NICO Asset Managers

SUMMARY AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

SUMMARY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2023	2022	2023	2022
Income				
Fee income	6,692,246	4,954,077	7,778,785	6,024,924
Net Interest income	2,678,545	2,714,164	123,467	60,228
Other income	373,908	373,913	373,908	373,913
Total income	**9,744,699**	**8,042,154**	**8,276,160**	**6,459,065**
Operating expenses	(4,801,272)	(4,122,147)	(3,332,733)	(2,539,058)
Total expenses	**(4,801,272)**	**(4,122,147)**	**(3,332,733)**	**(2,539,058)**
Operating profit	**4,943,427**	**3,920,007**	**4,943,427**	**3,920,007**
Profit before income tax expense	**4,943,427**	**3,920,007**	**4,943,427**	**3,920,007**
Income tax expense	(1,490,951)	(1,190,039)	(1,490,951)	(1,190,039)
Profit for the year	**3,452,476**	**2,729,968**	**3,452,476**	**2,729,968**
Total comprehensive income	**3,452,476**	**2,729,968**	**3,452,476**	**2,729,968**
Basic and diluted earnings per share (MK)	**69.05**	**54.60**		

SUMMARY STATEMENTS OF FINANCIAL POSITION

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2023	2022	2023	2022
ASSETS				
Non-current assets				
Equipment	110,998	102,916	110,998	102,916
Intangible assets	526,303	255,970	526,303	255,970
Investment in subsidiary	-	-	50	50
Right of use assets	82,716	119,993	82,716	119,993
Deferred tax assets	85,550	83,218	85,550	83,218
Totoal non-current assets	**805,567**	**562,097**	**805,617**	**562,147**
Current assets				
Trade and other receivables	2,512,977	2,338,095	2,421,346	2,180,096
Amounts due from group companies	2,136	2,392	2,136	2,392
Client funds under management	169,613,818	135,310,211	-	-
Cash and cash equivalents	1,238,919	1,178,839	1,086,316	1,087,776
Total current assets	**173,367,850**	**138,829,537**	**3,509,798**	**3,270,264**
Total assets	**174,173,417**	**139,391,634**	**4,315,415**	**3,832,411**
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	2,502,195	2,452,684	2,502,195	2,452,684
Total equity	**2,552,195**	**2,502,684**	**2,552,195**	**2,502,684**
Non - current liabilities				
Lease liabilities	**56,587**	**89,865**	**56,587**	**89,865**
Current liabilities				
Bank overdraft	2,193,749	-	-	-
Trade and other payables	992,032	546,913	162,962	140,783
Other accruals and provisions	463,845	344,362	454,408	337,861
Amounts due to group companies	-	-	-	155,396
Lease liabilities	26,351	22,902	26,351	22,902
Client funds payable	166,825,746	135,301,988	-	-
Income tax payable	1,062,912	582,920	1,062,912	582,920
Total current liabilities	**171,564,635**	**136,799,085**	**1,706,633**	**1,239,862**
Total equity and liabilities	**174,173,417**	**139,391,634**	**4,315,415**	**3,832,411**

SUMMARY STATEMENTS OF CHANGES IN EQUITY

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2023	2022	2023	2022
Balance at 1 January	2,502,684	1,072,716	2,502,684	1,072,716
Profit for the year	3,452,476	2,729,968	3,452,476	2,729,968
Dividends paid	(3,402,965)	(1,300,000)	(3,402,965)	(1,300,000)
Balanace at 31 December	**2,552,195**	**2,502,684**	**2,552,195**	**2,502,684**

SUMMARY STATEMENTS OF CASH FLOWS

In thousands of Malawi Kwacha

	Consolidated		Separate	
	2023	2022	2023	2022
Net cash (used in)/ generated from operating activities	1,613,413	3,452,033	3,745,622	1,524,625
Net cash (used in)/ generated from investing activities	(322,626)	(296,623)	(322,626)	(296,623)
Net cash generated from/(used in) financing activities	(3,424,456)	(1,316,127)	(3,424,456)	(1,316,127)
Net increase/(decrease) in cash and cash equivalents	**(2,133,669)**	**1,839,283**	**(1,460)**	**(88,125)**
Cash and cash equivalents at 1 January	**1,178,839**	**(660,444)**	**1,087,776**	**1,175,901**
Cash and cash equivalents at 31 December	**(954,830)**	**1,178,839**	**1,086,316**	**1,087,776**
Increase/(Decrease) in net working capital	**(227,237)**	**1,110,707**	**(227,237)**	**1,110,707**

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. 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 27 March 2024, and are available at the registered office of the Company.

PERFORMANCE

The Board announces a Profit After Tax of K3.45 billion (2022:K2.73 billion) which represents a growth of 26%. Total income at K9.74 billion was 21% above the previous year's income of K8.04. The significant increase in total income is attributed primarily to the substantial growth in Assets Under Management (AUM), which grew by 47% from K846.5 billion in 2022 to K1.24 trillion in 2023.

Operating expenses were 16% above the previous year largely due to the devaluation of the Malawi Kwacha, which led to higher inflation rates and consequently increased costs across all operating expense categories. Despite this challenge, the company remained committed to managing its resources efficiently and delivering value to its stakeholders.

*OUTLOOK

The operating environment is expected to remain vulnerable to various external shocks including foreign currency shortages, adverse weather conditions, and less than optimal agricultural productivity. The Company will therefore focus on creating investment opportunities for the funds under management and navigating the challenges in the operating environment to deliver competitive risk adjusted returns. Through this strategy the Company will ensure to deliver competitive investment returns to its clients while diversifying the investments portfolio to mitigate against the prevailing risks.

Chifundo Chiundira
Director
29 April 2024
*Unaudited

Daniel Dunga
Chief Executive Officer

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 2023, 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 2023.

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 2024. 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
NKONDOLA UKA
Partner
29 April 2024
Deloitte.