



**NICO  
Pension**

a subsidiary of NICO Life

# NICO UNRESTRICTED PENSION FUND EXTRACTS FROM THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019.

FROM DREAMS TO  
**REALITY**  
IT'S POSSIBLE  
NDIZOTHEKA



## INTRODUCTION

NICO Unrestricted Pension Fund is a pooled retirement plan for individuals, self-employed and employers where they have invested collectively. It is a defined contribution pension fund set up by a definitive trust deed. NICO Pension Services Limited is a registered Corporate Trustee for the fund.

## BASIS OF PREPARATION

The Trustee has prepared summary financial statements to comply and meet the requirements of the Financial Services Act, 2010. The Trustee has considered the requirements of the Financial Services Act, 2010 and believe that the summary statements of net assets available for benefits, changes in net assets available for benefits, movement in fund account and cash flows are sufficient to meet the requirements of the users of the summary financial statements.

The summary financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards.

The summary financial statements have been derived from the annual financial statements which were approved by the Trustee on 31 March 2020.

## PERFORMANCE

Total income was at K55.9 billion as compared to MK49.2 billion in 2018 representing growth of 13.6%. Increase in net assets available for benefits was MK40.3 billion against MK33.3 billion for the previous year representing growth of 21.0%. Total fund grew to MK215.9 billion as at 31 December 2019 from the balance of MK175.6 billion in 2018 representing growth of 23%.

## INVESTMENT RETURN

The 2019 interim bonus was 10.5%. The final approved bonus was 12.2% and is 2.8% higher than the average closing inflation of 9.4% as at 31 December 2019.

By order of the Board

**Vizenge M. Kumwenda**  
Chairman

**Gerald Chima**  
General Manager

16<sup>th</sup> April 2020

## REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of NICO Unrestricted Pension Fund

### Opinion

The summary financial statements of NICO Unrestricted Pension Fund, which comprise the summary statement on net assets available for benefits as at 31 December 2019, the summary statement of changes in net assets available for benefits, the summary statement of movement in fund account and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of NICO Unrestricted Pension Fund 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 of NICO Unrestricted Fund, and the basis described on the basis of preparation paragraph.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. 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 16 April 2020. That report also includes the communication of key audit 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 year.

### Trustee's Responsibility for the Summary Financial Statements

The trustee is responsible for the preparation of the summary financial statements in accordance with the basis described on the basis for preparation paragraph.

### 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*.

**Deloitte.**

Chartered Accountants  
Madalo Mwenelupembe  
Partner

29<sup>th</sup> April 2020

## SUMMARY STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	31-Dec-19 K'm	31-Dec-18 K'm
<b>INCOME</b>		
Pension contributions	32 246	25 014
Investment return	23 753	24 242
Total income	55 999	49 256
<b>EXPENDITURE</b>		
Operating expenses	(1 130)	(959)
Total fund operating expenses	(1 130)	(959)
Net income	54 869	48 297
<b>PAYMENTS TO MEMBERS</b>		
Pension refunds	(5 491)	(7 310)
Commutation of pensions	(6 589)	(4 911)
Gratuity, minors benefits and other	(2 414)	(2 754)
Total payments to members	(14 494)	(14 975)
Increase in net assets available for benefits for the year	40 375	33 322

## SUMMARY STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	31-Dec-19 K'm	31-Dec-18 K'm
<b>FUNDS EMPLOYED</b>		
General fund account	215 970	175 595
<b>NON CURRENT ASSETS</b>		
Investment	214 990	175 756
Total non current assets	214 990	175 756
<b>CURRENT ASSETS</b>		
Taxation recoverable	3	-
Bank balances	1 599	-
Amounts due from related party	4	-
Total current assets	1 606	-
Total assets	216 596	175 756
<b>LIABILITIES</b>		
Bank overdraft	(4)	-
Payables and accruals	(622)	(161)
Total liabilities	(626)	(161)
Total net assets available for benefits	215 970	175 595

## SUMMARY STATEMENT OF MOVEMENT IN FUND ACCOUNT

	31-Dec-19 K'm
<b>2019</b>	
At the beginning of the year	175 595
Net increase in net assets available for benefits for the year	40 375
At the end of the year	215 970
<b>2018</b>	
At the beginning of the year	-
Transfer from NICO Life	142 273
Net increase in net assets available for benefits for the year	33 322
At the end of the year	175 595

## SUMMARY STATEMENT OF CASH FLOWS

	31-Dec-19 K'm	31-Dec-18 K'm
Cash flows generated from operating activities	40 828	33 484
Net cash used in investing activities	(39 234)	(175 756)
Net cash generated from financing activities	-	142 272
Net change in cash and cash equivalents	1 594	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	1 594	-

