



NICO
Asset Managers

SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

**ACHIEVE YOUR
FINANCIAL GOALS**



SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2021	2020	2021	2020
INCOME				
Fee income	3,295,236	3,847,410	3,368,060	4,748,678
Interest income	11,649,609	6,004,134	93,569	91,674
Other income	624,178	768,243	624,178	768,243
Total income	15,569,023	10,619,787	4,085,807	5,608,595
Operating expenses	(3,349,889)	(2,643,899)	(1,788,762)	(2,366,745)
Interest expense	(9,922,089)	(4,734,038)	-	-
Total expenses	(13,271,978)	(7,377,937)	(1,788,762)	(2,366,745)
Operating profit	2,297,045	3,241,850	2,297,045	3,241,850
Shared services costs	(278,245)	(238,071)	(278,245)	(238,071)
Profit before income tax expense	2,018,800	3,003,779	2,018,800	3,003,779
Income tax expense	(616,196)	(905,477)	(616,196)	(905,477)
Profit for the year	1,402,604	2,098,302	1,402,604	2,098,302
Basic and diluted earnings per share (MK)	28.05	41.97		

SUMMARY STATEMENTS OF FINANCIAL POSITION

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2021	2020	2021	2020
ASSETS				
Non-current assets				
Equipment	122,799	165,426	122,799	165,426
Intangible assets	3,913	8,487	3,913	8,487
Investment in subsidiary	-	-	50	50
Right of use assets	3,929	21,593	3,929	21,593
Deferred tax assets	22,330	52,955	22,330	52,955
Total non-current assets	152,971	248,461	153,021	248,511
Current assets				
Trade and other receivables	2,042,021	627,096	340,623	1,237,246
Amounts due from group companies	37,148	162,547	37,148	29,079
Client funds under management	95,041,404	67,306,751	-	-
Cash and cash equivalents	1,613,805	1,238,704	1,175,901	1,236,745
Total current assets	98,734,378	69,335,098	1,553,672	2,503,070
Total assets	98,887,349	69,583,559	1,706,693	2,751,581

EQUITY AND LIABILITIES

Equity				
Share capital	2,500	2,500	2,500	2,500
Share premium	47,500	47,500	47,500	47,500
Retained earnings	1,022,716	1,420,112	1,022,716	1,420,112
Total equity	1,072,716	1,470,112	1,072,716	1,470,112
Non-current liabilities				
Lease liabilities	-	23,139	-	23,139
Current liabilities				
Bank overdraft	2,274,249	1,404,983	-	-
Trade and other payables	290,890	276,502	42,799	212,983
Other accruals and provisions	187,769	255,170	182,393	251,893
Amounts due to group companies	1,523	428,232	149,274	447,802
Lease liabilities	25,532	18,716	25,532	18,716
Client funds payable	94,800,691	65,379,769	-	-
Income tax payable	233,979	326,936	233,979	326,936
Total current liabilities	97,814,633	68,090,308	633,977	1,258,330
Total equity and liabilities	98,887,349	69,583,559	1,706,693	2,751,581

SUMMARY STATEMENTS OF CHANGES IN EQUITY

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2021	2020	2021	2020
Balance at 1 January	1,470,112	1,321,810	1,470,112	1,321,810
Profit for the year	1,402,604	2,098,302	1,402,604	2,098,302
Dividends paid	(1,800,000)	(1,950,000)	(1,800,000)	(1,950,000)
Balance at 31 December	1,072,716	1,470,112	1,072,716	1,470,112

SUMMARY STATEMENTS OF CASHFLOWS

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2021	2020	2021	2020
Net cash (used in)/ generated from operating activities	(12,004,747)	(4,182,593)	1,670,883	1,883,252
Net cash (used in)/ generated from investing activities	(16,094,017)	(21,699,967)	84,596	5,558
Net cash generated from/ (used in) financing activities	27,604,599	24,146,591	(1,816,323)	(1,964,510)
Net decrease in cash and cash equivalents	(494,165)	(1,735,969)	(60,844)	(75,700)
Cash and cash equivalents at 1 January	(166,279)	1,569,690	1,236,745	1,312,445
Cash and cash equivalents at 31 December	(660,444)	(166,279)	1,175,901	1,236,745
(Decrease)/increase in net working capital	(325,045)	111,015	(325,045)	111,015

OTHER INFORMATION

	Current Yr Amount (K'000)	Prior Yr Amount (K'000)
Funds under management	799,630,000	680,636,496

Summary of performance Source

	Gross returns (%)		Returns (Net of fees) (%)	
	Current Yr	Prior Yr	Current Yr	Prior Yr
Pension funds	22.95%	17.99%	22.59%	17.66%
General insurance companies	26.02%	13.36%	25.59%	12.96%
Life insurance companies	17.88%	19.41%	17.52%	18.88%
Collective investment schemes	32.27%	14.87%	31.74%	14.48%
Money market funds	14.94%	14.52%	12.14%	12.14%
Property funds	13.60%	15.62%	13.20%	15.22%
Other funds	12.38%	12.06%	12.12%	11.98%

BASIS OF PREPARATION

The accompanying summary consolidated and separate financial statements have been prepared in accordance with the requirements of the Financial Services Act, 2010 of Malawi. The Directors have considered the requirements of the Financial Services Act, 2010 and believe that the summary consolidated and separate statements of financial position, summary consolidated and separate statements of profit or loss and other comprehensive income, summary consolidated and separate statements of changes in equity and, summary consolidated and separate statements of cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements.

The amounts in the summary consolidated and separate financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards. The summary consolidated and separate financial statements have been derived from the annual consolidated and separate financial statements which were approved by the Board of Directors on 21 March 2021, and are available at the registered office of the Company.

PERFORMANCE

The Board announces a pre-tax profit of K2.0 billion (2020:K3.00 billion). Total income at K15.57 billion was 47% above the previous year's income of K10.62 billion largely due to increase in investments in Government interest bearing assets and growth in Assets Under Management. Assets under management grew by 17% from K680.6 billion to K799.6 billion. Operating expenses were 27% above the previous year largely due to an impairment expense of K1 billion made on a non-performing investment.

OUTLOOK

Although inflation and exchange rates have remained fairly stable over the previous year, the economic environment is still vulnerable to weather conditions and external shocks. The downside risks emanating from the extreme weather and the war in Ukraine will affect inflation largely due to price increases in general commodities and oil. The Company will focus on increasing investment opportunities for assets under management and containing costs. Through this strategy the Company will continue to focus on delivering competitive investment returns to the clients while diversifying product portfolio to mitigate against prevailing risks.

CHAIRMAN
Louis Sibande

CHIEF INVESTMENT OFFICER
Daniel Dunga

CHIEF FINANCE OFFICER
James Tsonga

22 April 2022

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF NICO ASSET MANAGERS LIMITED

OPINION

The summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2021, and the summary consolidated and separate statements of profit or loss and other comprehensive income, summary consolidated and separate statements of changes in equity and summary consolidated and separate statements of cash flows for the year then ended, and related notes, are derived from the audited consolidated and separate financial statements of NICO Asset Managers Limited for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements of NICO Asset Managers Limited, and the basis described on the basis of preparation paragraph.

SUMMARY FINANCIAL STATEMENTS

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary consolidated and separate financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and the auditor's report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated and separate financial statements.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 31 March 2022. That report 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.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY FINANCIAL STATEMENTS

Directors are responsible for the preparation of the summary consolidated and separate 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 consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate 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
Vilengo Beza
Partner

22 April 2022

