



NICO  
Pension

associated with Sanlam group

NICO PENSION SERVICES LIMITED

Registration number 14582

# SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PLAN FOR A BRIGHTER  
FUTURE FOR YOURSELF  
AND YOUR FAMILY



## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2021 K'000	2020 K'000
Operating income	3,216,541	2,688,571
Investment income	51,123	4,082
<b>Total income</b>	<b>3,267,664</b>	<b>2,692,653</b>
Operating expenses	(2,625,635)	(2,061,897)
Profit before taxation	642,029	630,756
Taxation	(210,932)	(205,878)
<b>Profit after tax</b>	<b>431,097</b>	<b>424,878</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION

	2021 K'000	2020 K'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property and equipment	145,496	139,257
Intangible assets	1,267,710	462,537
Right of use assets	71,665	18,660
Deferred tax	-	73,867
<b>Total non current assets</b>	<b>1,484,871</b>	<b>694,321</b>
<b>CURRENT ASSETS</b>		
Trade and other receivables	225,714	287,206
Cash and cash equivalents	379,968	310,998
Taxation recoverable	425,676	152,823
Amounts due from related parties	286,456	150,372
<b>Total current assets</b>	<b>1,317,814</b>	<b>901,399</b>
<b>Total assets</b>	<b>2,802,685</b>	<b>1,595,720</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDER'S EQUITY</b>		
Share capital	1,800	1,000
Share premium	1,048,200	249,000
Funds awaiting capitalisation	-	186,859
Retain earnings	985,625	554,528
<b>Total equity</b>	<b>2,035,625</b>	<b>991,387</b>
<b>NON CURRENT LIABILITIES</b>		
Deferred tax	7,348	-
Lease liability	28,458	6,134
<b>Total non current liabilities</b>	<b>35,806</b>	<b>6,134</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	562,599	372,990
Lease liability	49,670	14,705
Amounts due to related parties	118,985	210,504
<b>Total liabilities</b>	<b>731,254</b>	<b>598,199</b>
<b>Total equity and liabilities</b>	<b>2,802,685</b>	<b>1,595,720</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Funds awaiting capitalisation	Retained earnings	Total
<b>2021</b>					
At the beginning of the year	1,000	249,000	186,859	554,528	991,387
Fund received from the shareholder	800	799,200	(186,859)	-	613,141
Profit for the year	-	-	-	431,097	431,097
<b>At the end of the year</b>	<b>1,800</b>	<b>1,048,200</b>	<b>-</b>	<b>985,625</b>	<b>2,035,625</b>
<b>2020</b>					
At the beginning of the year	1,000	249,000	-	129,650	379,650
Fund received from the shareholder	-	-	186,859	-	186,859
Profit for the year	-	-	-	424,878	424,878
<b>At the end of the year</b>	<b>1,000</b>	<b>249,000</b>	<b>186,859</b>	<b>554,528</b>	<b>991,387</b>

## SUMMARY STATEMENT OF CASHFLOWS

	2021 K'000	2020 K'000
Net cash generated from operating activities	1,002,355	652,247
Net cash used in investing activities	(933,385)	(430,148)
<b>Net increase in cash and cash equivalents</b>	<b>68,970</b>	<b>222,099</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>310,998</b>	<b>88,899</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>379,968</b>	<b>310,998</b>

## BASIS OF PREPARATION

The Directors have prepared financial statements to comply with 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 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 board of directors on 18th March 2022.

## ECONOMIC HIGHLIGHTS

The economic environment continued to face downside risks from the impact of the COVID-19 pandemic and weather shocks on growth and livelihoods as sectors of the economy struggled to recover. The Malawi economy experienced a rebound in 2021 as it experienced a real GDP growth of 3.9% despite an increase in inflation which averaged 9.25% (2020: 8.63%). The Malawi Kwacha closed the year at K816.40 (2020: K770.84) against the US Dollar.

## PERFORMANCE

Total income was at MK3.22 billion compared to MK2.68 billion in the prior year, representing growth of 20%. This favorable position is mainly attributable to business growth.

The company achieved a major milestone in the year with an investment in a new, robust and state of the art pension administration system to take pension administration in Malawi to a new level. The implementation was completed in the second half of the year and with this, clients should expect a whole new experience from NICO Pension.

## OUTLOOK

Inflation is expected to remain in double digits due to pressures from increases in energy and food prices. However, the rate may remain moderate in the short term as the country moves into the harvest season but is expected to remain elevated in the medium term. The effects of the COVID-19 pandemic and the war in Ukraine will also have an effect.

Interest rates on short term investments are expected to remain low due to the current stance on the monetary policy rate. Inflation pressures may have an impact on the monetary policy stance which may impact the level of interest rates going forward.

Despite the expected COVID-19 and environmental challenges, the Company's focus is on enhanced customer experience and realizing operational efficiencies whilst driving innovation to develop products that respond to customer needs. The Company will continue to ensure that quality service is not compromised by investing in people and technology.

## COVID-19 PANDEMIC

The COVID-19 pandemic and the disruptions that come with it remain a challenge. The business has adapted its processes over the past two years to ensure minimal disruptions to customer service.

We look forward to another successful year in 2022.

## BY ORDER OF THE BOARD

  
**Vizenge M. Kumwenda**  
Chairman

22 April 2022

  
**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 financial position, the summary statement of changes in equity, the summary statement of comprehensive income and the summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of NICO Pension Services Limited for the year ended 31 December, 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements of NICO Pension Services Limited, and in accordance with 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 2022.

## DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary financial statements in accordance with the basis described on the basis of 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

22 April 2022

