

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED

(REGISTRATION NUMBER 11163)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021**

**MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021**

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Malawi
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Investment in various projects
DIRECTORS	Anibal Leite Ricardo Almeida Carlos Galego
REGISTERED OFFICE	Nasra House, City Centre, P.O. Box 31379, Lilongwe 3, Malawi
AUDITORS	PKG Associates Chartered Accountants Registered Auditors P.O. Box 1929, Lilongwe, Malawi
COMPANY REGISTRATION NUMBER	11163
TAX REFERENCE NUMBER	20194502
LEVEL OF ASSURANCE	These financial statements have been audited in compliance with the applicable requirements of the Malawi Companies Act.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

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MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021
DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Malawi Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December, 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The financial statements set out on page 9 - 15, which have been prepared on the going concern basis, were approved by the board of directors on 24 May, 2023 and were signed on their behalf by:

Approval of financial statements



Director



Director

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Motal-Engil Investments (Malawi) Limited for the year ended 31 December, 2021.

1. INCORPORATION

The company was incorporated on 2 March, 2011 and obtained its certificate to commence business on the same day.

The company is domiciled in Malawi where it is incorporated as a private company limited by shares under the Malawi Companies Act. The address of the registered office is set out on page 1.

2. NATURE OF BUSINESS

Motal-Engil Investments (Malawi) Limited was incorporated in Malawi with interests in the Investment holding industry. The company operates in Malawi.

There have been no material changes to the nature of the company's business from the prior year.

3. SHARE CAPITAL

AUTHORISED			2021	2020
Ordinary shares			Number of shares	
			50,000,000	50,000,000
ISSUED	2021	2020	2021	2020
Ordinary shares	MK	MK	Number of shares	
	50,000,000	50,000,000	50,000,000	50,000,000

Refer to note 2 of the financial statements for detail of the movement in authorised and issued share capital.

4. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

DIRECTORS' REPORT

6. LITIGATION STATEMENT

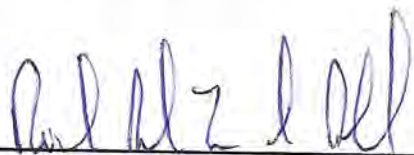
The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

The financial statements set out on page9 - 15, which have been prepared on the going concern basis, were approved by the board of directors on 24 May, 2023, and were signed on its behalf by:

Approval of financial statements



Director
Executive
24 May, 2023



Director
Executive
24 May, 2023

Independent Auditor's Report
To the members of Mota-Engil Investments (Malawi) Limited

Opinion

We have audited the annual financial statements of Mota-Engil Investments (Malawi) Limited (the company) set out on pages 9 to 15, which comprise the statement of financial position as at 31 December, 2021, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Mota-Engil Investments (Malawi) Limited as at 31 December, 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Malawi. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Mota-Engil Investments (Malawi) Limited annual financial statements for the year ended 31 December, 2021", which includes the Directors' Report as required by the Malawi Companies Act and the supplementary information as set out on page 16. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Mota-Engil Investments (Malawi) Limited
Independent Auditor's Report (*continued*)

Responsibilities of the Directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Malawi Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error. In preparing the annual financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

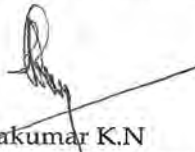
As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Mota-Engil Investments (Malawi) Limited
Independent Auditor's Report (*continued*)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that we identify during our audit.



Padmakumar K.N
Chartered Accountant.

Lilongwe
Date: 25th May 2023

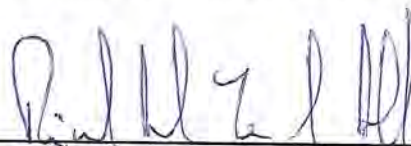
MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2021

	Note(s)	2021 MK	2020 MK
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		50,000,000	50,000,000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	2	50,000,000	50,000,000
Accumulated loss		(30,927,109)	(22,094,665)
		19,072,891	27,905,335
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3	30,927,109	22,094,665
Total Equity and Liabilities		50,000,000	50,000,000

The financial statements and the notes on pages 4 to 15, were approved by the board of directors on the 24 May, 2023 and were signed on its behalf by:



Director



Director

The accounting policies on pages 13 to 14 and the notes on page 15 form an integral part of the financial statements.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note(s)	2021 MK	2020 MK
Revenue		-	-
Cost of sales		-	-
Other operating expenses		(8,832,444)	(7,048,250)
Loss before taxation		(8,832,444)	(7,048,250)
Taxation		-	-
Total comprehensive loss for the year		(8,832,444)	(7,048,250)

The accounting policies on pages 13 to 14 and the notes on page 15 form an integral part of the financial statements.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

STATEMENT OF CHANGES IN EQUITY

	Share capital MK	Accumulated loss MK	Total equity MK
Balance at 1 January, 2020	50,000,000	(15,046,415)	34,953,585
Total comprehensive Loss for the year	-	(7,048,250)	(7,048,250)
Balance at 1 January, 2021	50,000,000	(22,094,665)	27,905,335
Total comprehensive Loss for the year	-	(8,832,444)	(8,832,444)
Balance at 31 December, 2021	50,000,000	(30,927,109)	19,072,891

Note(s)

2

The accounting policies on pages 13 to 14 and the notes on page 15 form an integral part of the financial statements

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

STATEMENT OF CASH FLOWS

	Note(s)	2021 MK	2020 MK
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(8,832,444)	(7,048,250)
CHANGES IN WORKING CAPITAL:			
Increase (decrease) in trade and other payables		8,832,444	7,048,250
Cash generated from operations		<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the year		50,000,000	50,000,000
Cash and cash equivalents at the end of the year		<u>50,000,000</u>	<u>50,000,000</u>

The accounting policies on pages 13 to 14 and the notes on page 15 form an integral part of the financial statements.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

ACCOUNTING POLICIES

CORPORATE INFORMATION

Motal-Engil Investments (Malawi) Limited is a private limited company incorporated and domiciled in Malawi.

The financial statements for the year ended 31 December, 2021 were authorised for issue in accordance with a resolution of the directors on 24 May, 2023.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Malawi Companies Act.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Malawi Kwachas, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 FINANCIAL INSTRUMENTS

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

ACCOUNTING POLICIES

1.2 FINANCIAL INSTRUMENTS (continued)

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.3 SHARE CAPITAL AND EQUITY

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the company in which they are declared.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021
NOTES TO THE FINANCIAL STATEMENTS

	2021 MK	2020 MK
2. SHARE CAPITAL		
AUTHORISED		
50,000,000 Ordinary shares of MK 1 each	50,000,000	50,000,000
ISSUED		
Ordinary	50,000,000	50,000,000
3. TRADE AND OTHER PAYABLES		
Financial instruments:		
Other payables	30,927,109	22,094,665
FINANCIAL INSTRUMENT AND NON-FINANCIAL INSTRUMENT COMPONENTS OF TRADE AND OTHER PAYABLES		
At amortised cost	30,927,109	22,094,665

4. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors is satisfied is that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors is not aware of any new material changes that may adversely impact the company. The directors is also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

MOTAL-ENGIL INVESTMENTS (MALAWI) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

DETAILED INCOME STATEMENT

	Note(s)	2021 MK	2020 MK
Other operating expenses			
Auditor's remuneration		(8,832,444)	(7,048,250)
Total comprehensive loss for the year		(8,832,444)	(7,048,250)

The accounting policies on pages 13 to 14 and the notes on page 15 form an integral part of the financial statements.