

**SENS ANNOUNCEMENT**  
(the “Notice” or “Announcement”)

**ISSUER**



Company registration number: 67813  
Share Code: MFIN  
ISIN: ZM0000000391  
Authorised by: Kafula Mwiche – Company Secretary  
Contact email: [Kmwiche@jaquesandpartners.com](mailto:Kmwiche@jaquesandpartners.com)

**SPONSOR**



**Stockbrokers Zambia Limited**

[Founder member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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**APPROVAL**

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Madison Financial Services Plc

**RISK WARNING**

The Notice or Announcement contained herein contains information that may be of a price-sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

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**ISSUED: 02 April 2024**

## Unaudited Results for the Half Year Period Ended 30 JUNE 2023

In compliance with the requirements of the Securities Act No. 41 of 2016 and the Listing Requirements of the Lusaka Securities Exchange, the Board of Directors of Madison Financial Services Plc wish to announce the unaudited results of the Company for the half year ended 30 June 2023.

CONDENSED INCOME STATEMENT AND COMPREHENSIVE INCOME - JUNE 2023						
	CONSOLIDATED			COMPANY		
	2023	2022	% Δ	2023	2022	% Δ
	ZMW	ZMW		ZMW	ZMW	
<b>Revenue</b>						
Gross written premium	383,090,729	317,993,468	20	-	-	-
Interest and similar income	38,338,360	38,078,755	1	38,432	38,432	-
Fees and commission	31,366,889	31,337,149	0	3,960,000	3,600,000	10
Investment income	47,426,858	42,473,689	12	-	-	-
<b>Total Revenue</b>	<b>500,222,836</b>	<b>429,883,061</b>	<b>16</b>	<b>3,998,432</b>	<b>3,638,432</b>	<b>10</b>
<b>Direct expenses</b>	<b>(491,176,072)</b>	<b>(416,877,622)</b>	<b>18</b>	<b>(6,910,473)</b>	<b>(6,959,843)</b>	<b>(1)</b>
<b>Results from operating activities</b>	<b>9,046,764</b>	<b>13,005,439</b>	<b>(30)</b>	<b>(2,912,041)</b>	<b>(3,321,411)</b>	<b>12</b>
Net finance costs	(9,546,054)	1,004,300	(1,051)	-	2,900,947	(100)
<b>Profit/(loss) before tax</b>	<b>(499,290)</b>	<b>14,009,739</b>	<b>(104)</b>	<b>(2,912,041)</b>	<b>(420,464)</b>	<b>(593)</b>
Income tax	2,928,400	523,593	459	-	-	-
<b>Profit/(Loss) for the year</b>	<b>2,429,110</b>	<b>14,533,332</b>	<b>(83)</b>	<b>(2,912,041)</b>	<b>(420,464)</b>	<b>(593)</b>
<b>Net profit attributable to Non-controlling interests</b>	<b>3,855,730</b>	<b>1,936,827</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (Loss)/profit attributable to the shareholders of MFS Plc</b>	<b>(1,426,620)</b>	<b>12,596,505</b>	<b>(111)</b>	<b>(2,912,041)</b>	<b>(420,464)</b>	<b>(593)</b>
<b>Earnings Per Share (EPS)</b>	<b>(0.03)</b>	<b>0.25</b>	<b>(111)</b>	<b>(0.06)</b>	<b>(0.01)</b>	<b>(593)</b>
<b>Other comprehensive income</b>	<b>(548,539)</b>	<b>(412,015)</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,880,571</b>	<b>14,121,317</b>	<b>(87)</b>	<b>(2,912,041)</b>	<b>(420,464)</b>	<b>(593)</b>

CONDENSED STATEMENT OF FINANCIAL POSITION – 30 JUNE 2023						
	CONSOLIDATED		% Δ	COMPANY		% Δ
	2023	2022		2023	2022	
	ZMW	ZMW	ZMW	ZMW		
<b>ASSETS</b>						
Non-current assets	608,291,138	500,917,150	21	76,199,216	76,707,865	(1)
Current assets	627,187,772	578,540,613	8	13,154,007	13,043,746	1
<b>Total assets</b>	<b>1,235,478,911</b>	<b>1,079,457,763</b>	<b>14</b>	<b>89,353,222</b>	<b>89,751,611</b>	<b>(0)</b>
<b>FINANCED BY:</b>						
Equity attributable to the MFS Shareholders	(52,521,364)	(39,707,854)	(32)	(21,262,945)	(4,295,009)	(395)
Non-controlling Interest	(8,171,606)	(14,125,703)	(42)	-	-	-
<b>Total Equity</b>	<b>(60,692,970)</b>	<b>(53,833,557)</b>	<b>(13)</b>	<b>(21,262,945)</b>	<b>(4,295,009)</b>	<b>(395)</b>
Non-current Liabilities	902,914,429	812,014,599	11	91,381,641	78,706,225	16
Current liabilities	393,257,452	321,276,722	22	19,234,526	15,340,396	25
<b>Total equity and liabilities</b>	<b>1,235,478,911</b>	<b>1,079,457,763</b>	<b>14</b>	<b>89,353,222</b>	<b>89,751,611</b>	<b>(0)</b>

CONDENSED CASHFLOW STATEMENT - JUNE 2023						
	CONSOLIDATED			COMPANY		
	2023	2022	% Δ	2023	2022	% Δ
	ZMW	ZMW		ZMW	ZMW	
Net cash inflow from operating activities before considering loan advances to customers	65,007,642	91,338,103	(29)	14,702,609	807,772	1,720
Net cash used in investing activities plus movement in loan advances to customers	(118,274,281)	14,548,488	(913)	508,649	670,908	(24)
Net cash flow on financing activities	(3,230,706)	(147,084,091)	(98)	(15,284,809)	(1,403,413)	989
Increase/(Decrease) in cash and cash equivalents	<b>(56,497,345)</b>	<b>(41,197,500)</b>	<b>37</b>	<b>(73,551)</b>	<b>75,267</b>	<b>(198)</b>
Cash and cash equivalents at 1 January	119,885,521	100,739,540	19	194,293	12,714	1,428
Cash and cash equivalents at 30 June	<b>63,388,176</b>	<b>59,542,040</b>	<b>6</b>	<b>120,742</b>	<b>87,981</b>	<b>37</b>

STATEMENT OF CHANGES IN EQUITY - JUNE 2023				
CONSOLIDATED				
	01-Jan-23	COMPREHENSIVE INCOME	OTHER MOVEMENTS	30-Jun-23
SHARE CAPITAL	500,000	-	-	500,000
SHARE PREMIUM	13,659,580	-	-	13,659,580
RETAINED EARNINGS	(114,333,049)	(1,426,620)	(1,306,624)	(117,066,293)
OTHER RESERVES	50,109,413	-	275,936	50,385,349
NON-CONTROLLING INTERESTS	(13,265,005)	3,855,730	1,237,669	(8,171,606)
<b>TOTAL</b>	<b>(63,329,061)</b>	<b>2,429,110</b>	<b>206,981</b>	<b>(60,692,970)</b>

- 📌 The Group posted improved revenues over the same period in 2022 mainly at the back of improved gross written premiums and investment income. Overall, revenue increased by 16%.
- 📌 The Group recorded a decrease of 83% in the profit after tax when compared to 2022. This was mainly on account of the increase in operational and financing costs. The increase in these costs is attributed to the unfavourable exchange rate against the USD.
- 📌 The movement in Earning per share(EPS) is primarily attributed to reduced profitability and a net loss of K1.426million attributed to the shareholders of the company resulting in EPS of minus K0.03 from K0.25 over the same period in 2022.
- 📌 Management teams in the investee companies continue to pursue their strategic objectives in order to navigate through the challenges. Some of the measures being undertaken include: -
  - Continued company-wide cost monitoring and rationalisation; and
  - Pursuing measures to release liquidity by way of realigning the asset portfolios and ensuring collection of receivables.
  - Continued customer-centric approach to business.

Arising from the above measures, the board and management are confident of positive performance to the year end.

- 📌 Madison Asset Management Company Limited (MAMCo) has remained under the Possession of the Securities and Exchange Commission since 2 March 2020.

STATEMENT OF CHANGES IN EQUITY - JUNE 2023				
COMPANY				
	01-Jan-23	COMPREHENSIVE INCOME	OTHER MOVEMENTS	30-Jun-23
SHARE CAPITAL	500,000	-	-	500,000
SHARE PREMIUM	13,659,580	-	-	13,659,580
RETAINED EARNINGS	(32,510,484)	(2,912,041)	-	(35,422,525)
<b>TOTAL</b>	<b>(18,350,904)</b>	<b>(2,912,041)</b>	<b>-</b>	<b>(21,262,945)</b>

At the Extraordinary General Meeting held on 4th May 2023, shareholders approved the transfer of identified assets under Madison Asset Management Company Limited (MAMCo) and its' subsidiaries into a Collective Investment Scheme to be held in Trust for the benefit of the Fixed Income Fund Creditors in complete and final settlement of all liabilities owed to the Fixed Income Fund Creditors. The Creditors of the Fixed Income Fund at their Extraordinary General Meeting held on 31 August 2023 agreed that the identified assets be transferred into a Collective Investment Scheme. Arising from the two EGMs, discussions between MAMCo and the FIF creditors to resolve the FIF creditors liabilities are in progress.

By Order of the Board  
Kafula Mwiche  
Company Secretary

Issued in Lusaka, Zambia on 2 May 2023

Lusaka Securities Exchange Sponsoring Broker



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Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

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