



RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

	GROUP 12/31/2014 K'000	12/31/2013 K'000	COMPANY 12/31/2014 K'000	12/31/2013 K'000
CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME				
Rental income	2,005,275	1,551,838	904,027	695,224
Increase in fair value of investment properties	1,937,866	1,501,110	1,078,362	821,847
Other income	553,340	273,117	1,206,413	932,436
Total income	4,496,481	3,326,065	3,188,802	2,449,507
Total expenditure	(1,398,760)	(695,450)	(2,064,926)	(1,643,808)
Profit before income tax expense	3,097,721	2,630,615	1,123,876	805,699
Income tax expense	(898,575)	(672,480)	(244,679)	(213,538)
Profit after tax	2,199,146	1,958,135	879,197	592,161
Distributable reserves	824,095	699,740	124,344	(20,958)
Non-distributable reserves	1,138,649	957,888	754,853	613,119
Amount attributable to members of the company	1,962,744	1,657,628	879,197	592,161
Amount attributable to minority interest	236,402	300,507	-	-
	2,199,146	1,958,135	879,197	592,161
Basic earnings per share (MK)	1.71	1.44		
Analysed as:				
-Distributable (MK)	0.72	0.61		
-Non-distributable (MK)	0.99	0.83		
Number of shares used for calculation	1,149,023,730	1,149,023,730		

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION				
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Ordinary share capital	57,451	57,451	57,451	57,451
Distributable reserves	3,161,979	2,337,884	1,961,255	1,859,891
Non-distributable reserves	10,356,255	9,217,606	6,379,109	5,624,256
Share Premium	2,742,423	4,463,641	-	-
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	16,318,108	16,076,582	8,397,815	7,541,598
Minority interest	1,753,796	1,671,024	-	-
Total equity	18,071,904	17,747,606	8,397,815	7,541,598
Non-current liabilities	18,862,978	6,815,581	5,890,508	4,628,396
Current liabilities	2,439,114	1,364,752	1,450,396	1,126,399
Bank overdraft	544,712	501,976	544,712	501,976
Total liabilities	21,846,804	8,682,309	7,885,616	6,256,771
TOTAL EQUITY AND LIABILITIES	39,918,708	26,429,915	16,283,431	13,798,369
ASSETS				
Non-current assets				
Investment properties	17,414,738	15,385,085	9,023,574	7,873,479
Other assets	18,659,361	8,981,848	5,961,507	4,622,283
Total non-current assets	36,074,099	24,366,933	14,985,081	12,495,762
Current assets				
Receivables	3,083,359	1,745,099	1,281,550	1,295,796
Funds at call and on deposit	376,085	1,104	498	471
Cash and bank balances	385,165	316,779	16,302	6,340
Total current assets	3,844,609	2,062,982	1,298,350	1,302,607
TOTAL ASSETS	39,918,708	26,429,915	16,283,431	13,798,369
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY				
At the beginning of the year	17,747,606	11,422,929	7,541,598	6,949,437
Distributable profit for the year	938,633	869,530	124,344	(20,958)
Equity Contribution	-	4,463,641	-	-
Non-distributable profit for the year	1,283,488	1,088,606	754,853	613,119
Dividend declared - Interim 2013	(69,655)	(31,900)	-	-
Dividend declared - Final 2013	(106,950)	(65,200)	(22,980)	-
Transfer to redeemable preference shares	(1,721,218)	-	-	-
	18,071,904	17,747,606	8,397,815	7,541,598

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS				
Cash flows from operating activities				
Net cash inflow/(outflow)	507,175	(256,280)	1,709,425	(728,436)
Return on investment and servicing of finance				
Dividend received	-	-	138,125	298,100
Interest received	513,043	239,659	623,096	368,778
Interest paid	(257,828)	(47)	(1,329,927)	(1,024,590)
Dividend paid	(22,980)	-	(22,980)	-
Dividend paid to outside shareholders	(111,875)	(31,900)	-	-
Net cash flow from returns on investment and servicing of finance	120,380	207,712	(591,686)	(357,712)
Taxation paid	(109,521)	(78,283)	(79,382)	220,913
Net cash (used in) / generated from operating activities	518,014	(126,851)	1,038,357	(865,235)
Net cash used from investing activities				
Purchase of property, plant and equipment and additions to investment properties	(82,035)	(18,896)	(59,261)	(4,314)
Increase in capital work in progress	(9,621,424)	(3,543,084)	-	-
Proceeds on disposal of non-current assets	1,164	3,985	1,164	3,985
Staff long-term loan movements	2,948	(24,777)	2,948	(24,777)
Net cash used from investing activities	(9,699,347)	(3,582,772)	(55,149)	(25,106)
Net cash flow before financing activities				
Cash flow from financing activities	(9,181,333)	(3,709,623)	983,208	(890,341)
Borrowings				
Equity contributions	7,363,465	(666,154)	(754,729)	673,325
Net cash flow generated (used in) from financing activities	2,218,499	4,463,642	(261,226)	-
	9,581,964	3,797,488	(1,015,955)	673,325

Net cashflows for the year	400,631	87,865	(32,747)	(217,016)
Cash and cash equivalents at the beginning of the year	(184,093)	(271,958)	(495,165)	(278,149)
Cash and cash equivalents at the end of the year	216,538	(184,093)	(527,912)	(495,165)

Review of the results

The Board is pleased to announce the results of the Group for the year ended 31 December, 2014. Income increased from K3.3 billion in 2013 to K4.5 billion in 2014 representing a 35% increase. The increase is as a result of rent reviews carried out during the year and also fair value adjustment of investment properties. The profit for the year however increased to K2.2 billion in 2014 from K2.0 billion in 2013 representing a 12% increase.

The Gateway commenced trading on 12th December and was officially opened by His Excellency the President of the Republic of Malawi on 15th December, 2014.

Outlook

The Group is dealing currently with huge rental arrears owed by a major tenant which are negatively impacting on its liquidity and thereby hampering the Group's ability to maintain its various properties. The Board and management are concerned with this very difficult situation, but they are working very steadfastly to find a suitable solution.

The situation is exacerbated by the economic challenges caused by lack of donor inflows and flash floods which are presenting serious implications for Malawi. Unfortunately, the rainfall came later than expected and is anticipated to reduce both yields of tobacco and maize. This will have a roll on effect on our operations. It is against this background that we are planning for a difficult year.

Dividend

As a result of the challenges over the Company's liquidity position, the Board of Directors has decided to hold the decision over payment of dividend from 2014 profits until sometime closer to the AGM. A dividend of K22.9 million was declared from 2013 profits and paid in 2014.

By order of the board.

Dye Mawindo Peter du Plessis

Independent Auditor's Report on the Summarised Consolidated and Separate Financial Statements to the members of MPICO Ltd

The accompanying summary consolidated and separate financial statements, which comprise the summary consolidated and separate statements of financial position as at 31 December 2014, the summary consolidated and separate statements of comprehensive income, changes in equity and the cash flows for the year then ended, are derived from the consolidated and separate audited financial statements of MPICO Limited for the year ended 31 December, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated 29 January, 2015.

The financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited consolidated and separate financial statements of MPICO Limited.

Directors' Responsibility for Summary Financial Statements

The company's directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1984 of Malawi.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary financial statements derived from the audited consolidated and separate financial statements of MPICO Limited for the year ended 31 December 2014 are consistent, in all material respects, with those financial statements, in accordance with the International Financial Standards (IFRS) and in the manner required by the Companies Act, 1984 of Malawi.



Certified Public Accountants and Business Advisers
Lilongwe, Malawi