



RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS			CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	31 Dec. 2016 K'000	31 Dec. 2015 K'000	31 Dec. 2016 K'000	31 Dec. 2015 K'000		31 Dec. 2016 K'000	31 Dec. 2015 K'000	31 Dec. 2016 K'000	31 Dec. 2015 K'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME									
Rental income	3,782,253	2,922,651	1,406,828	1,099,679	STATEMENT OF CASH FLOWS				
Increase in fair value of investment properties	5,087,099	2,573,983	1,759,583	941,976	Cash flows from operating activities				
Other income	2,667,580	578,878	1,174,039	1,640,703	Net cash inflow/outflow	(4,950,388)	1,819,074	(450,033)	(136,126)
Total income	11,536,932	6,075,512	4,340,450	3,682,358	Return on investment and servicing of finance				
Total expenditure	(8,461,680)	(5,415,570)	(2,808,148)	(2,391,215)	Dividend received	-	-	-	815,163
Profit before income tax expense	3,075,252	659,942	1,532,302	1,291,143	Interest received	2,579,588	399,334	521,349	348,627
Income tax (expense) credit	(1,086,613)	116,565	(372,092)	(37,387)	Interest paid	(4,094,965)	(2,513,082)	(1,646,134)	(1,437,935)
Profit after tax	1,988,639	776,507	1,160,210	1,253,746	Dividend paid	-	(45,961)	-	(45,961)
Distributable reserves	(884,675)	(694,913)	(71,498)	504,658	Dividend paid to outside shareholders	(4,575)	(269,838)	-	-
Non-distributable reserves	2,842,832	1,628,054	1,231,708	749,088	Net cash flow from returns on investment and servicing of finance	(1,519,952)	(2,429,547)	(1,124,785)	(320,106)
Amount attributable to members of the company	1,958,157	933,141	1,160,210	1,253,746	Taxation paid	(369,861)	(779,242)	(269,503)	(285,321)
Amount attributable to minority interest	30,482	(156,634)	-	-	Net cash (used in)/generated from operating activities	(6,840,201)	(1,389,715)	(1,844,321)	(741,553)
Basic earnings per share (MK)	0.85	0.81			Purchase of property, plant and equipment and additions to investment property	(841,987)	(657,792)	(47,378)	(64,308)
Analysed as:					Increase in capital work in progress	-	(958,198)	-	-
- Distributable (MK)	(0.38)	(0.60)			Proceeds on disposal of non-current assets	386	401,487	386	401,026
- Non-distributable (MK)	1.24	1.42			Staff long-term loan movements	5,978	3,048	5,978	3,048
Number of shares used for calculation	2,298,047,460	1,149,023,730			Net cash (used in)/ generated from investing activities	(835,623)	(1,211,455)	(41,014)	339,766
					Net cash before financing activities	(7,675,824)	(2,601,170)	(1,885,335)	(401,787)
					Cash flow from financing activities				
					Borrowings	5,076,025	2,138,529	(5,535,582)	330,117
					Repayment of borrowings	(6,129,691)	(443,889)	-	(204)
					Increase in share capital	8,684,389	-	8,684,389	-
					Exchange loss related to borrowings	1,099,775	328,972	-	-
					Net cash flow generated from/ (used in) financing activities	7,630,723	1,694,640	3,148,807	329,913
					(Decrease)/increase in cash and cash equivalents	1,054,674	(577,558)	1,263,472	(71,874)
					Cash and cash equivalents at the beginning of the year	(361,020)	216,538	(599,786)	(527,912)
					Cash and cash equivalents at the end of the year	693,654	(361,020)	663,686	(599,786)
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015									
EQUITY AND LIABILITIES	31 Dec. 2016 K'000	Restated 31 Dec. 2015 K'000	31 Dec. 2016 K'000	31 Dec. 2015 K'000	Review of the results				
SHAREHOLDERS' EQUITY					The Board is pleased to announce the results of the Group for the year ended 31st December, 2016. Overall Group results were satisfactory. Income increased by 89% from K6.1 billion in 2015 to K11.5 billion in 2016. The increase is as a result of rent reviews carried out during the year, fair value adjustments of investment properties and interest income.				
Ordinary share capital	114,902	57,451	114,902	57,451	Total operating expenses went up to MK1.8 billion from MK1.3 billion in 2015. Finance costs went up to MK6.7 billion from MK4.2 billion in 2015. The increase in operating expenses is mostly due to backlog maintenance expenses.				
Distributable reserves	187,130	1,071,806	2,348,460	2,419,952	The profit after tax increased to MK2.0 billion from MK0.8 billion, representing a year-on-year increase of 156%.				
Non-distributable reserves	14,827,141	11,984,309	8,359,905	7,128,197	The Gateway occupancy increased to 74% by the end of 2016 having started the year at 58%. Government rent payment arrears remain a challenge. The Board and Management continues to engage relevant authorities with the view to resolving the issue on a more sustainable basis.				
Share premium	11,369,361	2,742,423	8,626,938	-	Outlook				
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT COMPANY	26,498,534	15,855,989	19,450,205	9,605,600	The economy is expected to pick up following expected good crop harvest and reduced inflation rate. High interest rates, water and electricity challenges are the main downside risks to the growth prospects.				
Minority interest	1,460,183	1,434,274	-	-	The Group's future looks bright especially after the successful capital restructuring of MPICO Limited in 2016. This will result in reduced finance charges. The Group will continue to grow the 3rd Party consultancy business.				
Total equity	27,958,717	17,290,263	19,450,205	9,605,600	Dividend				
LIABILITIES					No dividend is being declared in the 2016 Financial Year. The future, however, looks promising in light of the above prognosis.				
Non-current liabilities	21,394,756	20,974,764	2,945,967	6,603,473	By order of the board.				
Current liabilities	6,347,552	3,618,187	937,824	595,089	Damien Kafoteka				
Bank overdraft	160,668	621,123	140,720	621,123	Edith Jiya				
Total liabilities	27,902,976	25,214,074	4,024,511	7,819,685	MANAGING DIRECTOR				
TOTAL EQUITY AND LIABILITIES	55,861,693	42,504,337	23,474,716	17,425,285	CHAIRPERSON				
ASSETS					Audit Opinion				
Non-current assets					Pursuant to the requirements of the Malawi Stock Exchange listing requirements, we publish the consolidated statements of financial position, and statements of profit or loss and other comprehensive income, and cash flows of MPICO Limited as at 31 December 2016 together with the independent auditor's report thereon.				
Investment properties	43,510,442	37,628,828	11,726,210	9,966,392	REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MPICO LIMITED ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS				
Other assets	2,978,371	1,957,001	6,137,650	6,234,360	Opinion				
Total non-current assets	46,488,813	39,585,829	19,863,860	16,200,752	The summary consolidated financial statements, which comprise the summary statements of financial position as at 31 December 2016, the summary statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended are derived from the audited consolidated financial statements of MPICO Limited for the year ended 31 December 2016.				
Current assets					In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with Malawi Stock Exchange Listing Requirements.				
Receivables	8,518,558	2,658,405	2,806,450	1,203,196	Summary consolidated financial statements				
Funds at call and on deposit	726,625	-	725,240	-	The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards applied in the preparation of the audited consolidated financial statements of MPICO Limited. Reading the summary consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of MPICO Limited and the auditors' report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.				
Cash and bank balances	127,697	260,103	79,166	21,337	The audited consolidated financial statements and our report thereon				
Total current assets	9,372,880	2,918,508	3,610,856	1,224,533	We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 16 February 2017. That report also includes the communication of other key audit matters. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated of the current period.				
TOTAL ASSETS	55,861,693	42,504,337	23,474,716	17,425,285	Management's responsibility for the summary consolidated financial statements				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016					Management is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the Malawi Stock Exchange Listing Requirements.				
At the beginning of the year	17,290,263	16,722,605	9,605,600	8,397,815	Auditors' Responsibility				
Distributable profit for the year	(1,572,855)	(1,199,860)	(71,498)	504,658	Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated 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.				
Issue of shares	57,451	-	57,451	-					
Non-distributable profit for the year	3,561,494	1,976,367	1,231,708	749,088					
Dividend declared - Interim 2016	(4,575)	(162,888)	-	-					
Dividend declared - Final 2015	-	(45,961)	-	(45,961)					
Share premium	8,626,938	-	8,626,938	-					
	27,958,716	17,290,263	19,450,199	9,605,600					



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