

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PLAN FOR A **BRIGHTER**
FUTURE FOR YOURSELF
AND YOUR FAMILY



SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2020 K'000	2019 K'000
Operating income	2,688,571	2,253,930
Investment income	4,082	4,149
Total income	2,692,653	2,258,079
Operating expenses	(2,061,897)	(1,628,479)
Profit before taxation	630,756	629,600
Taxation	(205,878)	(196,570)
Profit after tax	424,878	433,030

SUMMARY STATEMENT OF FINANCIAL POSITION

	2020 K'000	2019 K'000
ASSETS		
NON CURRENT ASSETS		
Property and equipment	157,917	154,026
Intangible assets	462,537	111,003
Deferred tax	73,867	42,797
Total non current assets	694,321	307,826
CURRENT ASSETS		
Trade receivables	437,578	238,619
Cash and cash equivalents	310,998	88,899
Taxation recoverable	152,823	78,893
Total current assets	901,399	406,411
Total assets	1,595,720	714,237

EQUITY AND LIABILITIES SHAREHOLDER'S EQUITY

Share capital	1,000	1,000
Share premium	249,000	249,000
Funds awaiting capitalisation	186,859	-
Retained earnings	554,528	129,650
Total equity	991,387	379,650

CURRENT LIABILITIES

Trade and other payables	372,990	262,219
Lease liability	20,839	12,841
Amounts due to related parties	210,504	59,527
Total liabilities	604,333	334,587
Total equity and liabilities	1,595,720	714,237

SUMMARY STATEMENT OF CHANGES IN EQUITY

2020	Share capital	Share premium	Fund awaiting capitalisation	Retained earnings	Total
At the beginning of the year	1,000	249,000	-	129,650	379,650
Funds received from the shareholder	-	-	186,859	-	186,859
Profit for the year	-	-	-	424,878	424,878
At the end of the year	1,000	249,000	186,859	554,528	991,387

2019	Share capital	Share premium	Fund awaiting capitalisation	Retained earnings	Total
At the beginning of the year	1,000	249,000	-	(303,380)	(53,380)
Profit for the year	-	-	-	433,030	433,030
At the end of the year	1,000	249,000	-	129,650	379,650

SUMMARY STATEMENT OF CASH FLOWS

	2020 K'000	2019 K'000
Net cash generated from operating activities	652,247	275,695
Net cash used in investing activities	(430,148)	(144,619)
Net increase in cash and cash equivalents	222,099	131,076
Cash and cash equivalents at the beginning of the year	88,899	(42,177)
Cash and cash equivalents at the end of the year	310,998	88,899

BASIS OF PREPARATION

The directors have prepared the summary financial statements to comply and meet the requirements of the Financial Services Act, 2010. The directors have considered the requirements of the Financial Services Act, 2010 and believe that the summary statement of comprehensive income, the statement of financial position, the statement of changes in equity and cash flows meet the requirements of the users of the summary financial statements.

The amounts in the summary financial statements have been prepared in accordance with the framework concepts and the measurements 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 board of directors on 23rd March 2021.

ECONOMIC HIGHLIGHTS

The first half of the year 2020 was impacted by the COVID-19 pandemic related disruptions and the uncertainty of the elections process. Economic growth was thus subdued but it is pleasing to note that the environment stabilized in the second half of the year, with inflation averaging 8.6% (2019: 9.4%). The Malawi Kwacha closed the year at K770.84 (2019: K738.78) against the US Dollar.

PERFORMANCE

Total income was MK2.68 billion compared to MK2.25 billion in the prior year, representing growth of 19%. This favorable position is mainly attributable to business growth.

OUTLOOK

Inflation upside risks remain high due to expected increases in global crude oil prices, impact of the COVID-19 pandemic and a weak local currency under pressure. It is expected that this adverse position will likely be mitigated by increased food production that will have a favorable effect on food prices.

Interest rates are expected to remain low in the short to medium term due to the current stance on the monetary policy rate. The performance of the stock market may be impacted by the effects of the COVID-19 pandemic.

Despite the COVID-19 pandemic, the Company continues to ensure that quality service is not compromised by investing in people and technology. The company expects to roll out a new ICT system in the second quarter of 2021. It is expected that the new system will bring about operational efficiencies and enhance customer experiences whilst driving innovation to develop products that respond to customer needs.

We look forward to another successful year in 2021.

BY ORDER OF THE BOARD


Vizenge M. Kumwenda
Chairman
29th April 2021


Gerald Chima
General Manager

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the members of NICO Pension Services Limited.

OPINION

The summary financial statements of NICO Pension Services Limited, which comprises of the summary statement of comprehensive income, the summary statement of financial position, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of NICO Pension Services Limited for the year ended 31 December, 2020.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of NICO Pension Services Limited, and on the basis described in 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 after 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 31 March 2021.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary financial statements in accordance with the description in the basis of preparation paragraph.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of 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 April 2021

