

# NITL

## THE NATIONAL INVESTMENT TRUST LIMITED

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

### RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### Statement of comprehensive income

	Audited 12 Months Ended 31 Dec 2016	Audited 15 months Ended 31 Dec 2015
	MK'000	MK'000
<b>Income</b>		
Dividends	229,212	301,635
Interest income	<u>32,104</u>	<u>37,302</u>
<b>Total Income</b>	<b>261,316</b>	<b>338,937</b>
<b>Total expenses</b>	<b>(98,854)</b>	<b>(100,616)</b>
<b>Profit before fair value (losses)/gains</b>	<b>162,462</b>	<b>238,321</b>
<b>Fair Value (loss)/gain on equity investments</b>	<b>(1,258,690)</b>	<b>265,608</b>
<b>(Loss)/Profit before tax</b>	<b>(1,096,228)</b>	<b>503,929</b>
Tax credit	<u>25,207</u>	<u>44,085</u>
<b>Net (loss)/profit for the year</b>	<b>(1,071,021)</b>	<b>548,014</b>
<b>Total comprehensive (loss)/income attributable to equity holders of the company</b>	<b>(1,071,021)</b>	<b>548,014</b>
<b>Number of shares in issue</b>	<b>135,000</b>	<b>135,000</b>
<b>Basic and diluted (loss)/earnings per share (Tambala)</b>	<b>(793)</b>	<b>406</b>

#### Statement of cash flows

	Audited 12 Months Ended 31 Dec 2016 MK'000	Audited 15 Months Ended 31 Dec 2015 MK'000
<b>Operating activities</b>		
Dividends received	227,983	315,505
Interest received	<u>32,996</u>	<u>36,354</u>
	260,979	351,859
Operating expenditure	<u>(91,092)</u>	<u>(101,703)</u>
	169,887	250,156
Taxes paid	<u>(38,528)</u>	<u>(32,635)</u>
Cash flows from operating activities	<b>131,359</b>	<b>217,521</b>
<b>Investing activities</b>		
Purchase of shares	(148,657)	(9,253)
Disposal of Shares	<u>213,163</u>	<u>10,700</u>
Cash flows from investing activities	<b>64,506</b>	<b>1,447</b>
<b>Financing activities</b>		
Dividends paid	<u>(148,500)</u>	<u>(229,500)</u>
Cash flows used in financing activities	<b>(148,500)</b>	<b>(229,500)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the period	47,365	(10,532)
<b>Cash and cash equivalents at end of the period</b>	<b>209,861</b>	<b>220,393</b>
	<u>257,226</u>	<u>209,861</u>

#### Statement of financial position

	31 Dec 2016 MK'000	31 Dec 2015 MK'000
<b>Assets</b>		
Equity investments	6,277,074	7,600,270
Deferred tax asset	48,462	-
Other current assets	3,039	2,702
Cash and cash equivalents	<u>257,226</u>	<u>209,861</u>
<b>Total assets</b>	<b>6,585,801</b>	<b>7,812,833</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	2,700	2,700
Share premium	169,550	169,550
Retained earnings	<u>6,354,659</u>	<u>7,574,180</u>
<b>Total equity</b>	<b>6,526,909</b>	<b>7,746,430</b>
<b>Liabilities</b>		
Deferred tax liability	-	4,999
Income tax	2,216	12,490
Current liabilities	<u>56,676</u>	<u>48,914</u>
<b>Total liabilities</b>	<b>58,892</b>	<b>66,403</b>
<b>Total equity and liabilities</b>	<b>6,585,801</b>	<b>7,812,833</b>

#### Statement of changes in equity

	Share Capital MK'000	Share Premium MK'000	Retained Earnings MK'000	Total MK'000
Balance as at 1 October 2014	2,700	169,550	7,255,666	7,427,916
Dividends paid	-	-	(229,500)	(229,500)
Total comprehensive income	-	-	548,014	548,014
<b>31 December 2015</b>	<b>2,700</b>	<b>169,550</b>	<b>7,574,180</b>	<b>7,746,430</b>
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	-	-	(1,071,021)	(1,071,021)
<b>31 December 2016</b>	<b>2,700</b>	<b>169,550</b>	<b>6,354,659</b>	<b>6,526,909</b>

#### Overview of results

The Company's equity portfolio decreased by 17.4% (2015: 3.6% growth) during the period while the Malawi Domestic Share Index decreased by 8.8% (2015: 3.8% growth) during the same period. Dividend income declined by 24.0% (2015: 3.6%) from K302 million to K229 million. The company had revaluation losses on its equity investments amounting to K1.3 billion compared to a gain of K266 million in the previous period. Overall the Company incurred a loss after tax of K1.1 billion (2015: K548 million profit after tax) largely due to the challenging economic conditions that have affected the share prices of most investee companies.

#### Dividends

An interim dividend of 30 tambala per share (2015: 60 tambala per share) was paid in September 2016. The Directors have recommended a final dividend of 70 tambala per share (2015: 80 tambala per share) payable on 19 May 2017 to shareholders appearing in the register at the close of business on 12 May 2017. The register of members will be closed from 12 May 2017 to 19 May 2017.

By order of the Board.

G. Chimimba  
Chairman

R.E. Mdeza  
Director

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

### Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2016, 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 Limited for the year ended 31 December 2016.

In our opinion, the accompanying summary financial statements are consistent in all material respects, with the audited financial statements, in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the Financial Services Act, 2010.

### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards (IFRSs) and the requirements of the Malawi Companies Act. 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 30 March 2017. That report also 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 period.

### Directors' Responsibility for the Summary Financial Statements

Directors are responsible for the preparation of the summary financial statements in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the requirements of the Financial Services Act, 2010 and for such internal control as the directors determine is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

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

**Deloitte.**

Chartered Accountants  
John S Melrose  
Partner