





# RESULTS FOR YEAR ENDED 31 MARCH 2020

<<< ??

In August 2020, Mr. Randson Mwadiwa retired from the Board of Trustees of Press Trust and on 21st August 2020, Trustees unanimously appointed Hon. Sosten Alfred Gwengwe, MP as Ordinary Trustee to serve the Trust in his individual capacity. In terms of Section 6 (l) (i) of the Deed of Variation annexed to the PTR, the Chairperson of the Board of Trustees of Press Trust holds office for one year and is elected from amongst the Trustees at the Annual General Meeting (AGM) of the Trust. In line with this requirement, at the 23rd Annual General Meeting held on 9 October 2020 Trustees unanimously elected Mrs Audrey Mwala as the new Chairperson replacing Ms Linda Mzumara Phiri.

## Object of the Trust

The main object of the Trust is to make donations, grants and contributions to persons or institutions for charitable purposes which are in the interest and for the benefit of the people of Malawi including the advancement of their education, health, social welfare and housing (National Benefits Purposes (NBPs)).

To qualify for funding, a project must first of all fall within the NBPs. In addition, it must meet the following general criteria:

- Benefit a wider community;
- Be in line with the key focus areas of education, health, social welfare, housing, culture, good governance, skills and job creation or environmental conservation; and
- Be viable or self-sustaining.

## Project funding for the year ended 31 March 2020

During the year ended 31 March 2018, the Trust approved projects/donations and disbursed funds as follows in alphabetical order. The list of project funding and donations in alphabetical order is as follows:

	Brought from 2019 K'000	Disbursement K'000	Approvals accrued K'000	Completed Projects K'000	Carried forward to 2020 K'000
Balabanthi Junior Primary School Project	-	-	79 000	-	79 000
Chikunkha Primary School Project	6 721	(1 938)	70 000	-	74 783
Chilimba Police Unit Project	55 130	(24 729)	-	-	30 401
Chinyaza Primary School Project	-	-	40 000	-	40 000
Chisamba Dispensary Salima Project	97 813	(118)	-	-	97 695
Department of Forestry	-	(1 915)	5 000	-	3 085
Disaster Relief Fund	887	-	10 000	-	10 887
Dowa Secondary School Project	38 163	(32 230)	-	-	5 933
Dzaleka Secondary school (Life Jacket Project)	280	-	-	(280)	-
Engucwini Primary School Project	-	-	82 000	-	82 000
Hospital Equipment/Ambulances Donations	130 259	(135 650)	5 420	-	29
Kamuzu Academy – National Science Fair	2 073	(8 566)	10 000	-	3 507
Malembo Health Centre LL Project	90 000	(52)	-	-	89 948
Manjawira Health Centre OPD Project	-	-	65 000	-	65 000
Matapila Health Centre Project	6 545	-	-	(6 545)	-
Mathandani CDSS project	69 294	(55 892)	-	-	13 402
Mchengautuwa CDSS	(1)	-	-	-	(1)
M'buka Primary School Project	-	-	81 000	-	81 000
Ministry of Education	8 378	(8 302)	55 000	-	55 076
Mother's Day Donations	1 282	(10 136)	11 500	-	2 646
Mulanje Vocational and Rehabilitation Centre Project	54 052	(422)	-	-	53 630
Mpiri Secondary School	67 162	(37 744)	-	-	29 418
Nalikule College of Education Project	30 000	-	-	-	30 000
Namaso-bay Primary School Project	32 805	(29 361)	10 631	-	14 075
Njale Health Centre Project	-	(111)	63 500	-	63 389
Njimi Health Centre Project	41 088	(23 071)	-	-	18 017
Nsamba Primary School Project	37 211	(32 732)	-	-	4 479
Ntaja Health Centre Project	-	-	82 500	-	82 500
Nthalire Health Centre	-	-	100 000	-	100 000
Nyungwe Health Centre Project	32 624	(32 804)	-	-	(180)
Operation Smile	11 206	(26 019)	15 000	-	187
Phalombe TTC College Project	4 609	(2 000)	-	(2 610)	(1)
Pitala Primary School Project	6 872	(2 201)	-	-	4 671
Police Dispensary Northern Region	95 936	(16 725)	-	-	79 211
Projects Monitoring and Evaluation	(1 856)	(111)	1 966	-	(1)
Press Trust Merit Bursary	-	(32 566)	32 566	-	-
Projects Promotional Activities	9 838	(20 930)	38 000	-	26 908
Put a Child on a Desk Programme	51 646	(36 407)	-	-	15 239
St Peter's Hospital-Likoma Project	1 483	(1 466)	-	(15)	2
Stop Child Marriages (STOM)/DCA- Nichisi Project	-	(11 590)	11 590	-	-
University of Blantyre Synod	30 000	(21 351)	-	-	8 649
Thomasi Health Centre	137 961	-	-	(137 961)	-
Sub-Total	1 149 461	(607 139)	869 673	(147 411)	1 264 584

To qualify for funding, a project must first of all fall within the NBPs. In addition, it must meet the following general criteria:

- Benefit a wider community;
- Be in line with the key focus areas of education, health, social welfare, housing, culture, good governance, skills and job creation or environmental conservation; and
- Be viable or self-sustaining.

## GROUP FINANCIAL REVIEW

The Press Trust Group is made up of two (2) subsidiaries, namely, Press Trust Overseas Limited (an investment company) and Press Agriculture Limited (an agricultural company). Press Trust has significant investments in five (5) companies namely Press Corporation Plc, Blantyre Hotels Plc, Kang'ombe Investments Limited, Continental Holdings Limited and Mwaiwathu Private Hospital Limited. Furthermore, Press Trust has also invested widely on the Malawi Stock Exchange.

The Board is pleased to announce the results of the Group for the year ended 31 March 2020. Total income of the Group declined by 9% from K2.552 billion in 2019 to K2.334 billion in 2020 mainly due to underperformance of Press Agriculture Limited (PAL). The total group comprehensive income for the year declined by 68% from K36.148 billion in 2019 to K11.511 billion in 2020. This downward movement in comprehensive income for the group was mainly due to a drop in the reported fair value gains on listed investments as compared to prior year and also due to a loss of K2.032 billion reported by PAL. The group incurred a deficit of K1.607 billion (2019: K1.079 billion) and the Trust realised a surplus of K488 million (2019: K645 million) during the year ended 31 March 2020. As at that date, the Group had net current liabilities of K3.135 billion (2019: K2.226 billion) and the Trust had net current assets of K496 million (2019: K1.109 billion). The Group had accumulated deficit of

K5.503 billion (2019: K3.986 billion) and the Trust had accumulated surplus of K5.877 billion (2019: K4.894 billion).

## PROSPECTS

The Trust's subsidiary, Press Agriculture Limited (PAL), continues to face serious financial and technical challenges. In view of this, Trustees continue to provide support to the company and have appointed a transaction advisor to help with the search and identification of strategic equity partners. As part of the recapitalisation efforts, Trustees resolved during the year that PAL's indebtedness with Press Trust and Press Trust Overseas Limited should be converted into equity. The additional capital injection will be applied towards organisation restructuring and investments in irrigation infrastructure, farm equipment, warehousing facilities, and processing facilities. In the medium term, the company plans to start adding value to its produce targeting mainly the export market. The Board of PAL and Trustees therefore remain optimistic that PAL will in the medium term turnaround its fortunes and return to growth.

## IMPACT OF COVID-19

The COVID-19 pandemic has had a significant impact on the activities of the Trust. All social development work was suspended from April 2020 until September

2020. As such, the Trust has not been able to properly respond to the needs of the communities across the country. However, project implementation and appraisal has now resumed amidst strict adherence to COVID-19 prevention measures. On the commercial side, the Trust is projecting shrinking income streams going forward as most of its investment companies are struggling to do business during the pandemic. As a direct result of the sluggish business environment, the Trust has already started recording capital losses on some of its listed investments. Transactions to recapitalise Press Agriculture Limited are delaying mainly because prospective investors could not visit the country during the lockdown, which was coupled with the travel bans around the world. Nevertheless, the Trust remains optimistic that it will continue diligently serving Malawians as businesses and countries adapt to the new "normal" working environment.

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

<b>Physical address</b>	<b>Postal address</b>
<b>9th Floor</b>	<b>Private Bag 359</b>
<b>Kang'ombe House</b>	<b>Capital City</b>
<b>City Centre</b>	<b>LILONGWE 3</b>
<b>LILONGWE</b>	<b>Tel: 01 772 844</b>
	<b>Fax: 01 771 692</b>

E-mail [presstrust@presstrustmw.com](mailto:presstrust@presstrustmw.com)