

# NITL

## THE NATIONAL INVESTMENT TRUST PLC

(Incorporated in Malawi on 20<sup>th</sup> September 2001 under registration number 6024)

### RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of comprehensive income			Statement of cash flows		
	Audited 12 Months Ended 31 Dec 2017	Audited 12 Months Ended 31 Dec 2016		Audited 12 Months Ended 31 Dec 2017 MK'000	Audited 12 Months Ended 31 Dec 2016 MK'000
<b>Income</b>			<b>Operating activities</b>		
Dividend income	288,878	229,212	Dividends received	284,977	227,983
Interest income	<u>37,848</u>	<u>32,104</u>	Interest received	<u>37,725</u>	<u>32,996</u>
<b>Total Income</b>	326,726	261,316		322,702	260,979
<b>Total expenses</b>	(119,033)	(98,854)	Operating expenditure	<u>(97,177)</u>	<u>(91,092)</u>
Profit before fair value gains/ (losses)	207,693	162,462		225,525	169,887
Fair Value gain/(loss) on equity Investments	<u>2,132,568</u>	<u>(1,258,690)</u>	Income taxes paid	<u>(34,322)</u>	<u>(38,528)</u>
<b>Profit/(loss) before tax</b>	2,340,261	(1,096,228)	Net cash generated by operating activities	<u>191,203</u>	<u>131,359</u>
Income tax (charge)/ credit	<u>(118,911)</u>	<u>25,207</u>	<b>Investing activities</b>		
<b>Profit/(loss) for the year</b>	<u>2,221,350</u>	<u>(1,071,021)</u>	Purchase of shares	(261,881)	(148,657)
			Disposal of Shares	<u>219,682</u>	<u>213,163</u>
<b>Number of shares in issue</b>	135,000	135,000	Net cash (used in)/ generated by investing activities	<u>(42,199)</u>	<u>64,506</u>
<b>Basic and diluted earnings/ (loss) per share (Tambala)</b>	1,645	(793)	<b>Financing activities</b>		
			Dividends paid	<u>(162,000)</u>	<u>(148,500)</u>
			Net cash used in financing activities	<u>(162,000)</u>	<u>(148,500)</u>
			<b>Net (decrease)/ increase in cash and cash equivalents</b>	(12,996)	47,365
			Cash and cash equivalents at beginning of the year	<u>257,226</u>	<u>209,861</u>
			<b>Cash and cash equivalents at end of the year</b>	<u>244,230</u>	<u>257,226</u>

#### Statement of financial position

	31 Dec 2017 MK'000	31 Dec 2016 MK'000
<b>Assets</b>		
Equity investments	8,451,841	6,277,074
Deferred tax asset	-	48,462
Other current assets	7,063	3,039
Cash and cash equivalents	<u>244,230</u>	<u>257,226</u>
<b>Total assets</b>	<u>8,703,134</u>	<u>6,585,801</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	2,700	2,700
Share premium	169,550	169,550
Retained earnings	<u>8,414,009</u>	<u>6,354,659</u>
<b>Total equity</b>	<u>8,586,259</u>	<u>6,526,909</u>
<b>Liabilities</b>		
Deferred tax liability	35,630	-
Income tax	2,713	2,216
Trade and other payables	<u>78,532</u>	<u>56,676</u>
<b>Total liabilities</b>	<u>116,875</u>	<u>58,892</u>
<b>Total equity and liabilities</b>	<u>8,703,134</u>	<u>6,585,801</u>

#### Statement of changes in equity

	Share Capital MK'000	Share Premium MK'000	Retained Earnings MK'000	Total MK'000
Balance as at 1 January 2016	2,700	169,550	7,574,180	7,746,430
Dividends paid	-	-	(148,500)	(148,500)
Total comprehensive loss	-	-	<u>(1,071,021)</u>	<u>(1,071,021)</u>
<b>31 December 2016</b>	<u>2,700</u>	<u>169,550</u>	<u>6,354,659</u>	<u>6,526,909</u>
Balance as at 1 January 2017	2,700	169,550	6,354,659	6,526,909
Dividends paid	-	-	(162,000)	(162,000)
Profit for the year	-	-	<u>2,221,350</u>	<u>2,221,350</u>
<b>Balance as at 31 December 2017</b>	<u>2,700</u>	<u>169,550</u>	<u>8,414,009</u>	<u>8,586,259</u>

#### Overview of results

During the period, the Company's equity portfolio grew by 34.6% (2016: 17.4% decrease) while the Malawi Domestic Share Index grew by 55.6% (2016: 8.8% decrease). Dividend income increased by 26.0% (2016: 24.0%) to K289 million from K229 million in prior period. The Company had revaluation gains on its equity investments amounting to K2.1 billion compared to a loss of K1.3 billion in the previous period. Overall, the Company made a profit after tax of K2.2 billion (2016: K1.1 billion loss after tax) largely due to share price gains of most investee companies.

#### Dividends

An interim dividend of 50 tambala per share (2016: 30 tambala per share) was paid in October 2017. The Directors have recommended a final dividend of 78 tambala per share (2016: 70 tambala per share) payable on 18 May 2018 to shareholders appearing in the register at the close of business on 11 May 2018. The register of members will be closed from 11 May 2018 to 18 May 2018.

#### Basis of preparation

The Directors have prepared the summary financial statements to meet the Malawi Stock Exchange listing requirements. The Directors have considered the Malawi Stock Exchange listing requirements and believe that the summary statements of financial position, comprehensive income and statement of flows are sufficient to meet the requirements of the users of the summary financial statements. The amounts in the summary financial statements are 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 22 March 2018.

By order of the Board.



R. E. Mdeza  
Chairman



G. M. Msisha  
Director

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

To the members of National Investment Trust plc

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2017, the summary statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended are derived from the audited financial statements of National Investment Trust plc for the year ended 31 December 2017.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, 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 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 28 March, 2018. That report also includes the communication of a key audit matter. 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 period.

### 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 in 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 ISA 810 (Revised), *Engagements to Report on Summary Financial Statements*.

**Deloitte.**

Chartered Accountants

Christopher Kapenda  
Partner

28 March 2018