

Financial statements for the year ended 31st March, 2016

RESULTS FOR YEAR ENDED 31 MARCH 2016

PRESS TRUST STATEMENTS OF FINANCIAL POSITION 31 March 2016

CHAIRPERSON

Pursuant to the Press Trust Reconstruction Act (PTRA) (Cap 5:04 of the Laws of Malawi), we report below results for the year ended 31 March 2016.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF PRESS NON TRUST

The accompanying summary consolidated and separate financial statements, Inve which comprise the summary consolidated statements of financial position as Loan at 31 March 2016, the summary consolidated statements of comprehensive Prov income, changes in equity and cash flows for the year then ended, and related Agrid notes, are derived from the audited annual consolidated financial statements of Star Press Trust and its subsidiaries Press Trust Overseas Limited (PTOL) and Press Agriculture Limited (PAL) for the year ended 31 March 2016. We expressed an unmodified audit opinion on those annual consolidated financial statements in our report dated 19th August 2016.

Those annual consolidated financial statements, and the summary consolidated Rece financial statements, do not reflect the effects of events that occurred Ban subsequent to the date of our report on those annual consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act 1984 and the Trustees Incorporation Tota Act. Reading the summary consolidated financial statements, therefore, is not TOTA a substitute for reading the audited annual consolidated financial statements of Press Trust. RES

Trustees' Responsibility for the Summary Consolidated Financial Statements

The Trustees are responsible for the preparation of the summary consolidated Fair financial statements in accordance with the framework concepts and the Fair measurement and recognition requirements of International Financial Reporting Prop Standards (IFRS) and the Companies Act, 1984 and the Trustees Incorporation Act, and for such internal controls as the Trustees determine is necessary to enable the preparation of the summary consolidated 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 the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing 810, *Engagements to Report on Summary* Financial Statements.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited annual consolidated financial statements of Press Trust for the year Provi ended 31 March 2016 are consistent, in all material respects, with those annual Ban consolidated financial statements, in accordance with the framework concepts Subl and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), and the Companies Act, 1984 and the Trustees Incorporation Act. Acc

Deloitte

Chartered Accountants Lilongwe, Malawi 19th August 2016

31 March 2016				
	TRUST	0045	GROUP	0045
	2016 K'000	2015 K'000	2016 K'000	2015 K'000
ASSETS	1,000	N OOO	11 000	1,000
NON-CURRENT ASSETS				
Property, plant and equipment	481 068	516 218	6 136 721	4 886 286
Listed equity investments	35 184 065	31 707 077	36 507 250	34 019 201
Unlisted equity investments Investments in subsidiaries	232 328	232 328 2 383 270	232 449	232 449
Loans due from Press Agriculture	1 398 806 5 824 750	2 565 270	-	-
Provision against loans due from Press	5 024 7 50	2 000 003	-	-
Agriculture	(5 824 750)	(2 660 083)	-	-
Standing crops	-	-	160 058	193 640
Total non-current assets	37 296 267	34 838 893	43 036 478	39 331 576
CURRENT ASSETS				
Growing crops			568 625	705 198
Inventories	-	-	110 459	98 231
Receivables and prepayments	54 296	37 620	230 834	927 362
Bank balances and cash	864 848	159 229	952 800	235 666
Investments classified as held for sale	-	124 814	-	124 814
Funds held by brokers	-	-	273	192
Assets held for sale and discontinued				
operations	-	-	191 489	1 270 736
Tax recoverable	-	-	82 031	135 866
Total current assets	919 144	321 663	2 136 511	3 498 065
TOTAL ASSETS	38 215 411	35 160 556	45 172 989	42 829 641
RESERVES AND LIABILITIES				
RESERVES				
Non-distributable reserves	24 425 204	21 011 700	20.074.045	20.000.202
Fair value reserve on listed investments Fair value reserve on unlisted investments	34 425 284 12 980	31 011 766 12 980	36 874 045 12 980	32 866 323 12 980
Fair value of foreign investments	1 203 264	2 187 728	12 500	12 500
Property revaluation reserve	166 328	166 328	6 805 735	6 136 850
Total non-distributable reserves	35 807 856	33 378 802	43 692 760	39 016 153
General fund	1 573 688	1 391 325	(3 727 835)	(3 830 271)
Total reserves	37 381 544	34 770 127	39 964 925	35 185 882
Non-controlling interest				
	-	-	(844 437)	(450 514)
Equity attributable to equity holders of the parent	37 381 544	34 770 127	39 120 488	34 735 368
NON-CURRENT LIABILITIES				
Sublease fees	-	-	475 809	374 286
Deferred tax	-	-	1 395 931	1 432 067
Long-term borrowings				
	-		1 748 434	1 135 428
Total non-current liabilities	-		3 620 174	2 941 781
Project funding	776 270	341 866	776 270	341 866
Bank overdraft	-	-	310 941	470 663
Sublease fees	3 919	-	29 984	13 013
Current portion of long-term borrowings Provisions	-	-	363 273 189 632	3 690 742 179 895
11041210112	-	-	103 032	1/3 933
Accounts payable	53 678	48 563	701 461	431 327
Tax Payable	-	-	60 766	24 986
Total current liabilities	833 867	390 429	2 432 327	5 152 492
		AF / AA		
TOTAL RESERVES AND LIABILITIES	38 215 411	35 160 556	45 172 989	42 829 641
The financial statements were approved and auth	orised for issue h	v the Board of Trus	tees on 19th A ud	r ust. 2016 and
were signed on its behalf by:	D	, 20010 01 11030	Loo on Loui nug	unu
ESTHER CHIOKO	JIM NSOMBA			

TRUSTEE

PRESS TRUST STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 31 March 2016

For the year ended 31 March 2016					For the year ended 31 March 2016	o or ononine						2016	2015
								TRUST	0010	GROUP		K'000	K'000
	TRUST		GROU				2016 K'000	2015 K'000	2016 K'000	2015 K'000	Donations		
	2016	2015			Cash absorbed by operating activities before	ore changes	K 000	K 000	K 000	K 000		2 000	
	K'000	K'000	K'00	0 K'000	in net operating assets	no onungoo	(882 336)	(866 632)	(1 188 110)	(1 618 445)	Buy Malawian-Ministry of Industry and Trade	2 000	-
INCOME					Changes in net operating assets		(11 560)	8 121	1 273 073	292 067	Bwaila Rotary Club	100	-
Turnover	-	-	1 662 46	6 870 419							Beautify Malawi Trust	-	700
Cost of sales	-	-	(1 014 409) (810 838)	Net cash (absorbed)/generated in operati	ing activities	(893 896)	(858 511)	84 963	1 326 378)			
Gross profit	-	-	648 05		Net cash flows from investing activities		1 595 596	657 963	791 974	598 738	Think Pink	599	-
Dividend income	959 397	901 195			Net cash nows noni investing activities		1 333 330	037 303	/ 51 5/4	550750	COSESCA	2 099	-
Interest income	220 058	121 849			Net increase/ (decrease) in cash and cash	equivalents	701 700	(200 548)	876 937	(727 640)			
Other income	1 815 287	182 850	446 23	1 878 682							Kamuzu Central Hospital/Rotary Club of Bwaila	_	2 110
Total income	2 994 742	1 205 894	2 164 92	3 1 887 034	Cash and cash equivalents at beginning	of the year	159 229	359 777	(234 805)	492 835	MITC/Malawi Investment Forum	1 000	2 110
	2 334 742	1 203 034	2 104 52	5 100/034	Cash and cash equivalents at end of the	vear	860 929	159 229	642 132	(234 805)	MBC Golden Jubilee	1 000	350
Administration expenditure	(642 541)	(526 129)	(1 761 852	() (1 198 262)		your	000 323		042 102	(204 000)		-	330
Exchange losses	-	-	(392 979		Board Composition						MBC Innovation Awards	4 401	-
					The composition of the Board of Trustees d	during the year	r was as follow	VS:			Mzuzu University	-	2 000
EXCESS OF INCOME OVER					De Cessere II Kenereke		Chairman				University of Malawi	1 099	-
OPERATING EXPENDITURE	2 352 201	679 765	10 09	2 142 801	Dr George H Kayambo Mr Tony Kandiero		Chairpers Trustee	6011			Press Trust Merit Bursary	21 886	18 016
	(0.104.007)	(100.050)			Mrs Esther Chioko		Trustee				Public Service Reforms	-	2 000
Increase in provision for doubtful loans	(3 164 667)	(182 050)			Mrs Nancy G. Tembo		Trustee				Rotary Anns	500	-
Interest expense Impairment of staff and other receivables	-	(14 956)	(1 211 870) (1 431 243) - (14 956)	Mr Jim Nsomba		Trustee						
Realised profit on sale of equities	1 765 186	(14 550)	1 765 18		Mr Ben Chidyaonga			ip to 12th Febru			Total donations	33 684	25 176
	1,00,100				Prof. Peter N Mwanza Eng. Wilson T.M Chirwa			ıp to 12th Febru rom 29th Febru					
SURPLUS/ (DEFICIT) BEFORE CHARITABLE					Mr Mayer Chisanga, SC			rom 29th Febru	, ,		To qualify for funding, a project must first of all fall within the NBPs.	In addition it m	ust moot the
EXPENDITURE	952 720	482 759	563 40	8 (1 303 398)	ini inajoi oinoanga, oo		(1100000 1		u.j 2010)			ni auunion, n niu	ust meet the
					In terms of Section 6 (I) (i) of the Deed of Va						following general criteria:		
CHARITABLE EXPENDITURE	(705.004)	(100 171)	(705.00)	(100 174)	Press Trust holds office for one year and is								
Project funding approvals Completed/discontinued projects	(765 634)	(469 174)	(765 634) (469 174)	of the Trust. In line with this requirement, elected Mrs Esther Chioko as the new Cha					ZUID IRUSTEES	Benefit a wider community		
Under provision	28 961	35 704	28 96	1 35 704	elected with Latier Childro as the new Gha	aiipeisoii iepia	acing Di. Georg	ge ii nayaiiibu.			 Be in line with the key focus areas of education, health, social v 	velfare, housing, c	culture, good
Donations	(33 684)	(25 176)	(33 684	(25 176)	Object of the Trust						governance, skills and job creation or environmental conservation; a	and	
Total charitable expenditure	(770 357)	(458 646)	(770 357		The main object of the Trust is to make don						Be viable or self-sustaining		
Surplus/ (deficit) before tax	182 363	24 113			purposes which are in the interest and for				ing the advanc	ement of their			
Taxation	-		(18 058	(23 773)	education, health, social welfare and housir	ing (National B	Senetits Purpos	ses (NBPs)).			GROUP FINANCIAL REVIEW		
					During the year ended 31 March 2016, the	Trust annrove	ed proiects and	d disbursed fun	ids as follows.				
SURPLUS/ (DEFICIT) FOR THE YEAR Transferred to general fund	182 363	24 113	(225 007	(1 785 817)	Project funding (Trust and group)	, nuot approre	ou projecto un				The Press Trust Group is made up of two (2) subsidiaries, namely, Pre	ss Trust Overseas	s Limited (an
TRANSFERRED TO GENERAL FOND	102 303	24 113	(223 00)) (1/03/01/)							investment company) and Press Agriculture Limited (a farming comp		
OTHER COMPREHENSIVE INCOME					For the year ended 31 March 2016						cant investments in five (5) companies namely Press Corporation Lim		-
Revaluation Surplus	-	139 364	650 47	2 3 607 197	The list of project funding and donations in	alnhabetical	nrder is as follo	ws.			Kang`ombe Investments Limited, Continental Holdings Limited and Mw		
Deferred Tax	-	-	18 41		The list of project funding and dollations in	aipitabetical u	01001 13 03 1010				-		iuspilai Liiii-
Fair value gain on available for sale financial assets	3 413 518	8 541 748				Brought				Carried	ited. Furthermore, Press Trust has also invested widely on the Malawi S	lock Exchange.	
Exchange differences on translating foreign operation	963 837	160 693				Forward		Approvals	Completed				0010 -
TOTAL OTHER COMPREHENSIVE INCOME	4 377 355	8 841 805	5 004 04	9 11 686 169		from 2015 Di K'000	ISbursement K'000	accrued K'000	Projects K'000	2016 K'000	The Board is pleased to announce the results of the Group for the year		
TOTAL COMPREHENSIVE INCOME FOR					Chikonde II Primary School Project	49 262	(20 736)	65 000	- N UUU	93 526	income of the Group increased by 15% from K1.89 billion in 2015 to		-
THE YEAR	4 559 718	8 865 918	8 4 779 04	9 900 352	Chimwemwe Primary School Project	38 793	(44 874)	25 126	-	19 045	because of increased seed crop production in Press Agriculture Limited	-	
Att. St. Achille to the second			F 00F 1	E 0.070.074	Chisamba Dispensary Salima Project	-	-	75 000	-	75 000	growing season. However, total Group comprehensive income for the ye	ar declined by 52°	% from K9.9
Attributable to the parent Non-controlling interest	-		- 5 235 10 - (436 06		Chizumbi Primary School	(1)	(12.064)	-	-	(1)	billion in 2015 to K4.8 billion in 2016. This was mainly attributed to the o	lecrease in fair va	alues of some
Total			- <u>43606</u> - 47990		Department of Forestry	539	(13 964)	11 501	-	(1 924)	listed investments when compared to the fair value gains recorded in p	prior year. During	the year, the
			- 1000	000002	Disaster Relief Fund	10 005	-	-	-	10 005	Trust sold its entire shareholding of 30% in Indebank Limited to Nationa	Bank of Malawi	
STATEMENTS OF CHANGES IN RESERVES					Economics Association of Malawi	-	(2 999)	2 000	-	(999)			
For the year ended 31 March 2016					Gravity-fed Piped Water Scheme (Tikoliwe)	1 / 96		(1 496)			The difficult operating environment prevailing in the country at the mom	ent, particularly t	he high lend-
					Kalimaniira Health Centre	(250)	-	(1 490)	-	(250)	ing rates and the depreciation of the Kwacha, has had a significant n		-
GROUP				Association of the	Kamuzu Academy – National Science Fair	577	(60)	3 950	_	4 467	of Group, especially on the farming business in Press Agriculture Lim	0 1	
Fair value Fair value				Attributabl	Kamwendo Primary School Project	13 976	-	-	(13 976)	-	together with the Board of PAL have put in place firm measures to tu		
reserve reserve reserve on listed on unlisted		General	00	Non- to equit ntrolling holder of		63 796	(33 222)	-	-	30 574			
investments investments		fund	Total	interest parer	Mataplia Heath Ochte Hojeot	38 191 33 071	(23 310) (23 686)	47 853	-	62 734 9 385	Although PAL remains the single largest multiplier of various seeds in		
K'000 K'000		K'000	K'000	K'000 K'00	monongaatana oboo	(2 418)	(23 666)	3 000	(319)	5 305	serious working capital challenges due to the high cost of borrowing. I	•	
For the year ended 31 March 2015					Ministry of Education	2	(200)	-	-	2	has embarked on large scale production of commercial maize in order to		
At beginning of the year 24 162 674 12 980	3 706 231	(2.435.662) 2	25 446 223 (471 192) 24 975 03	1 Mothers Day Donations	110	(2.603)	3 000		507	food security for the country. In addition, as the world demand for the	legumes is stea	dily growing.

Fair value gain on available for sale finan Exchange differences on translating foreig TOTAL OTHER COMPREHENSIVE INCOME		_	3 413 518 963 837 4 377 355	8 541 7 160 6 8 841 8	748 3 37 693 96	71 327 8 53 837	703 649 160 693 686 169		Brought Forward from 2015 K'000	Disbursement K'000	Approvals accrued K'000	Completed Projects K'000	Carried Forward to 2016 K'000
TOTAL COMPREHENSIVE INCOME FOR The year		_	4 559 718	8 865	918 4 7	79 042 9	900 352	Chikonde II Primary School Project Chimwemwe Primary School Project Chisamba Dispensary Salima Project	49 262 38 793	(20 736) (44 874)	65 000 25 126 75 000	- - -	93 526 19 045 75 000
Attributable to the parent Non-controlling interest Total		_			- (43	36 063)	879 674 20 678 900 352	Chizumbi Primary School Department of Forestry	(1) 539	(13 964)	- 11 501	-	(1) (1 924)
STATEMENTS OF CHANGES IN RESERVE For the year ended 31 March 2016	25							Disaster Relief Fund Economics Association of Malawi	10 005	(2 999)	- 2 000 (1 496)	-	10 005 (999)
GROUP	Fair value	Fair value					Attributable	Gravity-fed Piped Water Scheme (Tikoliwe) Kalimanjira Health Centre Kamuzu Academy – National Science Fair	(250) 577	(60)	(1 496) - 3 950	-	(250) 4 467
	on listed investments K'000	reserve on unlisted investments K'000	Property revaluation reserve K'000	General fund K'000	Total K'000	Non- controlling interest K'000	to equity holder of parent K'000	Kamwendo Primary School Project Loudon Teachers Training Project Matapila Heath Centre Project Mchengautuwa CDSS Mileoa Health Centre	13 976 63 796 38 191 33 071 (2 418)	(33 222) (23 310) (23 686) (263)	- 47 853 - 3 000	(13 976) - - - (319)	30 574 62 734 9 385
For the year ended 31 March 2015 At beginning of the year	24 162 674	12 980	3 706 231	(2 435 662)	25 446 223	(471 192)	24 975 031	Ministry of Education Mothers Day Donations Mwenilondo CDSS Project	(2 418) 2 110 5 089	(2 603) (1 834)	3 000 - 3 000 -	(515) - -	2 507 3 255
Movement on disposal Deficit for the year Deferred tax Revaluation surplus	- - -	-	(391 208) - (785 370) 3 607 197	391 208 (1 785 817) - -	(785 370) 3 607 197	- 20 678 - -	- (1 765 139) (785 370) 3 607 197	Mzambazi Rural Hospital Naming'azi Primary School Project Mzuzu Flea Market Nanthomba Primary School Project Njini Health Centre Project	- 12 211 659	(50) (2 983) (2 241) (2 189)	1 500 32 500 - 1 630 67 000	- (9 970) (99)	1 450 29 517 - 1 67 000
Fair value surplus Attributable to equity holders of the parent	8 703 649 32 866 323	- 12 980	6 136 850	- (3 830 271)	8 703 649 35 185 882	(450 514)	8 703 649 34 735 368	Nkhoma University Project Nsenjere CDSS Project Nyungwe Health Centre Project	5 890 -	(1 072) (31 588)	52 000 67 000	-	4 818 20 412 67 000
For the year ended 31 March 2016 At beginning of the year	32 866 323	12 980	6 136 850	(3 830 271)	35 185 882	(450 514)	34 735 368	Operation Smile Pitala Primary School Project Police Dispensary Northern Region	66 - -	(13 065)	13 000 60 130 55 000 3 500	- -	1 60 130 55 000
Deficit for the year Deferred tax Realised gain on sale of listed equity		-	18 413	(225 007) - 327 443	(225 007) 18 413	(436 063) 1 160	(661 070) 19 573	Projects Monitoring and Evaluation(Projects Promotional Activities Pundu CDSS Project Put a Child on a Desk Programme	1 268) 6 767 - 15 146	(1 911) (29 339) (36 446) (13 173)	3 500 34 278 52 000	(1 900)	321 9 806 15 554 1 973
Revaluation surplus Translation gain Fair value surplus	963 838 3 371 327	-	650 472 - -	-	650 472 963 838 3 371 327	40 980 - -	691 452 963 838 3 371 327	Rebranding Malawi Thomasi Health Centre Usisya Rural Hospital	1 201 48 956 -	-	- 89 666 -	(1 201) - -	137 961
Attributable to equity holders of the parent	36 874 045	12 980	6 805 735	(3 727 835)	39 964 925	(844 437)	39 120 488	Sub-Total	341 866	(302 269)	765 634	(28 961)	776 270

PRESS TRUST SUMMARISED STATEMENTS OF CASH FLOWS

TRUST AND GROUP

food security for the country. In addition, as the world demand for the legumes is steadily growing, PAL is better positioned to take advantage of this market opportunity to steadily expand its operations.

The strategic focus for PAL is to expand production of legumes and then add value to the produce through processing. The Board of PAL and Trustees are therefore confident that PAL will exploit the export market for legumes and return to growth in the short term. Accordingly, PAL is actively seeking equity partners to jointly invest with it.

Any correspondence should be forwarded to the Executive Secretary at either of the following addresses:

Physical address
9th Floor
Kang'ombe House
City Centre
LILONGWE

Postal address Private Bag 359 Capital City LILONGWE 3 Tel: 01 772 844 Fax: 01 771 692 E-mail: presstrust@presstrustmw.co