)

For and on behalf Deloitte & Touche (ICAG/F/2020/129)

*Deloitte & Touche*

Chartered Accountants  
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30 March 2020

**Deloitte.**

Raymond K Bismarek  
Managing Director

Abedi Pele  
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