PRESS TRUST

Further Together

Press Trust Review

2018 - 2021

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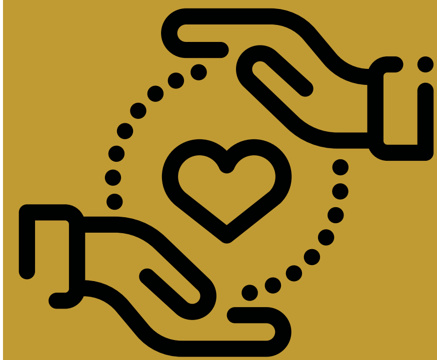
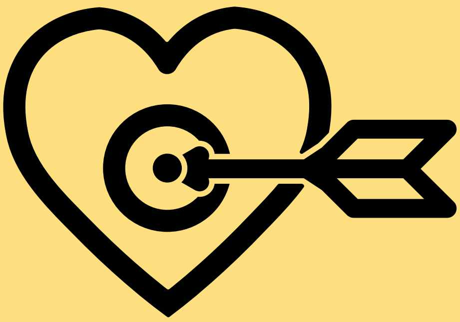


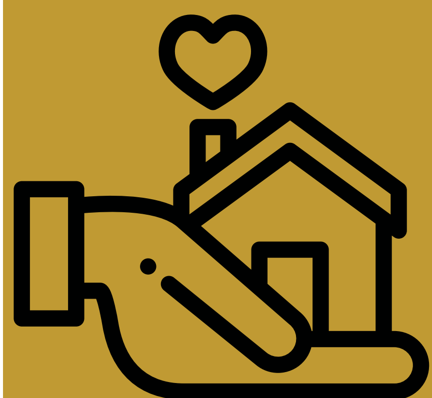
OUR VISION

A leading development catalyst in Malawi.



OUR MISSION

Investing in the productive sectors of the economy and help the country achieve sustainable socio-economic development.



OUR GOAL

Ensuring that ultimately, all communities in Malawi benefit socially and economically from the Trust fund.

OUR VALUES

In the execution of our mandate, Press Trust upholds and espouses the following values:

Accountability: We take full responsibility for the decisions and commitments we make, the actions we take and the outcomes of our efforts. We sincerely believe and accept that our performance will be judged on these.

Transparency: We always try to reach decisions by following clear and visible procedures and processes. Our consensus Board approval method is rigorous and as fair and unbiased as is humanly possible. We believe in providing clear information in our reports regarding the position and performance of the Trust.

Integrity: We always act honestly and openly and we are trustworthy and consistent in all that we do. We act fairly in accordance with the law and principles of good corporate governance and we uphold the highest ethical standards.

Mutual respect: We believe in fair play and mutually beneficial relationships. We treat others as we would like to be treated and we continuously learn from the strength of our diversity. We actively listen to others and recognize that everyone has a contribution to make.

Professionalism: We execute our mandate with consistent competence, dependability, responsibility and due diligence in a responsive manner.

Innovation: We are open to new ideas, embrace change, and take disciplined risks to develop sustainable social–economic development solutions for all Malawians. We are committed to implementation of evidence based solutions founded on research and well tested ideas.

CHAIRPERSON'S STATEMENT

Press Trust has continued to diligently carry-out its mandate of supporting socio-economic development efforts in the country for close to a quarter of the century now. It therefore gives me great pleasure to report that over the past 24 years, the Trust has not only fulfilled its philanthropic mandate but in doing so, it has also demonstrated its prominent role in the private sector as a true development catalyst for our country. From the time Press Trust established its permanent Secretariat in Lilongwe in 1997 following its reconstruction through the enactment of the Press Trust Reconstruction Act (PTRA) in 1995, successive Trustees have made judicious choices that have not only safeguarded the trust fund but have also seen it grow and expand. It is that solid foundation that gives me great joy to present to you, my fellow citizens, our Report for the four (4) year period from 1st April 2017 to 31st March 2021.

OPERATING ENVIRONMENT

The period under review was undoubtedly one of the most challenging for Malawi. The country's economic performance plummeted significantly from a GDP growth rate of 4% in 2017 to 0.6% recorded in 2020. The COVID-19 pandemic has been the most devastating to both social and economic sectors. Trustees are rather disappointed that the vaccination rates in the country for the eligible population are extremely low which sadly suggests that the pandemic will linger around in Malawi for some time. This development is a major setback to foreign direct investment, trade and domestic economic and social activities.

Prior to the onset of COVID-19, the country was hit hard by cyclone Idai which partly decimated agricultural output, the main stay of the country's economy. Nevertheless, Trustees are pleased that despite the tense political situation during both the General Elections in 2019 and later, the Fresh Presidential Elections in 2020, the country has emerged much stronger. The citizenry is obviously pleased with the focus of the new Government in tackling corruption, implementing reforms and rebooting the economy through implementation of sound fiscal and monetary policies. Trustees remain confident that these initiatives will bear fruit and the country will return to tangible economic growth in the shortest period possible. I therefore wish to reiterate that Press Trust stands ready to support the Government in this endeavour by continuing to invest in the productive sectors of the country and in the process, take a leading role in the private sector led growth objectives of the country.

PERFORMANCE

The main object of the Trust is to apply the income of the Trust to such charitable purposes as are in the interest, for the benefit and for the development of the people of Malaŵi. Our goal as Trustees which we are pursuing relentlessly is to ensure that ultimately, all communities in Malawi should benefit from the trust fund through the Trust's socio-economic development programmes. In that respect, I am proud that during the period under review, the Trust donated close to 60% of its net income to charitable causes aimed at correcting social ills in our country. The guidance in the PTRA is that the Trust should be donating at least 50% of its net income in any one financial year. By surpassing that target, Trustees have once again demonstrated their continued passion to support more communities in their social development work.

The Board hereby announces the results of the Group for the year ended 31 March 2021. Total income of the Group declined by 9% from K2.334 billion in 2020 to K2.133 billion in 2021 mainly due to the underperformance of Press Agriculture Limited (PAL) and the impact of the COVID-19 pandemic on some investments. The total group comprehensive income for the year declined by 131% from a surplus of K11.511 billion in 2020 to a group comprehensive deficit of K3.593 billion in 2021. This downward movement in comprehensive income for the group was mainly due to fair value losses on listed investments as compared to prior year and also due to a loss of K2.153 billion reported by PAL. The group incurred a deficit of K1.564 billion (2020: K1.607 billion) and the Trust realised a surplus of K595 million (2020: K488 million) during the year ended 31 March 2021. As at that date, the Group had net current liabilities of K1.859 billion (2020: K3.135 billion) and the Trust had net current assets of K515 million (2020: K496 million). The Group had accumulated deficit of K6.932 billion (2020: K5.503 billion) and the Trust had accumulated surplus of K6.472 billion (2020: K5.877 billion).

On a very positive note, it is pleasing to note that the net worth of the Trust Fund recorded in the Balance Sheet actually grew year-on-year by an average of 24% from K44.7 billion in 2018 to K94.4 billion as at 31st March 2021. This was largely on account of capital gains recorded on listed equity securities. In addition, the Trust managed to mobilise and invest an additional K4.33 billion during the reporting period to strengthen and grow the Trust Fund.

STRATEGIC DIRECTION

Press Trust is in the middle of implementing its 5-Year Strategic Plan to 2024 which identifies five (5) strategic goals, namely: increasing the income base of the Trust; contributing towards improved access and quality of education; contributing towards improved health of the population; improving social development programming; and strengthening institutional capacity. In terms of the first goal of increasing the income base, a lot of work has already been done in terms of divesting from non-performing investments, investing in new asset classes like treasury notes and mobilising funds from partners in social development work. The Trust is actually working with a number of local companies and foreign aid organisations in order to expand its social development programmes and in doing so, strengthening the Trust's own programming capacity to handle various partnerships. The Executive Secretary's report has a lot more detail on our partnership programmes.

The strategic goals in the social sectors of education and health are targeting all levels of education (primary, secondary schools & tertiary), and child and maternal health respectively. Under human capital development, Malawi's Vision 2063 recognises that *".....a highly youthful population in Malawi makes its people the greatest source of wealth. Developing human capital through **education, skills and health** of the population plays a pivotal role in the transformation of the economy. Currently, a majority of the youth do not have the requisite skills or financial capabilities to support the development agenda of the country. With the capacity of our citizenry developed……"* Press Trust is working closely with Government to ensure that the goals under human capital development are realised by the country. In that respect, the Trust has made a decision that two-thirds (66%) of its donations for the next 5 years will be focussed on these two (2) sectors, education and health. In addition, the cross-cutting issues such as water supply, sanitation and hygiene (WASH) have been included in development programming. For example, every school or health facility that we establish or expand has to have potable water supply, sanitation facilities and promote good hygiene practices.

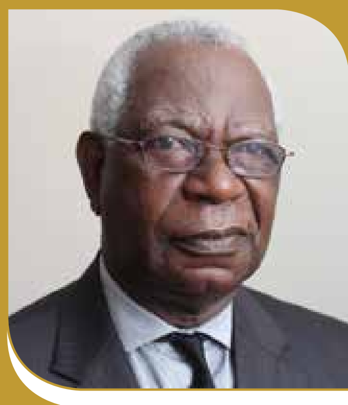
The most important pillar in the strategic plan is to reform Press Trust under the goal of strengthening institutional capacity. The PTRA as an enabling legislation for the Trust has some limitations which are restricting the Trust from meaningfully taking advantage of the opportunities available to it. After 24 years of religiously implementing the enabling law, Trustees have presented areas of possible reform to Government for consideration to amend the PTRA. I am pleased to report that so far, the consultation processes at every level of Government and civil society have been very encouraging and Trustees are hopeful that the National Assembly will see merit in the proposed amendments and enact same into law to enable the Trust fully implement its vision of being the leading development catalyst in Malawi.

BOARD OF TRUSTEES

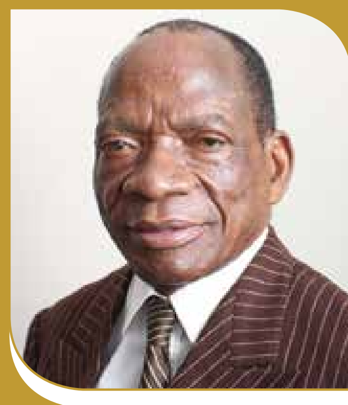
Trustees carry an enormous responsibility of administering Press Trust. I would therefore like to express my sincere gratitude to the exceptional individuals and colleagues who have served as Trustees during the past four (4) years and have demonstrated at all times the wisdom and maturity which justified their appointment. I should admit, I have learnt a lot from them all during the time I have been on the board. I make special mention of the following Trustees: late Mr. Mayer Chisanga, SC, Eng. Wilson Chirwa and Ms. Linda M. Phiri who served as Chairpersons of the Trust in that order for the past three (3) years from 2017 to 2020. Indeed, during their tenure of offices, the said Trustees guided the Trust diligently through some very difficult times.

It is with deep regret that Press Trust records the death of late Mr. Mayer Chisanga, SC in 2019. Senior Counsel Chisanga joined the Board of Trustees of Press Trust in February 2016 and assumed Chairmanship of the Trust sixteen (16) months later in July 2017. Late Trustee Chisanga, SC was extremely courageous and very patriotic and for that, he is truly missed. It is with the same sadness that Press Trust records the passing of former Trustees late Mr. Tony Kandiero and late Dr. George Kayambo, both of whom had retired from the Trust in 2016 after twelve (12) years of diligent service on the board. The two former Trustees had unique historical perspectives of the Trust and its founder, and were very orderly. May the souls of the three (3) former Trustees continue to rest in eternal peace.

MR. MAYER CHISANGA, SC



MR. TONY KANDIERO



DR. GEORGE KAYAMBO

I would also like to welcome to the Board of Trustees of Press Trust Mr. Symon Msefula, Prof. Moses Maliro, Mr. Stephen Matenje,SC and Hon. Sosten Gwengwe, MP. These Trustees replaced the following former Trustees respectively: Mr. Jim Nsomba, Mrs. Nancy Tembo, late Mr. Mayer Chisanga, SC and Mr. Randson Mwadiwa. After serving the Trust for close to three (3) years from August 2017, Trustees decided to re-assign Mr. Mwadiwa to Press Corporation Plc in July 2020 where they felt his skills were much more needed. I am pleased to report that despite the above changes on the board, the new Trustees have quickly settled into their roles and are working very well together as a team. I look forward to many more years of their wise counsel and sound leadership.

As indicated in the Corporate Governance Statement, the Trust continued to voluntarily comply with the international guidelines on corporate governance over the period. All Board Committees comprising Human Resources, Finance and Audit, and Operations, Risk, Investments and Compliance were very active throughout the period and fulfilled their various mandates with exemplary professionalism. More importantly, Trustees continued to comply with the PTRA.

It is necessary to always record of the Trustees that their efforts and dedication to the task in hand go unrewarded in any way, save the satisfaction derived by them in serving their country at a very high level. The legal reforms are partly being pursued with a view to even greater motivation at board and individual Trustee level, apart from positioning the Trust for even greater latitude in our portfolio handling.

MANAGEMENT AND STAFF

The success of any organisation largely depends on the calibre and competence of its management team and members of staff. The success of Press Trust is by no means an exception in this regard. During the period under review, there were two (2) changes in the executive leadership of the Trust. Trustees would like to record their profound gratitude to the former Executive Secretary, Mr. Patrick D. Mhango, who retired in June 2017 after diligently serving the Trust for thirteen (13) years from 2004; first as Head of Operations and the last three (3) years as Executive Secretary.

In November 2017, Trustees recruited Mr. Gibson Ngalamila from within the Trust to the post of Executive Secretary. Before his appointment to the executive leadership position, Mr. Ngalamila had served the Trust in various capacities for fourteen (14) years. The new Executive Secretary has championed the formulation of the strategic plan which is currently under implementation. Trustees are therefore confident that with his vast knowledge of the Trust coupled with the support from both the board and members of staff, he will continue to protect and grow the trust fund.

The second executive change was in the office of the Head of Operations. In 2018, the Trust recruited Mr. Amos Zaindi on that post but unfortunately, he only served for a little over two (2) years to April 2020 before leaving the Trust. He is now a Country Director for an international NGO. Later the same year in October 2020, the Trust recruited Mr. Chikondi Maleta, an economist, as Head of Operations and he has so far settled in well.

Over the past four (4) years, the Executive Secretary with a staff complement of only thirteen (13) members have continued to implement the wishes, instructions and resolutions of Trustees with exemplary dedication to a unique task. Most significantly, it is pleasing to note that they continue achieving their work targets with a remarkable degree of success. I thank them most sincerely for their energetic pursuit of our mandatory targets.

FUTURE PROSPECTS

The country and indeed the world is emerging from the COVID-19 pandemic and Trustees are excited with the new opportunities that this new normal has brought with it. I am particularly pleased that the Trust remains financially very strong and liquid and has already started picking up new investment opportunities in the financial services sector. Trustees are hopeful that, with the continued implementation of the Strategic Plan, the nation will continue to see the true manifestation of the principles of democracy, transparency and accountability, on which the Trust was founded. I therefore look forward with renewed hope and optimism that together with my fellow Trustees, the Trust will meaningfully contribute towards the attainment of national development goals and, in doing so, continue to being of real service to our fellow citizens of Malawi.

AUDREY MWALA (MRS.)
CHAIRPERSON
31st March 2021

TRUSTEES FRONT FROM LEFT:

Eng. Wilson T. M. Chirwa, Hon. Sosten Alfred Gwengwe, MP, Ms Linda M. Phiri, Mrs. Audrey Mwala - Chairperson, Mr Symon W. Msefula, Prof. Moses F. A. Maliro, Mr. Stephen D. T. Matenje, SC


Keep this window open

TRUSTEES

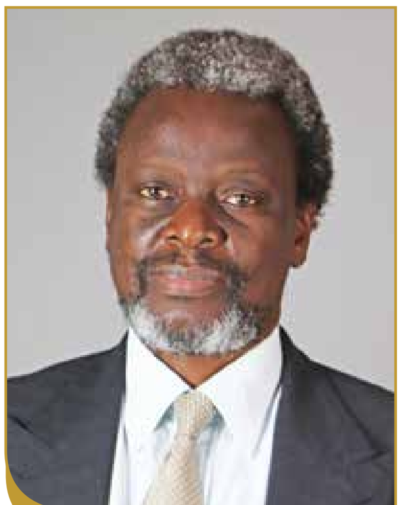
MRS AUDREY MWALA - CHAIRPERSON

Mrs Audrey Mwala is the founder of Sycamore Credit Limited, a budding entrepreneurship and leadership training firm in Malawi. Mrs Mwala spent most of her career working for the Public Private Partnership Commission (PPPC) in various capacities for 25 years from 1996, eventually rising to Director of Project Finance & Risk Analysis before retiring in 2021. She holds an MBA and a Bachelor of Accountancy, both from the University of Malawi which she obtained in 2007 and 1994 respectively. She is a Fellow of the Chartered Institute of Management Accountants (CIMA). Mrs Mwala is a professional accountant, duly registered with both the Malawi Accountants Board and the Institute of Chartered Accountants in Malawi (ICAM). She has also attended various finance and management related courses.

Mrs Mwala brings valuable experience to the Board of Press Trust having served as non-executive director on the boards of NBS Bank, Inde Fund, Alliance Capital, Umodzi -The President Walmont Hotel and Sukambizi Trust. She is extremely passionate about carrying out charitable work and she founded and runs The Safe Home, a charity set up to help street children.

Mrs Mwala has presented technical papers on various aspects of Public Private Partnerships (PPPs) at a number of conferences around the world. She has actively participated in PPP policy development in Malawi. She was appointed to the Board of Trustees of Press Trust in August 2016.

Eng. WILSON T. M. CHIRWA



Eng. W.T.M. Chirwa is a selected registered engineer with the Malawi Board of Engineers and is currently the Managing Partner of WTM Chirwa & Associates, a civil engineering consultancy firm. He holds a Bachelor of Science Degree in Civil Engineering obtained from the University of Malawi in 1983. Eng. Chirwa has also attended various courses related to his technical field and is a practicing Arbitrator with the National Construction Industry Council (NCIC). As part of his professional work, Eng. Chirwa has authored three books which are currently used for training both undergraduate and graduate students in the built environment programmes.

Eng. Chirwa has enormous experience that has seen him appointed non-executive director to several boards including Medical Aid Society of Malawi (MASM) as Vice Chairman, Michiru Pharmacies as Chairman, Roads Authority, NICO Asset Managers and Northern Region Water Board. In addition, Eng. Chirwa has also served as a committee member of key professional bodies in Malawi including Malawi Board of Engineers, Malawi Institution of Engineers, Association of Consulting Engineers of Malawi (as President), National Construction Industry Council (NCIC), Malawi Bureau of Standards and Town Planning Committee of Blantyre City Council.

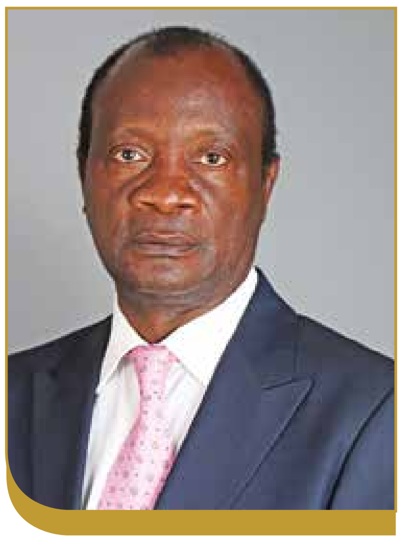
He was appointed to the Board of Press Trust in February 2016.

MS. LINDA M. PHIRI

Ms. Linda Phiri is the former Chief Executive Officer (CEO) of the National Construction Industry Council (NCIC). She served in that executive leadership position from September 2008 to mid 2021. Before becoming CEO, she worked in finance related roles in various organisations including TEVET Authority, MUSCCO Ltd, First Merchant Bank (FMB) and Mwenelupembe, Mhango & Company (Public Accountants). Ms. Phiri is a professional accountant, duly registered with both the Malawi Accountants Board and the Institute of Chartered Accountants in Malawi (ICAM). She obtained her Bachelor of Accountancy at the University of Malawi in 1996 and in 2009, she earned her Masters of Business Administration (MBA). She is a Chartered Global Management Accountant (CIMA).

Ms. Linda Phiri has served as a non-executive director on a number of boards including the New Finance Bank and Millennium Challenge Account - Malawi. She was Malawi's representative on the International Advisory Group of the Construction Sector Transparency Initiative (CoST) between 2008 and 2010. She also served as a member of the Advisory Panel of the Construction Sector Transparency Initiative (CoST).

Ms. Linda Phiri was appointed to the Board of Trustees of Press Trust in August 2016.



MR. SYMON W. MSEFULA

Mr. Symon W. Msefula is an accomplished banker and financial specialist having worked in development, investment and commercial banking roles for over 22 years. He has worked for financial services companies in Malawi, United States of America, Zimbabwe and South Africa. He holds a Bachelor's Degree in Economics from the University of Malawi and a Master of Science in Finance obtained from the Strathclyde University in Scotland. He served as Chief Executive Officer for Malawi Stock Exchange from July 2002 to March 2015 when he retired from employment.

Mr. Msefula brings to the Board of Press Trust extensive governance experience having served on various Boards including Lafarge Holcim Limited (as Chairman), ECOBANK, NICO Asset Managers Limited, Malawi Accountants Board, National Construction Industry Council, Malawi Export Promotion Council, Habitat for Humanity International, Committee of SADC Security Exchanges and many others. Mr. Msefula has also served as an advisor to both the Rwandese Government on setting up the Rwanda Stock Exchange from 2012 to November 2013 and the Malawi Government on Government Bond Issuance and Trading Programme from 2011 to 2015. He has served in various advisory committees of public interest.

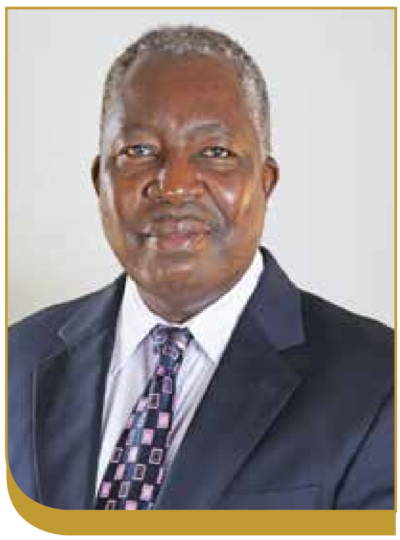
He was appointed to the Board of Press Trust in June 2017.

PROF. MOSES F.A. MALIRO

Prof Moses F.A. Maliro is a Professor of Plant Breeding and Genetics, a faculty member in Crop and Soil Sciences (CSS) Department under Faculty of Agriculture at the Lilongwe University of Agriculture and Natural Resources (LUANAR). He attained a Diploma and a Bachelor's degree in Agriculture, and MSc. in Agronomy from the University of Malawi. He acquired his PhD in Agriculture and Food Systems at University of Melbourne in 2007. He has 24 years of experience in lecturing, research and supervision of postgraduates (MSc. & PhD students) starting as a staff associate and rising through the ranks to Professor.

Prof. Maliro has served as a Deputy Head in the CSS Department, a member of Postgraduate Committee, as a Senator in the University, and also on various technical committees in the Department of Forestry and Environmental Affairs under the Ministry of Natural Resources, Energy and Mining. He is currently a member of the University's Academic Policy and Planning Committee. He also has extensive research experience in plant breeding with focus on screening and evaluation of legumes (chickpea & greengram), the emerging and nutritious crops (quinoa & Chia) and potatoes. In addition, he has authored numerous peer reviewed research papers and book chapters in his related field.

He was appointed to the Board of Press Trust in August 2017.



MR. STEPHEN DICK TENNYSON MATENJE, SC

Mr. Stephen D.T. Matenje SC is a seasoned independent legal consultant with vast experience in the legal profession. He graduated with Bachelors of Law with Honours in 1980 from the University of Malawi and thereafter obtained his Master of Arts in Business Law degree in the United Kingdom in 1988. He also holds a Diploma in International Law from the University of London obtained in 1983 and a Certificate in Legislative Drafting which he obtained in 1986. He was appointed Senior Counsel (S. C.) by the President of Malawi on 18th May 2004.

Mr. Matenje SC started his career with the Ministry of Justice in 1980 as State Attorney, and gradually rose up the ranks to Solicitor General, serving in that capacity from 1995 to 2006. He was then posted to the Permanent Mission of Malawi to the United Nations in New York as Ambassador and Permanent Representative of Malawi to the United Nations. In 2010, Mr. Matenje SC was posted to the Embassy of Malawi to the United States of America, Washington DC as Ambassador Extraordinary & Plenipotentiary of Malawi to the USA on residential basis and to the Bahamas, Canada, Cuba, Dominican Republic, Mexico & Puerto Rico on a non-residential basis. He served in that capacity for 5 years and then retired from public service.

Mr. Matenje SC has served in over twenty (20) local and international boards and committees throughout his career. Some of these include: Chairperson of Association of Retired Principal Secretaries, Vice President of International Eye Foundation (USA), Member of the Advancing Girl Education in Africa (AGE Africa), Member of the Partnerships to Cut Hunger and Poverty in Africa (USA), Member of the Council of Legal Education in Malawi, Member of the National Council of Safety and Justice, among many others.

He joined the Trust in June 2019.

HON. SOSTEN ALFRED GWENGWE, MP

Hon. Sosten A. Gwengwe MP is an active politician and currently serves as Member of Parliament for Lilongwe Msonzi North. His political career started in 2009 when he was first elected as Member of Parliament for Dedza Central Constituency. Hon. Gwengwe served as Chairman of the Budget Committee of Parliament between 2017 and 2019. Hon Gwengwe has also served in the cabinet in various capacities and ministries including Ministry of Transport and Ministry of Industry and Trade. He is currently serving as Minister of Trade. Due to his ministerial position, Hon. Gwengwe serves in the Cabinet Committee on the Economy and the Cabinet Committee on Public Private Partnerships.

Outside politics, Hon. Gwengwe is a Chartered Management Accountant (CIMA) with more than 20 years' experience in both the public and private sector. He possesses a Bachelor of Accountancy obtained from the University of Malawi (The Polytechnic) and Master of Business Administration (Finance) from Oxford Brookes University of the United Kingdom.

Hon. Gwenge is also passionate about education. He has taught various Business Management courses at London Vocational, Management and Training Business School (an Emile Wolf College). In Malawi, he established Dzuka Girls Secondary School, Dzuka Girls Primary School, Dzuka Private Academy, Alice Gwengwe Foundation, Sosten Gwengwe Foundation and Gwengwe Private Academy.

Hon Sosten A. Gwengwe, MP was appointed to the Board of Trustees of Press Trust in August 2020.

MR RANDSON P. MWADIWA

Mr Randson P. Mwadiwa is a retired civil servant with over 39 years of public sector experience. He retired from Government in August 2016 while serving as Principal Secretary Responsible for Performance Enforcement in the Office of the President and Cabinet. He worked as Principal Secretary in various ministries for thirteen years, notably from 2006 to 2009 when he served as Secretary to the Treasury. He has also served on various Boards by virtue of being a Principal Secretary.

Mr Mwadiwa holds a Bachelor's degree in Public Administration obtained from the University of Malawi in 1978. He later acquired two Master's degrees in Public Administration and International Affairs from the Ohio University in the USA in 1986. Mr Mwadiwa has also worked on numerous consultancy assignments with strategic national and international partners including World Bank and UNDP. He has led several technical teams including; The Project Preparation Team for Malawi Social Action Fund (MASAF III), Technical Team on the Establishment of the Medium Term Expenditure Framework (1995-1996), and Government Negotiating Team on Collective Bargaining with Civil Service Trade Union (1998-2005). Throughout his career, Mr Mwadiwa has travelled extensively to Southern Africa, Europe, the Americas and India.

He was appointed to the Board of Press Trust in August 2017 and retired in June 2020.

STAFF MEMBERS

FRONT ROW FROM LEFT:
Johannes Kumpata, Sherry Dukes, Ruth Banda, Stella Chuthi, Yanjanani Tambala

SECOND ROW FROM LEFT:
Elias Malion, Luke Kauka, Cecilia Chisale

LAST ROW FROM LEFT:
Gibson Ngalamila, Chikondi Maleta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MANAGEMENT

Mr Gibson Ngalamila
Executive Secretary

Mr Chikondi Maleta
Head of Operations

Mr Elias A. Malion
Head of Finance and Administration

Ms Maliam Mdoko-Kapyepye
Projects Manager

Mrs Stella Chuthi
Administration Manager

EXECUTIVE SECRETARY'S REPORT

ECONOMIC REVIEW

As summarised by the Chairperson, the operating environment over the last four (4) years was very challenging indeed. Apart from the devastating impact of the COVID-19 pandemic on the GDP growth rate, there has also been pressure on the Malawi Kwacha exchange rate, reflecting scarcity of foreign exchange due to weak export performance. Headline inflation declined from 11.5% in 2018 to 8.6% in 2021. On a positive note, the policy rate was cut in the year 2020 by 1.5 percentage points to 12%. This was part of the continued response to the pandemic by monetary authorities. The reduction in the cost of borrowing has certainly helped subsidiary and investment companies of the Trust to contatin the financing costs.

OPERATIONS OVERVIEW

The operations of the Trust remain twofold, namely, managing and growing the commercial investments comprising the trust fund and fulfilling its philanthropic mandate through supporting the country's social development programmes. The enabling legislation for the Trust, the Press Trust Reconstruction Act, 1995 (PTRA) clearly spells out the role of Trustees regarding both commercial investments and social development projects. It is pleasing to report that during the past four (4) years, the Trust managed to mobilise K7.7 billion to fund operations of the Trust. Out of those funds, 56% or K4.3 billion was reinvested in order to strengthen the trust fund. The balance of K3.4 billion was committed to fund 57 new social development projects across the country.

INVESTMENTS

The Trust generates donor capabilities from its commercial investments both in equity securities and on the money market. The main strategic goal of the Trust has been to generate a regular and reasonable income stream by adopting a prudent approach towards investment activities and to generate steady and real capital and income growth while at the same time safeguarding the stability of the Trust.

In light of the tough operating environment, some of our investments underperformed, notably the manufacturing and farming businesses. On the other hand, our investments in the financial services sector continued to show great resilience and performed remarkably well, with the Trust benefiting from increased returns both in form of dividends and capital gains.

CDHIB Head Office.

Owing to prolonged underperformance with a huge debt burdern, the Trust completely divested from Illovo Sugar (MW) Plc in 2019 and realised K2.5 billion. These proceeds together with K1.8 billion of retained earnings amounted to K4.3 billion available for reinvestment. Indeed, the Trust supported the Initial Public Offer (IPO) of ICON Properties Plc in 2019 by acquiring a 2.6% stake at K1.5 billion. Apart from dividend income which the Trust has received over the past two (2) years, the investment in ICON is now worth K2.1 billion as at 31st March 2021, representing a 40% capital growth. During the 2020 financial year, the Trust also supported its indirect investment company, CDH Investment Bank (CDHIB), in raising capital to meet the minimum capital requirement which was set by the regulator. As such, Press Trust invested K350 million in preference shares issued by CDHIB. I am pleased to report that CDHIB posted strong results for its year to December 2020 to the extent that subsequent to 31st March 2021, it redeemed 56% of the preference shares.

For strategic and business reasons, the Trust continued to invest in Press Corporation Plc (PCL) during the reporting period. As at 31st March 2021, the Trust had increased its stake in PCL by 1.5% to 46.2% by investing an extra K2.27 billion in the company. The Trust remains the single largest investor in PCL and it is in the best interest of the Trust to see PCL continue to be strong and successful. Apart from providing services and helping grow the economic sectors of the country, PCL and its subsidiaries provide life long employment opportunities to thousands of Malawians. Trustees believe that PCL can do even more if it is well supported. Subsequent to year end, the Trust's stake in PCL is at 47.1%.

True to its role as a development and investment catalyst, the Trust helped to establish a new asset management firm in the country, Bridgepath Capital Ltd (BCL). The Trust took up a 21.65% stake in BCL and invested K20 million in the process. This was done to help three (3) local entreprenuers realise their dream of investing in the financial services sector. The Trust is the anchor institutional investor in BCL.

The Trust continues to invest in listed securities whenever such opportunities arise. During the reporting period, the Trust invested K63 million by acquiring additional shares in National Bank of Malawi Plc (NBM).

Money market investments are an important source of income for the Trust. As at 31st March 2021, the Trust had K2.2 billion invested in various short term money market products. On average, investment income comprises 12% of total income of the Trust. However, subsequent to year end, the Trust has invested in a 5-Year Treasury

Note with a face value on maturity of K1.7 billion and with an annual retun of 20.25%. This instrument is expected to significantly boost investment income in the years to come.

Press Trust has also maintained its investments abroad through its wholly-owned subsidiary, Press Trust Overseas Limited (PTOL) which mainly acts as a hedge against constant depreciation of the Malawi Kwacha. As of 31st March 2021, PTOL was valued at K2.2 billion.

Press Trust continued to support its subsidiary, Press Agriculture Ltd (PAL), especially in searching for long term equity investors. There are strong prospects that a joint venture agreement will be reached with one of the potential investors who would like to set up a US$100 million project on selected estates in PAL. If it materialises, this investment has the potential of significantly changing the agriculture export base for the country and it is also expected to create thousands of permanent jobs.

Going forward, the Trust will continue actively reviewing the investment portfolio comprising the trust fund in order to generate maximum returns from it. The table and a pie chart below summarise the Trust's equity investment portfolio per sector as detailed in the audited financial statements:-

Investment by Sector	Amount (K'000)	%
Tourism & Hospitality	2,429,514,120	3%
Banking & Financial Services	14,329,219,310	16%
Diverse Goods & Services	67,319,260,669	76%
Health Services	381,312,105	0.4%
Property	3,687,008,894	4%
TOTAL	**88,146,315,098**	**100%**

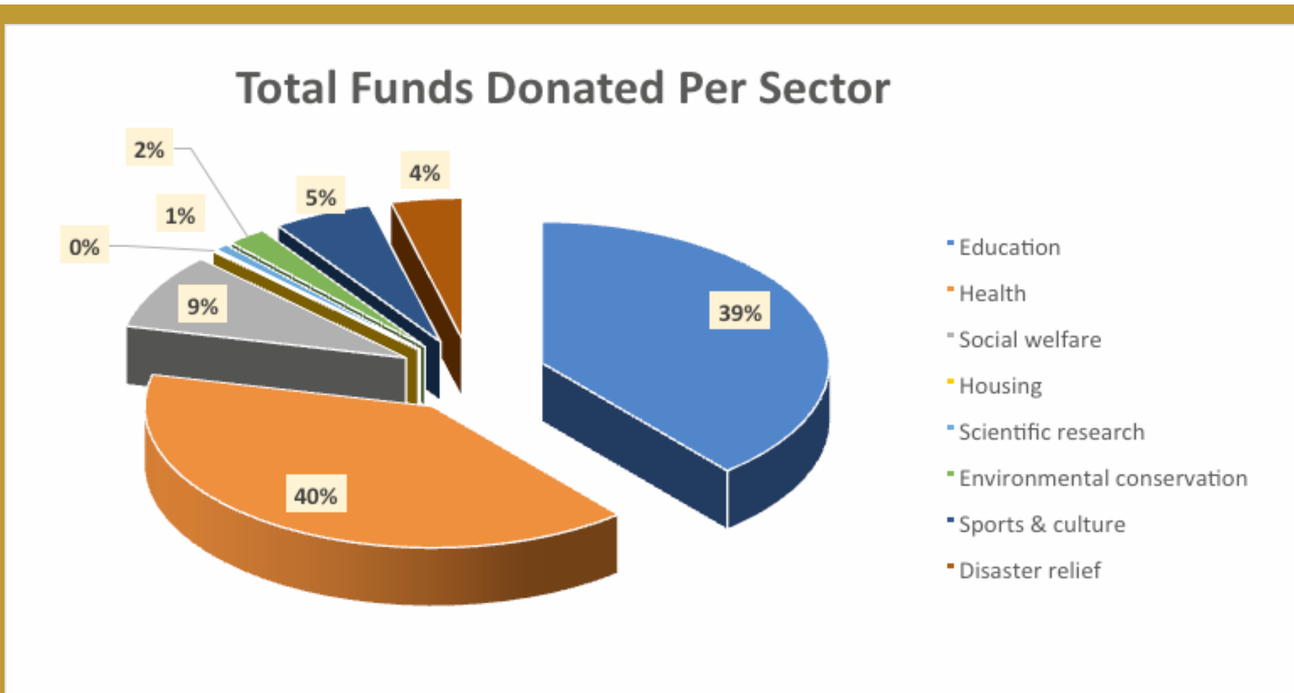
SOCIAL DEVELOPMENT PROJECTS

The PTRA requires the Trust to apply its income towards national benefit purposes that are in the interest and for the benefit of the people of Malawi, especially for the advancement of their health, education, social welfare, and housing. These are the national benefit puporses for which the Trust was established.

The total donations and commitments of the Trust towards social development projects in the country stood at K6.23 billion (US$29.58 million) as at 31st March 2021. This represents a total of 286 distinct projects spread in all the districts across the country and in all the targeted sectors. The table and pie chart below are a summary of total funds approved per sector since the Trust was established in 1997.

SUMMARY OF PROJECT APPROVALS AS AT 31ST MARCH 2021

SECTOR	APPROVAL (MK)	US$ EQUIVALENT	%
Education	2,421,624,535	9,619,917	38.9
Health	2,477,054,095	9,450,279	39.8
Social welfare	542,065,827	5,644,296	8.7
Housing	10,000,000	347,152	0.2
Scientific research	44,862,000	211,909	0.7
Environmental conservation	138,438,834	608,276	2.2
Sports & culture	347,732,156	2,898,385	5.6
Disaster relief	248,485,897	797,630	4.0
Total	**6,230,263,343**	**29,577,844**	**100.0**



A detailed summary of all the social development projects approved to date has been included at the end of this report.

For the review period, the Trust has donated K3.4 billion to 57 social development projects. As shown in the Table below, two-thirds (66%) of the funding was directed to the critical social sectors of health and education. This was deliberate as the strategic plan of the Trust has identified the two (2) sectors as priorities. This is also in line with Malawi's Vision 2063 under the theme of human capital development. The significant funding for disaster relief in 2021 relates to the response by the Trust in helping the nation mitigate the impact of the COVID-19 pandemic. Details of outputs from the donations listed below are in subsequent sections.

The summary of actual yearly approvals in each sector for the past four years is as follows:

Sector	2018 (K'000)	2019 ('K000)	2020 (K'000)	2021 (K'000)	Total (K'000)
Health	305,716	303,903	337,500	274,070	**1,221,189**
Education	230,012	170,258	439,566	170,514	**1,010,350**
Social Welfare	55,130	64,162	-	-	**119,292**
Environmental Conservation	7,955		27,560	-	**35,515**
Sports and Culture	3,000	122,179	-	-	**125,179**
Disaster Relief	-	-	10,000	200,000	**210,000**
Scientific Research	25,230	-	-		**25,230**
Total project funding	**627,043**	**660,502**	**814,626**	**644,584**	**2,746,755**
Project related expenses	114,813	151,973	235,618	182,786	**685,190**
Total charitable expenditure	741,856	812,475	1,050,244	827,370	**3,431,945**

Mathandani Community Day Secondary School.

HEALTH SECTOR

Overview

Health remains an area of significant investment for the Trust to ensure that all Malawians have access to primary health care services within reasonable distances. However, Press Trust is well aware that the needs in this sector are more extensive than the resources at its disposal. Therefore, the Trust has opted to focus its investments towards maternal and child health as this demographic is very vulnerable and marginalised. In addition, the Trust leverages other partners in the sector to contribute to health outcomes that the Government of Malawi aims to achieve to provide universal health coverage to all. In this respect, the Trust has donated K1.2 billion to the health sector alone in the reporting period; K441 million towards the construction of six (6) health facilities, K331 million towards support to maternal and neonatal health under the sub theme of safe motherhood, K183 million towards the upgrading of two (2) health centers into rural hospitals, K135 million towards the procurement of five (5) ambulances which have been donated to CHAM rural hospitals, K44 million towards Operation Smile, K27 million towards the provision of medical equipment, and K20 million contribution towards Mother's Day Fun Run Innitiative.

Improving access to Primary Health Care

The Trust continues to receive a lot of requests for establishment of health care facilities, especially from rural areas. In response thereto, the Trust has funded the establishment or expansion of six (6) primary health care facilities as follows: first, the people of Chisamba in Sub-TA Chisamba in Salima District have had their dreams realised through establishment by the Trust of a magnifiscent health centre. The facilities comprise a hospital building complete with furniture and equipment, two (2) staff houses, sanitary facilities (toilets, incinerator & placenta pit), provision of running water through sinking and equipping of a borehole and provision of solar electricity. The Trust has invested K183 million in this project which is expected to be benefitting over 25,000 people every year in its catchment area. On its part, Government through Salima District Council has deployed medical personnel to man the facility. Chisamba Health Centre is operational and has since been officially handed over to Government.

Chisamba Health Centre in Salima District.

The Malawi Police Service (MPS) through its health establishments serves a lot of the civilian population in its surrounding areas. This is true for its health centre at Nothern Region Police Headquarters in Mzuzu City. Considering the boom in the population accessing the facility to well over 60,000 people in the city, the small health post which MPS had could no longer cope. In response to a request from the MPS, the Trust went on to demolish the old small facility and in its place, constructed a huge modern health facility complete with furniture and equipment to the tune of K104 million. The new health facility will be providing all the primary health care services, complementing other public health care facilities in Mzuzu City. This project was unique in that most of the construction work was done by the MPS itself assisted by the prison population. The facility is operational and will soon be officially handed over to the MPS.

Northern Region Police Dispensary.

The Trust has set aside funds amounting to K54.5 million to finance the establishment of Milamba Health Centre in TA Mazengera's area in Lilongwe rural. On their part, the people from the area have already contributed a staff house to the project. Once completed, the facility will be serving a catchment population of over 28,000 people within an 18- Kilometre radius in a mountainous terrain.

The other three (3) beneficiaries under this theme in the health sector are the people around Manjawira Health Centre in TA Phambana's area in Ntcheu District where the Trust has undertaken to upgrade the infrastructure at the facility to the tune of K65 million. Njale Health Centre in TA Thomasi's area in Thyolo District will receive health infrastructure worth K63.5 million. The Trust has partnered with JTI Leaf Malawi Ltd to expand a dispensary at Sauzawana in TA Kalolo's area in Lilongwe rural into a fully fledged health centre. JTI has a robust corporate social responsibility (CSR) programme where they help tobacco farming communities with public amenities such as primary schools, health facilities and water infrastructure. Recently, JTI established well over 15 dispensaries. The partnership with the Trust is meant to demonstrate what facilities should be found at a modern health centre. The Trust is investing K100 million in additional infrastructure at Sauzawana. All these three (3) projects at Manjawira, Njale and Sauzawana are planned to commence in 2021 with completion expected in the 2022 calendar year.

Promotion of safe motherhood

Over the reporting period, the Trust has donated K331 million towards support to maternal and neonatal health. Out of this donation, K147 million was allocated to the construction of a 15-bed maternity wing at Malembo Health Center in TA Khongoni's area in Lilongwe Rural. Malembo Health Center serves an average catchment population of over 35,000 people. The maternity wing project is due for completion in December 2021.

Futher, during the review period, the Trust allocated an extra K51.4 million and K53.2 million to complete construction and equipping of Nyungwe and Mjini 15-bed Maternity Wings in Karonga and Dedza Districts respectively. In total, the Trust has invested K118 million at Nyungwe Health Centre in Karonga and K120 million at Mjini Health Centre in Dedza. These two (2) facilities were already handed over to beneficiary communities in the respective districts and are a joy for mothers there.

Maternity Wing at Mjini Health Center in Dedza.

Safe Motherhood; Equipment

During the review period the Trust supported the following four (4) hospitals and their surrpounding health facilities; Queen Elizabeth Central Hospital, Ntchisi District Hospital, Ntcheu District Hospital and Likoma District Health Office.

In 2018 Likoma had a unique privilege of receiving a donation of medical equipment worth close to K500 million from the people of the United States of America through Project C.U.R.E. Press Trust worked with the Anglican

Diocese of Northern Malawi to facilitate the shipping of the medical equipment from America to the island district of Likoma at a cost of K30 million. This was a unique partnership opportunity for Press Trust and Project C.U.R.E to continue supporting provision of medical equipment to various hospitals in the country through the initiative. In that regard, Press Trust will continue working with Project C.U.R.E of the USA to support more public health facilities with equipment needs.

Fully furnished maternity wing at Mjini.

A container full of assorted medical equipment and accessories.

Upgrading of Health Centers into Rural Hospitals

During consultations with Government on the 5-year strategic plan of the Trust to 2024, the Ministry of Health emphasised that it would want support to the sector to target upgrading and equipping of critical health facilities. In that regard and after a thorough validation exercise, Trustees agreed that upgrading of Ntaja Health Centre in

Machinga District and the same with Nthalire Health Centre in Chitipa District would have significant impact on the targeted population. Trustees fully understood that providing wards, laboratories, theatres pharmacies and kitchens together with the required furniture and medical equipment to these two (2) facilities would greatly help decongest the respective District Hospitals in Machinga and Chitipa. As such, the Trust has committed to invest not less than K300 million on each of those two (2) signature projects, making a total donation of well over K600 million. The idea is to completely transform service delivery at those health facilities when the upgrading programme is completed and Trustees are proud with this new approach of concentrating part of the Trust's funding on big projects. These two (2) projects will be funded in three (3) phases in order to comply with the distribution guidelines enshrined in the PTRA. Project implementation will commence in second half of 2021.

Strengthening the referral system from rural health facilities

Trustees have always been aware that provision of a reliable ambulance service from rural health facilities to referral hospitals at district and national level is key in saving lives. In that regard, Press Trust has been working with the Christian Health Association of Malawi (CHAM) in identifying critical CHAM units in rural areas to receive donation of ambulances from the Trust. CHAM is a preferred partner in this regard because of its good maintence record for the donated ambulances and the donated vehicles are less prone to abuse. In August 2018, the Trust donated five (5) ambulances to CHAM worth K136 million which were distributed as follows: Lulanga Health Center in Managochi District, Nambuma Community Hospital in Lilongwe District, Montfort Hospital in Chikwawa District, Nsipe Health Center in Ntcheu District, and Embangweni Mission Hospital in Mzimba District.

Hospital ambulances donated to CHAM.

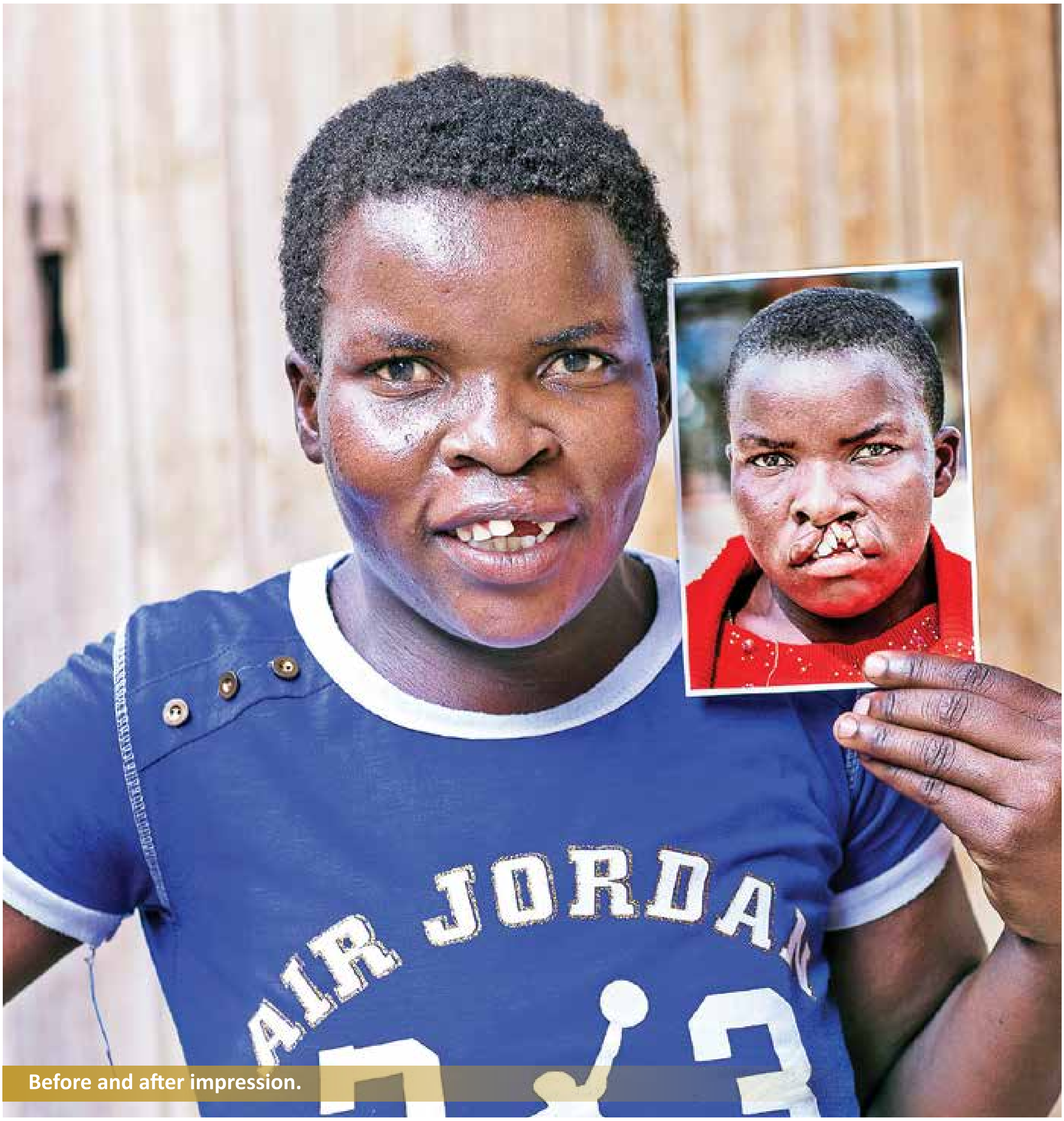
HIV AND AIDS Management

In 2020, the Trust donated K58 million to the Light House Trust to enable it establish a center of excellence in Mzuzu city for HIV and AIDS management for the northern region. Trustees have not forgotten that despite the present challenge of the COVID-19 pandemic, the chronic illnesses related to HIV and AIDS management remain. The Trust and its partners will continue investing in interventions in this area to ensure that those underlying condinditions do not get out of hand.

Operation Smile

Operation Smile is an international medical charity dedicated to improving the health and lives of patients by providing free surgical procedures for those born with a cleft clip, cleft palate or both and other facial deformities. Operation Smile also trains doctors and local medical practitioners, as one way of building long-term sufficiency in resource-poor environments.

Operation Smile started its operations in Malawi in 2012 and it established its permanent office in Lilongwe. Since inception, the project has provided life chaninging surgeries to many and in the process, it has been a true joy for Trustees to be a true partner to an institution literally providing smiles to fellow citizens. As at 31st March 2021, Operation Smile had conducted 12 medical missions in Malawi, providing free life changing surgery for 1602 children and adults as well as providing training to 818 health care workers. During the period under review, the Trust donated a total of K44 million to Operation Smile and since inception of the programme in Malawi, the Trust has donated close to K100 million to this fantastic intiative on surgeries.



Before and after impression.

Previous Projects

In 2018 the Trust completed and handed over its contribution of male and female wards worth K76.4 million at Matapila health centre in TA Mazengera's area in Lilongwe rural. On this project alone the Trust realised a saving on project implementation of K6.6 million which has since been reprogrammed to other projects within the district.

Table below presents a list of projects donated by the Trust in the health sector during the review period.

PROJECT NAME	*DISTRICT*	*PROJECT DESCRIPTION*	*FUNDING (K)*	*AMOUNT(K)*	*YEAR*
Operations Smile	*National*	*Contribution towards surgical operations*	*14,500,000*	*305,716,000*	*2018*
Queen Elizabeth Central Hospital	*Blantyre*	*Purchase of medical equipment*	*2,220,000*		
Chisamba Health Centre	*Salima*	*Establishment of a health facility*	*108,748,000*		
Nyungwe Health Centre	*Karonga*	*Construction and equipping of a maternity wing*	*51,362,000*		
Mjini Health Centre	*Dedza*	*Construction and equipping of a maternity wing*	*53,158,000*		
Northern Region Police Hospital	*Mzuzu*	*Upgrading and equipping of a health facility*	*49,184,000*		
St Peters Hospital	*Likoma*	*Donation of medical equipment worth K500 million*	*29,529,250*		
Operations Smile	*National*	*Contribution towards surgical operations*	*14,500,000*	*303,903,000*	*2019*
Montfort Hospital	*Chikwawa*	*Donation of an ambulance*	*27,135,800*		
Nambuma Community Hospital	*Dowa*	*Donation of an ambulance*	*27,135,800*		
Malembo Health Centre	*Lilongwe Rural*	*Upgrading and equipping of a maternity wing*	*147,000,000*		
Lulanga Health Centre	*Mangochi*	*Donation of an ambulance*	*27,135,800*		
Embangweni Mission Hospital	*Mzimba*	*Donation of an ambulance*	*27,135,800*		
Nsipe Health Centre	*Ntcheu*	*Donation of an ambulance*	*27,135,800*		
Ntchisi District Hospital	*Ntchisi*	*Purchase of medical equipment*	*6,724,000*		
Ntcheu District Hospital	*Ntcheu*	*Purchase of medical equipment*	*11,500,000*	*337,500,000*	*2020*
Operations Smile	*National*	*Contribution towards surgical operations*	*15,000,000*		
Nthalire Health Centre	*Chitipa*	*Expansion and equipping of the health facility*	*100,000,000*		
Ntaja Health Centre	*Machinga*	*Expansion and equipping of the health facility*	*82,500,000*		
Manjawira Health Centre	*Ntcheu*	*Upgrading and equipping of the health facility*	*65,000,000*		
Njale Health Centre	*Thyolo*	*Construction of staff houses*	*63,500,000*		

PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	FUNDING (K)	AMOUNT(K)	YEAR
Sauzawana Health Centre	*Lilongwe Rural*	*Upgrading and equipping of a health facility into a health centre*	*100,000,000*	*274,070,000*	*2021*
Milamba Health Centre	*Lilongwe Rural*	*Establishment of a health centre*	*54,500,000*		
Mzuzu Lighthouse Project	*National*	*Establishment of centre of excellence for TB/HIV Care*	*58,000,000*		
Ligowe Health Centre	*Neno*	*Construction of a guardian shelter*	*61,570,000*		
TOTAL			***1,221,189,000***	***1,221,189,000***	

EDUCATION

Overview

The education sector remains dear to Trustees because of the vivid realisation that no country can meaningfully develop without investing in education as an intergral part of human capital development. In its strategic plan which was aligned to the National Education Sector Plan (NESP), the Trust is investing in two (2) main objectives, namely: improving access to education and improving the quality of learning. During the four (4) year review period, the Trust has donated and committed K1.01 billion to the education sector alone. Out of this donation, almost half went to primary education with an allocation of K429 million, K229 million has been spent on scholarships for secondary and tertiary education students, K171.5 million has been used to procure desks for primary and secondary schools across the country, K120 million was channelled towards infrastructure development in secondary education, and K60 million has benefitted tertiary level students with provision of teaching and learning materials.

Improving access to quality primary education

The people around Namaso Bay in Mangochi District have received four (4) new classrooms complete with furniture for both teachers and students, and the Trust has also built modern sanitary facilities at Namaso Bay Primary School. A similar donation of four (4) new fully furnished classrooms and an administration office was made to the people of Sub-TA Pitala area in Mchinji District at Pitala Primary School. In total, the Trust donated K62.8 million and K57 million to construct and fully furnish Pitala and Namaso Bay Primary schools respectively.

School blocks at Namaso Bay

In 2019, the Trust donated K175 million to finance the construction of eight (8) classrooms, ten (10) pit latrines, and provide 240 desks for classrooms and furniture for the administration office at M'buka Primary School in Kafulu Zone, TA Tsabango in Lilongwe Urban. M'buka Primary School is probably the largest primary school in the central region with a pupil enrolment of well over 10,000. The intervention by the Trust is meant to solve the obvious challenge of congestion at the school.

The people surrounding Chinyazi Primary School in GVH Mwangata in TA Mlumbe's area in Zomba District got a donation of K150 million to completely rebuild the primary school whose infrastructure was condemned as not being fit for purpose. The danger of the structures collapsing on innocent school kids was very real. The intervention by the Trust is meant to provide and furnish all eight (8) classrooms together with an administration office. It is obvious that the Trust will have to provide modern sanitary facilities as well.

Press Trust has undertaken to help the people of GVH Aaron Mvula in Inkosi Mtwalo's area in Mzimba North with additional four (4) fully furnished classrooms, and administration office and provision of sanitary facilities at Engucwini Primary School. This project has been allocated K82 million and the funding will also cover connecting the classrooms to the electricity grid already passing through the school. Similarly, the Trust has donated K79 million to construct four (4) classrooms, an administrative block, three (3) double holed pit latrines, and 120 desks at Balabanthi Primary School at Zangena Village in TA Kafuzira's area in Nkhotakota District. Further, the Trust has donated an extra K70 million for the construction of four classrooms and a teachers house at Chikunkha Primary School in Nsanje District, bring the total allocation for Chikunkha Primary School to K135.8 million. With the second phase nearing completion, the Trust has virtually completed the task of establishing this new primary school as a response to recurring flood disasters in the area. The infrastructure, together with health facilities and water supply is meant to help resettle people permanently away from flood prone areas.

Secondary education scholarships

Press Trust established the merit scholarship scheme in 2003 with an aim of providing scholarships for every best male and female student from each educational district as determined by the Malawi Government Primary School Leaving Certificate Examinations (PSLCE). Sustenance of the scholarship is based on good academic performance and good conduct during the student's entire secondary education.

Since the inception of the bursary scheme, the Trust has spent a total of K277 million on the scholarships which have so far benefited over 1,328 secondary school students. In 2019, Standard Bank Plc joined the Trust to double the number of beneficiaries of the scholarships. Accordingly, 74 extra students have benefitted from the scholarships instead of the normal intake of 68 students from the 34 educational districts. Trustees were extremely pleased that Standard Bank saw the need to support smart students across the country and readily agreed to rename the scholarship as Press Trust/ Standard Bank scholarships.

From 2018, the Trust and three (3) partners, namely, Danish Church Aid and Evangelical Association of Malawi joined hands to pilot a project in Ntchisi District called Stop Child Marriages Project (STOM). As the name suggests, the aim of the project is to encourage girls who have dropped out of school or are in teenage mariages to go back to school. In addition, STOM is also targeting to prevent vulnerable girls who are on the verge of dropping out of school from doing so. Under STOM, the Trust together with its partners has supported 120 students, mostly girls and K80 million has been set aside for those scholarships.

Tertiary education loans

In line with Government policy on supporting students in tertiary education institutions, Press Trust is working with the Higher Education Students Loans and Grants Board (HESLGB) in channelling its support to university students. Currently, the Trust is supporting 80 students with tuition and upkeep allowances in all seven (7) public universities. The scholarships target students enrolled in courses that Government deems critical to the economy in terms of human capital needs including medicine, nursing, nutrition, food science, energy engineering, industrial and environmental physics, geo-informatics and earth observation, medical imaging and immunology. The Trust has so far committed K200 million to this cause.

Improving the learning environment in schools

Press Trust has been providing furniture such as desks, tables and chairs to public learning institutions since inception in 1997 and several schools and universities have so far benefitted from this initiative. During the period under review, the Trust has donated a total of K170 million towards procurement of 5,708 desks. Most of these, 3,717 desks have been donated to secondary schools under Put a Child on a Desk Programme which is targeting 20 district boarding secondary schools from all the six (6) education divisions. The aim of the Programme is that every student at the targeted schools has a desk. So far, the following 14 district boarding secondary schools have already benefitted: Euthini, Chitipa, Madisi, Chayamba, Mitundu, Salima, Mchinji, Balaka, Lisumbwi, Soche Hill, Masongola, Mulanje, Luchenza and Bangula. The Trust will conclude this programme with the following six (6) secondary schools: Rumphi, Ntcheu, Lunzu, Chiradzulu, Mwanza and Namitete.

Further, a total of 1,991 desks have been distributed to 30 public schools in the following districts: Karonga, Lilongwe, Kasungu, Salima, Balaka, Blantyre, Neno, Mulanje, Zomba and Thyolo. The plan is that by the year 2024, all districts and all constituencies should benefit from this donation of desks. The need for desks in public schools is ernomous and Trustees find it utterly unacceptable for our children to be sitting literaly on the floor while learning.

Desks donated by Press Trust in various schools nationwide.

Improving access to secondary education

According to recent statistics, it is only 36.5% of students who transition from primary to secondary education mainly because of limited space in both private and public secondary schools. As such, the Trust will continue investing in expansion of the secondary education sub sector. In fact, Trustees have committed in the strategic plan that the Trust should finance the establishment of two (2) centres of excellence at secondary level. This commitment alone of building new modern secondary schools will see the Trust investing not less than K1.2 billion in this project. The Ministry of Education is working on standard designs of the centres of excellence and the Trust stands ready to support implementation of this important programme by Government once the blue prints are ready.

Meanwhile, the Trust supported the people of Mathandani in TA Kaluluma's area in Kasungu District to construction and fully furnish four (4) classrooms worth K69.3 million at Mathandani Community Day Secondary School (CDSS). In order to cement the partnership between the Trust and Standard Bank Plc, Trustees approved that Press Trust should join the Bank in funding the construction of a 64-bed girls'hostel at Lilongwe Girls Secondary School worth K160 million. The Trust will invest close to K60 million in this project. There is no doubt that this project of a girls' hostel will contribute to increasing access to secondary education and is a sure way of empowering women and girls in this country.

Improving quality of tertiary education

In terms of learning and teaching materials which help improve the quality of learning, the Trust supported Nalikule College of Education with critical science and mathematical text books worth K30 million. Nalikule College of Education is a new tertiary education institution dedicated to training educators in the country and it still has numerous needs in order for it to achieve academic excellence. The donation of the text books is therefore a big boost to both students and lecturers. The second beneficiary of learning and teaching resources was the University of Blantyre Synod. The K30 million donation to this christian university was spent on procurement of library book shelves, books, computer facilities for the library and laboratory equipment.

Nalikule College of Education Library.

Previous projects

During the review period, the Trust completed and officially handed over to Government eight (8) educational projects, namely: four (4) fully furnished classrooms at Chimwemwe Primary School in Chitipa District, hostel for female students at Loudon Teachers' Training College at Embangweni in Mzimba District, Mchengautuwa CDSS in Mzuzu City, Mwenilondo CDSS in Karonga, Nsenjere CDSS in Chikwawa District, Pundu CDSS in Nkhata Bay District, Chikonde II Primary School in Neno District and a library at Nkhoma University. All these establishments are fully furnished and all have the requisite sanitary facilities and water provision.

Table below shows the projects funded by the Trust in the review period.

No	Project	District	Description	Amount	Total	Year
1	Mathandani CDSS	Kasungu	Construction of classrooms	69,300,000	230,012,000	2018
2	Ministry of Education	National	Donation of desks	17,000,000		
3	Put a Child on a Desk Programme	National	Purchase of school furniture for district boarding schools	45,000,000		
4	Press Trust/ Standard Bank Merit Scholarship	National	Secondary School Scholarships	34,888,000		
5	The Malawi Polytechnic	National	Support towards bursary for needy students	1,000,000		
6	Namaso Bay Primary School	Mangochi	Constructions of classrooms	62,824,000		
7	Stop Early Marriages Project	Ntchisi	Provision of bursaries to vulnerable students	18,878,000	170,258,000	2019
8	Nalikule College of Education	National	Donation of science textbooks	30,000,000		
9	University of Blantyre Synod	National	Donation of books and rehabiliation of ICT department	30,000,000		
10	Put a Child on a Desk Programme	National	Purchase of school furniture for district boarding schools	45,000,000		
11	Pitala Primary School	Mchinji	Construction of classroom blocks	14,110,000		
12	Press Trust/ Standard Bank Merit Scholarship	National	Secondary School Scholarships	32,270,000		
13	M'buka Primary School	Lilongwe	Construction of school blocks	81,000,000	439,566,000	2020
14	Engucwini Primary School	Mzimba	Construction of school blocks	82,000,000		
15	Balabanthi Primary School	Nkhotakota	Construction of school blocks	79,000,000		
16	Chinyaza Primary School	Zomba	Rebuilding the primary school	40,000,000		
17	Chikunkha Primary School	Nsanje	Establishment of a new school	70,000,000		
18	Press Trust/ Standard Bank Merit Scholarship	National	Secondary School Scholarships	32,566,000		
19	Ministry of Education	National	Donation of desks	55,000,000		
20	Tertiary Education Fund	National	Provision of loans to needy university students	50,000,000	170,514,000	2021
21	Lilongwe Girls Secondary School	National	Construction of hostel	51,180,000		
22	Press Trust/ Standard Bank Merit Scholarship	National	Secondary School Scholarships	59,834,000		
23	Ministry of Education	National	Donation of desks	9,500,000		
Total				**1,010,350,000**	**1,010,350,000**	

SOCIAL WELFARE

Staff houses at Chapima Heights Police Unit

In March 2019, the Trust donated K55 million towards the construction of staff houses for Chapima Heights Police Unit in Blantyre City. The area had an existing police unit which was donated by Press Properties Ltd as a way of curbing rising security problems in the area. However, the unit was not operational owing to the lack of staff houses which Police authorities deemed was a requirement for the running of the facility. The Trust intervened to construct the two (2) staff houses at the police unit in order to make it operational.

Vocational training

During the period under review, the Trust supported special needs students at Mulanje Vocational and Rehabilitation Centre through the construction of two (2) classrooms, renovation of an existing classroom block, provision of furniture for both the hostel and classrooms, and procurement of a braille embosser and software. The total donation was K64.2 million. Through this donation, the institution will double its capacity of enrolling and accommodating more special needs students and thus accord them a chance to exercise their social, political and economic rights in society and hence ultimately contribute in the productive sectors of the economy.

ENVIRONMENTAL CONSERVATION

The contribution of the environment to the socio-economic development of Malawi cannot be overemphasized. Malawi is blessed with many forests, natural and man-made, that over the years have played a great role in the economy of the country. Sadly however, environmental degradation, largely caused by deforestation due the growing demand for biomass energy remains a growing challenge mainly due to inadequate livelihoods and expensive alternative energy technologies.

Since 2007, Press Trust has played an active role in complementing Government’s efforts in the re-afforestation programme with an aim of averting and mitigating rapid deforestation. During the period under review, the Trust donated K35.52 million to the Department of Forestry towards the purchase and planting of tree seedlings during the National Forestry Seasons.

Together with FDH Bank Plc which donated K5 million to this cause, the Trust supported women from Dedza, Ntcheu, Balaka and Mulanje with a donation of fruit tree seedlings. The initiative was championed by the Ministry of Gender, Community Development and Social Welfare. It intends to promote a culture of growing fruits trees in communities for both nutritional supplement and as an income generating activity. The Trust has also been supporting the reafforestation efforts by the Malawi Defence Force and has so far donated K8 million to towards the efforts by the military.

Hon. Patricia Kaliyati receiving fruit tree seedlings from Press Trust.

DISASTER RELIEF

Press Trust has over the years supported Government disaster relief efforts both in the short term as well as long lasting interventions. Short term interventions include the provision of relief items such as food and clothing to victims of various natural disasters like floods and earthquakes.

The Trust also funded phase 2 of Chikunkha Primary School in Nsanje District to the tune of K70 million and involves construction of four fully furnished classrooms and a staff house. The project is a response to the 2015 flooding which destroyed significant parts of TA Malemia's area including the old Chikunkha Primary School.

COVID-19

On 11th March 2020, the World Health Organization declared the Coronavirus Disease commonly known as COVID-19, a pandemic. At the time this declaration was made, there were over 213 million cases confirmed and 4.48 million deaths globally. Locally, Malawi had 60,000 cumulative cases and 2,111 deaths.

The outbreak saw the Malawi Government declare a state of national disaster and called upon well-wishers to assist in managing the deadly disease. Press Trust was quick to intervene through a K200 million donation to the Ministry of Health for the purchase of critical medical equipment. These included ventilators, oxygen concentrators, oxygen cylinders with gas, and oxygen masks. Furthermore, the Trust quickly rehabilitated an isolation centre for COVID-19 patients at Mzimba District Hospital. The Trust also took on the task of rehabilitating similar isolation centres at Salima and Mangochi District Hospitals.

Press Trust handing over COVID-19 medical equipment to the Ministry of Health.

SCIENTIFIC RESEARCH

Press Trust has supported the National Secondary Schools' Science Fair (NSSF) since inception in 2009 to contribute to the incubation of scientific innovations to promote a scientific culture among students. The NSSF also aims at unearthing innovations that would create jobs and add wealth to the country. In the period under review, the Trust supported the NSSF with a donation of K25 million, which went towards setting up the exhibition displays, prize money, and production of the documentary on the projects showcased at the Fair.

As a way of promoting scientific innovation and the love for science subjects in secondary schools, Kamuzu Academy together with the National Commission for Science and Technology (NCST) and other partners annually hosts the National Schools' Science Fair which pools together brilliant and innovative minds from secondary schools across the country to exhibit their innovative products. The Trust deems such an initiative a bedrock for the present and future creative minds that could and will produce scientific solutions to the national and global challenges particularly in poverty eradication and skills transfer.


Students at the National Secondary Schools' Fair.

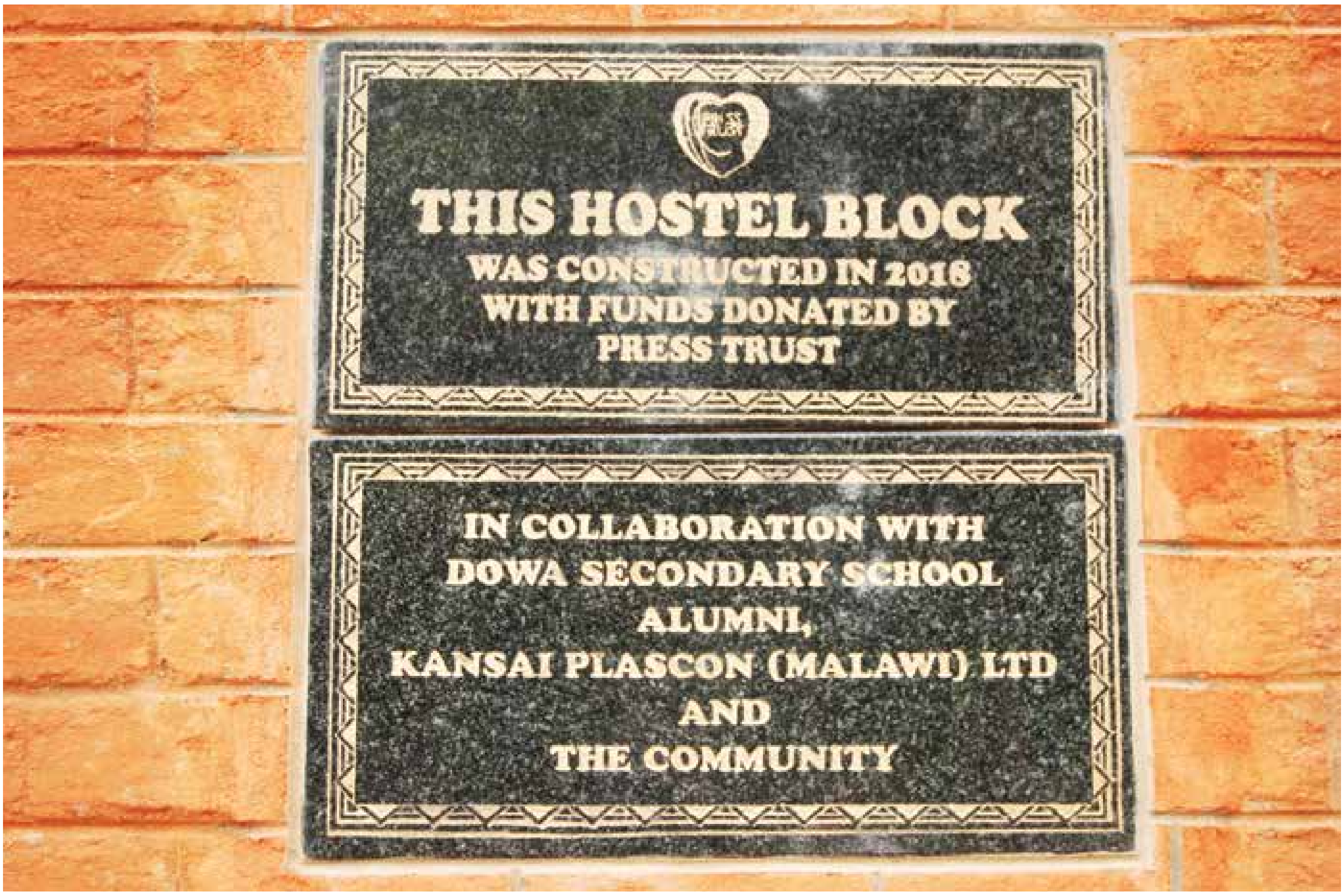
CULTURE

The Trust recognises that culture has a unique way of communicating values, beliefs, and customs of humanity. In addition, culture remains a powerful means of fostering group identity and solidarity. Therefore, to help Malawi preserve and appreciate her cultural heritage, the Press Trust supports a cultural outreach programme called Zakwathu. Zakwathu preserves culture through exotic songs and various cultural dances. The programme is aired on radio and broadcast on television. During these programmes, the audience countrywide is informed of the Trust's activities, including how to apply for support. The programmes have indeed proved to be a suitable means of raising public awareness of the Trust's activities as they enjoy the memory of their traditional roots. The programmes are aired on Zodiak Broadcasting Station and the Malawi Broadcasting Corporation – Television. During the review period, the Trust has invested K90.2 million in this cultural programme.


Ingoma dance - one of the many cultural dances in Malawi.

PARTNERSHIPS

Trustees are sincerely grateful to all the partners who are working with the Trust in implementing development projects, including: Kansai Plascon Malawi Ltd which has committed to be contributing 45% of all paint products on all construction projects which are being implemented by the Trust; Macsteel Malawi Ltd which has undertaken to be providing discounts on all products procured by the Trust for development projects. The Trust will continue engaging private sector players in mobilising private sector financing for social development programmes.



IMPACT OF SOCIAL DEVELOPMENT PROJECTS

The investments by Press Trust in Education and Health have contributed to the increased pass rate for students in the Primary School Leaving Certificate Examinations (PSLCE) at Namaso Bay Primary School in Mangochi, and Chikunkha Primary School in Nsanje, being primary schools handed-over to communities for use during the review period. The PSLCE results improved from 68% (2018) to 75% (2020) for Namaso Bay Primary School and from 59% (2019) to 70% (2020) for Chikunkha Primary School. With continued improvements, this consistent trajectory of results will likely have the school's PSLCE score above the national average, currently at 81% (2020). The Trust has contributed to the increase in enrolment by 24% in schools handed over by the Trust during the review period. Performance at the Malawi School Certificate of Examinations secondary schools supported by the Trust has declined by 2.5% over the review period, while the national average decline is 18%. This shows that much as the performance of schools at MSCE has gone down, 50% (2019) and 41% (2020), Press Trust-sponsored secondary schools have performed better. Student absenteeism in sponsored schools has also reduced by an average of 4% during the review period, implying that the infrastructure delivered by the Trust is attracting students to attend schools consistently. Furthermore, the Trust investment's at Dowa Secondary School contributed to a 35% transition rate from secondary school to tertiary level of Education.

In addition, the Trust has handed over facilities to Mjini, Nyungwe, and Chisamba Health Centers in Dedza, Karonga, and Salima District, respectively. At Mjini Health Center, the construction of the Maternity Unit has increased the number of women registering for antenatal care to 219 (2020) from 18 (2018). Similarly, the number of women giving birth at the health centre has risen to 196. There was no birth at the Health Center prior to construction of the maternity wing. Notably, there is also reduced reported cases of morbidity at the Health Center. Patients visiting the Health Center has reduced from 21,398 (2018) to 18,476 (2020). The Health Center has experienced no death of a woman giving birth, no under-five death nor death of a child at birth over the review period.

However, the impact of the above mentioned projects transcend social benefits. There are economical benefits that also arise from the Trust's projects. First, about 57% of the projects donated in the period under review were to do with infrastructure development. This signifies a two-fold boost in the construction industry; procurement of building materials and the engagement of labour. Through these projects, the Trust provides employment to hundreds of Malawians in the construction industry. To ensure that the beneficiary communities also benefit from the projects, the Trust demands that the Contractors recruit the locals in some elements of the project especially those that are non-technical. Similarly, these construction projects are handed over fully furnished and equipped. The projects therefore provide a market to furniture and medical equipment suppliers in the country.

Second, the interventions in health and education are critical to enhancing human productivity. A human being that has been educated and in is good health has greater ability to contribute to economic activities. Indeed, the basis of supporting the two social sectors is to provide the people with freedom and options to live a life they value.

FINANCIAL RESULTS

As detailed in the consolidated financial statement for the past four (4) years, total income of the Group declined year-on-year by an average of 4%, from K2.4 billion in 2018 to K2.1 billion in 2021. The results were heavily weighed down by the continued underperformance of Press Agriculture Ltd (PAL), a subsidiary of the Trust. On a positive note, the income of the Trust alone grew year-on-year by an average of 14% from K1.5 billion in 2018 to K2.2 billion in 2021. However, this growth by the Trust was not enough to compensate for losses in PAL to the extent that the Group has been reporting deficits throughout the reporting period. The Group deficit was K1.56 billion in 2021 while the Trust reported a surplus of K595 million in the same year (2021).

It is pleasing report that the net worth of the Trust Fund recorded in the Balance Sheet actually grew year-on-year by an average of 24% from K44.7 billion in 2018 to K94.4 billion as at 31st March 2021. This was largely on account of capital gains recorded on listed equity securities. As reported under investments above, the Trust managed to mobilise and invest an additional K4.33 billion during the reporting period as part of strengthening and growing the Trust Fund.

HUMAN CAPITAL DEVELOPMENT

The Trust continued to maintain a lean but highly efficient staff complement of 14 members only comprising nine (9) male and five (5) female employees. Apart from the changes highlighted in the Chairperson's report, the Trust recruited Mr. Yanjanani Tambala as Finance Officer in January 2018.

Training and development

The Trust believes that well trained members of staff are key in the Trust's ability to effectively and efficiently deliver on its mandate as summarised in the strategic plan. If people with the right attitude are recruited, training and capacity building becomes a lot easier. Accordingly, the Trust continued assessing skills gaps and supporting capacity development in line with the ever-changing market conditions. In addition, the Trust also continued supporting managers with leadership development programmes.


Women planting trees.

During the period under review, the Trust invested K45 million in staff development, which allowed members of staff to attend different training programmes within and outside the country in line with their areas of need. Some of the training programmes undertaken during the period under review included; management and leadership development, project management; accounting and risk management; human resources management; and the executive assistants' programme. Three (3) employees are on long term training programmes pursuing Masters in Development Studies, procurement and accountancy respectively.

OUTLOOK FOR THE YEAR 2022

The year 2022 will be a challenging year for the Trust as all the major macro-economic fundamentals, namely, inflation, interest rates and exchange rates are pointing in the negative direction. However, there is great optimism that with its strong financial base, the Trust will navigate through the turbulence and emerge stronger than before. The implementation of the strategic plan is well under way and management is focused on achieving results and turning around non-performing subsidiaries.

In conclusion, I wish to sincerely thank the Trustees, Management, and staff of Press Trust for their dedication during the years and look forward to another productive and exciting period ahead. To our partners and stakeholders, including the Government, I say thank you for your unwavering support this far. The Trust is looking forward to your continued support as we continue diligently serving our fellow citizens in Malawi.

GIBSON NGALAMILA
EXECUTIVE SECRETARY

STOM Bursary students.

DETAILED LIST OF THE PROJECTS

PROJECTS FUNDED IN THE EDUCATION SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
1	Mzuzu University	National	Purchase of labolatory equipment	March 1998	7,900,000	322,449
2	Ministry of Education	Lilongwe, Dowa, Mchinji, Ntchisi	Purchase of school desks	May 1998	10,500,000	428,571
3	Ministry of Education (MANEB)	National	Administration of MSCE examinations	October 2000	4,132,467	87,183
4	Balaka Secondary School	Balaka	Renovation of school infrastructure	July 1998	667,000	27,224
5	Stellar Maris Secondary School	Blantyre	Cotribution to purchase of school vehicle	July 1998	325,000	13,265
6	Paper Making Education Trust	Blantyre	Purchase of raw materials	May 1998	739,852	30,198
7	Development Aid from People to People	Chiradzulu	Construction of school blocks	December 1998	3,601,557	147,002
8	Mwanza F P School	Chikwawa	Construction of library & purchase of books	June 1999	650,000	15,116
9	Army Secondary School	National	Construction of school blocks	October 1999	989,045	22,581
10	Police Sec School	National	Construction of school blocks	March 2000	2,811,760	59,320
11	Kamuzu Academy	National	Construction of girls' hostels	October 2000	35,000,000	738,397
12	Solomoni-Kuyenda Primary School	Ntcheu	Roof maintenance	November 2002	150,000	3,191
13	Ngwengwe Primary School	Balaka	Roof maintenance	January 2003	150,000	1,652
14	Malawi College of Accountancy	National	Construction of a library	April 2003	2,000,000	22,026
15	Mzuzu University	National	Construction of girls' hostels	September 10, 2003	10,000,000	110,132
16	Salima Technical College	Salima	Purchase of industrial equipment & training materials	February 23, 2005	10,900,221	96,292
17	Chancellor College	National	Installation of a fibre optic network	February 23, 2005	2,553,000	22,553
18	University of Livingstonia	Rumphi	Construction of staff houses	July 14 2005	11,550,000	102,032
19	The Malawi Polytechnic	National	Purchase of books & workshop equipment	September 2 2005	11,519,428	101,762
20	Nasawa Technical College	Zomba	Purchase of industrial equipment & training materials	November 23 2005	8,088,761	71,455

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
21	Army Secondary School	Blantyre	Construction of laboratory & library	November 23 2005	10,762,826	95,078
22	Mzuzu Technical College	Mzimba	Construction of a girls' hostels	February 3, 2006	15,716,887	116,681
23	Nthalire Community Day Secondary School	Chitipa	Purchase of school desks	February 3, 2006	152,500	1,132
24	Bunda College of Agriculture	National	Construction of a girls' hostels	September 29,2006	37,300,000	276,912
25	Kachere Primary School	Nkhata Bay	Construction of school blocks	October 4 2007	4,500,000	32,212
26	Ministry of Education	National	Purchase of school desks	March 26 2008	5,431,000	38,682
27	Blantyre Girls Primary School	Blantyre	Renovation of school infrastructure	October 10, 2008	6,481,508	46,165
28	M'binzi Primary School	Lilongwe	Construction of school blocks	October 10, 2008	5,500,000	39,174
29	National Schools Science Fair	National	Helping Kamuzu Academy host the Fair	June 26, 2009	9,839,000	69,979
30	Chizumbi Primary School	Mwanza	Construction of school blocks	April 9, 2010	12,052,750	79,978
31	Put a Child on a Desk Programme	National	Purchase of school furniture for public schools	April, 2010	152,864,000	1,014,360
32	Charundu Primary School	Ntchisi	Construction of school blocks	July 1, 2010	9,300,437	61,715
33	Blantyre Girls Primary School	Blantyre	Purchase of desks	December 14, 2010	2,011,227	13,346
34	Chembera Primary School	Balaka	Purchase of desks	December 14, 2010	2,000,921	13,278
35	Chisamba CDSS	Lilongwe	Construction of classroom blocks	December 14, 2010	18,915,219	125,516
36	Kamwendo Primary School	Machinga	Construction of classroom blocks	December 14, 2010	22,095,117	146,617
37	Chibavi Primary School	Mzuzu	Purchase of desks	December 14, 2010	1,721,227	11,422
38	Mchengautuwa CDSS	Mzuzu	Construction of a new community day secondary school	April 1, 2011	99,970,000	666,467
39	Majiga CDSS	Nkhotakota	Construction of a laboratory & a library	July 8, 2011	35,591,250	237,275
40	Nkhoma University	National	Construction of an ICT Centre for the University	March 30, 2012	38,891,126	235,704
41	Loudon Teachers' Training College	National	Construction of students' hostels	March 30, 2012	48,498,012	293,927
42	Chikonde II Primary School	Neno	Construction of a new primary school	April 2, 2012	29,832,237	180,801
43	HHI Secondary School	Blantyre	Construction of a girls' hostel	April 2, 2012	49,262,000	298,558

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
44	Mwenilondo CDSS	Karonga	Construction of a new community day secondary school	April 2, 2012	29,990,000	181,758
45	Mwatibu CDSS	Lilongwe	Construction of science laboratories	April 5, 2013	42,566,000	129,774
46	Chimwemwe Primary School	Chitipa	Construction of classrooms	September 26, 2014	64,912,000	158,709
47	Nanthomba Primary School	Balaka	Construction of student teachers' hostel	July 5, 2014	14,316,000	35,002
48	Mzuzu University	National	Sponsoring students to attend a mathematics conference in Zambia	November 18, 2014	2,000,000	4,890
49	Press Trust Merit Bursary	National	Secondary School Scholarships	March 1, 2003	277,171,000	554401
50	Naming'azi Primary School	Zomba	Construction of a classroom block	April 1, 2015	5,530,000	12,568
51	Nsenjere CDSS	Chikwawa	Construction of a new community day secondary school	April 1, 2015	60,162,000	136,732
52	Pundu CDSS	Nkhatabay	Construction of a new community day secondary school	April 1, 2015	67,081,000	152,457
53	Pitala Primary School	Mchinji	Construction of school blocks	August 4, 2015	57,331,200	130,298
54	Chikonde II Primary School (Phase II)	Neno	Construction of a new primary school	April 2, 2012	29,617,000	179,497
55	University of Malawi	National	Donation towards Golden Jubilee Celebrations	February 5, 2016	1,099,000	1,611
56	Blantyres Teachers' College	National	Donation of equipment for the blind and low vision students	October 21, 2016	1,500,000	2,199
57	Chikunkha Primary School	Nsanje	Construction of primary school	February 17, 2017	135,800,000	187,310
58	Dowa Secondary School	Dowa	Construction of Girls' hostel	February 17, 2017	65,530,000	90,386
59	Mpiri Secondary School	Machinja	Construction of teacher's house	February 17, 2017	67,259,000	92,771
60	Nsamba Primary School	Zomba	Construction of classroom blocks	February 17, 2017	37,843,000	52,197
61	Phalombe TTC	Phalombe	Donation of hostel furniture	February 17, 2017	55,989,000	77,226
62	Mathandani CDSS	Kasungu	Construction of classrooms	October 25, 2017	69,300,000	95,586
63	Ministry of Education	National	Donation of desks	October 25, 2017	81,500,000	112,414
64	The Malawi Polytechnic	National	Support towards bursary for needy students	March 9, 2018	1,000,000	1,379
65	Namaso Bay Primary School	Mangochi	Constructions of class-rooms	October 25, 2018	62,824,000	86,654

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
66	Nalikule College of Education	National	Provision of science books	November 9, 2018	30,000,000	41,040
67	University of Blantyre Synod	National	Provision of books and rehabiliation of ICT department	November 9, 2018	30,000,000	41,040
68	Stop Early Marriages Project	Ntchisi	Provision of burseries to vulnerable girls	August 1, 2019	18,878,000	25,649
69	M'buka Primary School	Lilongwe City	Construction of school blocks	November 29, 2019	81,000,000	110,807
70	Engucwini Primary School	Mzimba	Construction of school blocks	November 29, 2019	82,000,000	112,175
71	Balabanthi Primary School	Nkhotakota	Construction of school blocks	November 29, 2019	79,000,000	108,071
72	Chinyaza Primary School	Zomba Rural	Rebuilding the primary school	November 29, 2019	40,000,000	54,720
73	Tertiary Education Fund	National	Provision of loans to needy university students	August 4, 2020	50,000,000	67,935
74	Lilongwe Girls Secondary School	National	Construction of hostel	3/19/21	51,180,000	65,280.61
	TOTAL FUNDING				**2,421,624,535**	**9,619,917**

PROJECTS FUNDED IN THE HEALTH SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
75	Chikwawa District Hospital	Chikwawa	Bilhazia research	November 1997	87,456	5,716.08
76	Nkhotakota District Hospital	Nkhotakota	Construction of guardian shelter	April 1998	603,120	24,617
77	Nambiti Health Centre	Phalombe	Construction of a health centre	October 1998	5,140,000	209,796
78	Chitipa District Hospital	Chitipa	Construction of guardian shelter	December 1998	400,000	16,327
79	Kamuzu College of Nursing	National	Purchase of a bus	May 1999	11,417,000	260,662
80	College of Medicine	National	Purchase of library books	May 1999	4,500,000	104,651
81	Santhe Health Centre	Kasungu	Construction of a health centre	June 1999	4,109,093	95,560
82	Kameme/Kapenda Health Centre	Chitipa	Purchase of an ambulance	June 2000	1,629,000	34,367
83	St Peters Hospital	Likoma	Construction of a paediatrics	August 2000	3,184,304	67,179
84	Lighthouse Project	Lilongwe	Purchase of medical equipment	August 2000	5,508,000	116,203
85	Nkhoma School of Nursing	Lilongwe	Purchase of vehicles	Novevember 2000	520,000	10,970
86	Tlkwere Development Foundation	Ntchisi	Eletricity supply	November 2001	4,100,000	52,097

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
87	Chapananga Health Centre	Chikwawa	Roof maintenance	November 2001	100,000	1,271
88	Beit Trust CURE International hospital	Blantyre	Purcahse of medical equipment	December 3 2003	5,000,000	55,066
89	Kalembo Health Centre	Balaka	Construction of a martenity unit	March 24,2004	9,000,000	82,645
90	Likuni Hospital	Lilongwe	Construction of guardian shelter	March 24,2004	1,500,000	13,774
91	Chizolowondo Health Centre	Dowa	Construction of a health centre	March 24,2004	26,523,668	243,560
92	Malawi College of Health Sciences	National	Purchase of computers & teaching materials	April 27,2004	2,581,852	23,708
93	Nkhamenya Community Hospital	Kasungu	Purchase of a mazie huller & maize mill	July 2, 2004	785,000	7,208
94	College of Medicine	National	Sopport for a conference on library information	October 25, 2004	1,000,000	9,183
95	Kasina Health Centre	Dedza	Purchase of an ambulance	February 23, 2005	2,445,960	21,607
96	Phokera Health Centre	Nsanje	Construction of a health centre	February 23, 2005	30,390,600	268,468
97	Nambilanje Health Centre-MJ	Mulanje	Construction of a health centre	September 2 2005	38,600,600	340,995
98	Malukula Health Centre-Mangochi	Mangochi	Construction of a health centre	September 2 2005	46,380,000	409,717
99	Social Islamic Development	Salima	Construction of mobile clinic blocks	September 2 2005	4,509,960	39,841
100	Mphuka Health Centre	Thyolo	Construction of a health centre	November 23, 2005	47,590,000	420,406
101	Lura Health Centre	Rumphi	Construction of a health centre	February 3, 2006	34,654,000	257,268
102	Malawi Blood Transfusion Service	National	Purchase of laboratory equipment	June 16, 2006	12,150,641	90,205
103	Chilumba Rural Hospital	Karonga	Construction of a martenity unit	September 29, 2006	15,443,171	114,649
104	Kalimanjira Health Centre	Ntcheu	Construction of a health centre	October 4 2007	70,000,000	501,074
105	Manolo Health Centre	Mzimba	Construction of a health centre	October 4 2007	86,682,000	620,487
106	Mzambazi Rural Hospital	Mzimba	Eletricity supply	October 4 2007	3,694,388	26,445
107	Umoyo Trust	Blantyre	Publication of a medical handbook	October 4 2007	3,000,000	21,475
108	Kasungu District Hospital	Kasungu	Purchase of furniture & equipment	March 26 2008	5,510,000	39,245
109	St Gabriel Hospital	Lilongwe	Purchase of mortuary equipment	March 26 2008	2,954,000	21,040
110	Zomba Central Hospital	Zomba	Purchase of medical equipment	October 10 2008	580,000	4,131
111	Beit Trust CURE International hospital	Blantyre	Constructuion of a rehabilitation wing	December 17 2008	14,000,000	99,715

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
112	Cancer Research Programme	National	Purchase of stents for esophageal cancer patients	December 17 2008	11,400,000	81,197
113	Nurses Council	National	Launch of website & policy documents	March 20 2009	300,000	2,134
114	Ekwendeni Mission Hospital	Mzimba	Purchase of furniture & medical equipment	June 26, 2009	15,858,445	112,791
115	Dedza District Hospital	Dedza	Purchase of hospital beds	October 23, 2009	500,000	3,556
116	Kasungu District Hospital	Kasungu	Construction of guardian Shelter	October 23, 2009	12,317,000	87,603
117	Katete Community Hospital	Mzimba	Purchase of ambulance	October 23, 2009	5,519,000	39,253
118	Usisya Rural Hospital	Nkhata Bay	Construction of male & female wards	October 23, 2009	17,855,330	126,994
119	Kabudula Community Hos-pital	Lilongwe	Construction of atenatal ward	March 1, 2010	29,522,000	195,899
120	Karonga District Hospital	Karonga	Purchase of medical equipment	July 1, 2010	525,710	3,488
121	Kamuzu Barracks Hospital	Lilongwe	Construction of a medical laboratory	December 14, 2010	21,063,000	139,768
122	Police Headquarters Clinic	Lilongwe	Purchase of hospital furniture & equipment	December 14, 2010	10,000,000	66,357
123	Mlambe Hospital	Blantyre	Purchase of an X-Ray machine	March 31, 2011	16,022,550	106,250
124	Milepa Health Centre	Chiradzulu	Construction of wards, laboratory & pharmacy	April 1, 2011	99,544,197	660,107
125	Thyolo District Hospital	Thyolo	Purchase of medical equipment	July 8, 2011	1,841,000	12,208
126	Nkhotakota District Hospital	Nkhotakota	Purchase of medical equipment	April, 2012	4,526,000	27,281
127	Operation smile	National	Contribution towards surgical operations	November 1, 2012	90,893,000	141,588
128	Rumphi District Hospital	Rumphi	Purchase of medical equipment	August 2, 2013	4,730,000	14,359
129	Hospital Ambulances	Phalombe, Nsanje, Mangochi, Ntchisi, Rumphi	Purchase of hospital ambulances	July 5, 2014	84,020,000	205,277
130	Matapila Health Centre	Lilongwe	Upgrading of health centre into a rural hospital	September 26, 2014	76,432,000	186,738
131	Mangochi District Hospital	Mangochi	Purchase of medical equipment	September 26, 2014	7,310,000	17,860
132	Kamuzu Central Hospital	National	Purchase of medical equipment	November 18, 2014	2,110,000	5,155
133	Bwaila Rotary Club	National	Contribution towards medical camp	August 3, 2015	100,000	229
134	Chisamba Dispensary	Salima	Construction of dispensary	August 3, 2015	183,748,000	419,899

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
135	Mchinji District Hospital	Mchinji	Purchase of medical equipment	August 3, 2015	3,000,000	6,856
136	Mzambazi Rural Hospital	Mzimba	Purchase of water pump and water tank	February 5, 2016	1,500,000	2,199
137	Mjini Health Centre	Dedza	Construction and equipping of maternity wing	August 3, 2015	120,158,000	274,584
138	Nyungwe Health Centre	Karonga	Construction and equipping of maternity wing	August 3, 2015	118,182,000	270,069
139	Northern Region Police Hospital	Mzuzu	Upgrading and equipping of a health facility	August 3, 2015	104,184,000	238,080
140	Mzimba District Hospital	Mzimba	Purchase of medical equipment	July 22, 2016	4,900,000	7,185
141	Think Pink	National	Contribution towards cancer campaign	July 22, 2016	1,094,000	1,604
142	Medical Council of Malawi	National	Contribution towards hosting of annual AGM	July 22, 2016	600,000	880
143	Chatinkha Maternal Care Support	National	Purchase of medical equipment	July 22, 2016	3,353,000	4,916
144	MANASO	National	Contribution towards annual red ribbon Gala	February 17, 2017	250,000	345
145	Queen Elizabeth Central Hospital	Blantyre	Purchase of medical equipment	July 21, 2017	1,920,000	2,648
146	St Peters Hospital	Likoma	Donation of medical equipment worth K500 million	October 25, 2017	29,529,250	40,730
147	Montfort Hospital	Chikwawa	Donation of Ambulance	August 9, 2018	27,084,000	37,357
148	Nambuma Hospital	Dowa	Donation of ambulance	August 9, 2018	27,084,000	37,357
149	Malembo Health Centre	Lilongwe Rural	Construction and equipping of a maternity wing	August 9, 2018	147,000,000	202,759
150	Lulanga Health Centre	Mangochi	Donation of ambulance	August 9, 2018	27,084,000	37,357
151	Embangweni Mission Hospital	Mzimba	Donation of an ambulance	August 9, 2018	27,084,000	37,357
152	Nsipe Health Centre	Ntcheu	Donation of ambulance	August 9, 2018	27,343,000	37,714
153	Ntchisi District Hospital	Ntchisi	Purchase of medical equipment	August 9, 2018	6,723,800	9,274
154	Ntcheu District Hospital	Ntcheu and Likoma	Purchase of medical equipment		11,500,000	15,862
155	Nthalire Health Centre	Chitipa	Expansion of the health facility	November 29, 2019	100,000,000	136,799
156	Ntaja Helath Centre	Machinga	Expansion of the health facility	November 29, 2019	82,500,000	112,859
157	Manjawira Health Centre	Ntcheu	Upgrading and equipping of a health facility	November 29, 2019	65,000,000	88,919
158	Njale Health Centre	Thyolo	Construction of staff houses	November 29, 2019	63,500,000	86,867

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
159	Sauzawana Health Centre	Lilongwe Rural	Upgrading and equipping of a health facility into a health centre	December 11, 2020	100,000,000	135,870
160	Milamba Health Post	Lilongwe Rural	Establishment of a health centre	December 11, 2020	54,500,000	74,049
161	Mzuzu Lighthouse Project	National	Establishment of centre of excellence for TB/ HIV Care	December 11, 2020	58,000,000	78,804
162	Ligowe Health Centre	Neno	Construction of a guardian shelter	December 11, 2020	61,570,000	83,655
	TOTAL				**2,477,054,095**	**9,450,279**

PROJECTS FUNDED IN THE SOCIAL WELFARE SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
163	Malawi Union for the Blind	Blantyre		November 1997	838,000	54,771.24
164	Nkhatabay Water project	Nkhata Bay	Supply of piped water	January 1998	457,296	18,665
165	Malawi Against Polio	National	Manufacture of moblility aids & appliances	March 1998	1,072,000	43,755
166	Cheshire Homes (Ma-lawi)	Lilongwe	Construction of a therapy complex	November 1997	900,000	58,823.53
167	Malawi Council for the Handicapped	Blantyre	Purchase of weaving looms for Bangwe Weaving Factory	May 1998	1,885,506	76,959
168	Malawi Against Polio	National	Manufacture of moblility aids & appliances	December 1998	2,000,000	81,633
169	Sue Ryder Foundation	Blantyre	Purchase of a utility vehicle	May 1999	2,000,000	46,512
170	Evangelical Lutheran Development Programme	Dedza, Thyolo, Zomba, Dowa, Mzimba, Karonga	Sinking of boreholes	June 1999	1,250,000	29,070
171	Mchinji Mission Orphanage	Mchinji	Purchase of a maize mill	June 1999	780,000	18,140
172	Rumphi Piped Water Project	Rumphi	Supply of piped water	June 1999	5,460,000	126,977
173	Malawi Council for the Youth	National	Purchase of bicycles & megaphones	October 1999	1,000,000	22,831

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
174	City Assemblies	Blantyre, Lilongwe, Zomba	Construction of flea markets	March 2000	122,662,547	2,587,817
175	Kondanani Caring Hands	Blantyre	Purchase of a house for orphans	August 2000	4,000,000	84,388
176	Chingale Piped Water Project	Zomba	Supply of piped water	October 2000	7,000,000	147,679
177	Samaritan Trust	Blantyre	Purchase of vocational training equipment	January 2001	2,125,000	27,001
178	Malawi Against Polio	National	Manufacture of moblility aids & appliances	May 2001	6,000,000	76,239
179	CELOM	Zomba	Purchase of a maize mill	July 2001	180,000	2,287
180	Chilanga School for the Blind	Kasungu	Electricity supply	May 2002	100,000	1,429
181	Malawi Police Service HIV Awareness Campaign	Lilongwe	HIV/AIDS Awareness Campaign	July 8, 2002	100,000	1,429
182	Chididi Orphan Care Committee	Neno	Purchase of a maize mill	November 2002	500,000	10,638
183	Vessel Edmund Rhoades	Nkhata Bay	Repair & maintenance of a water vessel	August 2002	3,000,000	42,857
184	Malawi Against Physical Disabilities (MAP)	National	Manufacture of moblility aids & appliances	December 3 2003	6,000,000	66,079
185	Malawi Council for the Handicapped	Lilongwe	Purchase of equipment & training materials	April 27, 2004	4,481,465	41,152
186	Interdenominational Pastoral Care Centre	Lilongwe	Contruction of walk way	April 27, 2004	381,443	3,503
187	Malawi Union for the Blind	Blantyre	Contribution towards a conference	April 27, 2004	191,932	1,762
188	Ministry of Hope Crisis Nursery	Lilongwe	Purchase cooking items for the orphanage	April 27, 2004	92,456	849
189	Malawi Union for the Blind	Blantyre	Production of braile information	July 2, 2004	815,000	7,484
190	Malawi Council for the Handicapped	Blantyre	Provision of working capital for Bangwe Weaving Factory	November 18, 2004	4,733,253	43,464

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
191	Feed The Children (Malawi)	Blantyre	Purchase of vocational training materials & resettlement kits	July 14 2005	6,272,766	55,413
192	Muloza Piped Water Scheme	Mulanje	Supply of piped water	February 3, 2006	11,381,700	84,497
193	Samaritan Trust	Blantyre	Purchase of resettlement kits	February 3, 2006	265,000	1,967
194	City Assemblies	Blantyre, Lilongwe, Mzuzu	Construction of flea markets	September 29,2006	123,985,997	920,460
195	Ministry of Diasbilities & the Elderly	National	Purchase of blankets for the elderly	September 29,2006	500,000	3,712
196	Mngwere Piped Water Scheme-Dedza	Dedza	Supply of piped water	September 29,2006	32,136,788	238,580
197	Kondanani Caring Hands	Blantyre	Construction of a house for children	July 27 2007	13,272,874	95,010
198	Tikoliwe Gravity-fed Water Supply Scheme	Mchinji	Supply of piped water	June 26 2008	34,314,804	244,407
199	Nsiyaludzu School of the Blind	Balaka	Electricity supply	June 26 2008	198,000	1,410
200	Partnership with UNDP	National	Financing SMEs	July 1, 2010	15,102,000	100,212
201	Rotary Anns	Lilongwe, Mangochi	Contribution towards an inititaive to support grandmothers	July 22, 2016	500,000	733
202	Malawi Union for the Blind	National	Purchase of braille embosser and braille paper	February 17, 2017	6,640,000.00	9,159
203	Chirimba Police Unit	Blantyre City	Construction of staff houses	October 25, 2017	55,130,000	76,041
204	Mulanje Vocational and Rehabilitation Centre for the Blind	Mulanje	Construction of classroom block, furnishing of male hostel and purchase of braille embosser and software	August 9, 2018	64,162,000	88,499
	TOTAL				**542,065,826.73**	**5,644,296.48**

PROJECTS FUNDED IN THE HOUSING SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
205	Malawi Army	National	Construction of houses for officers & men	November 1997	4,000,000	261,437.91
206	Village Housing Scheme	Ntcheu, Zomba, Machinga, Chiradzulu	Construction low cost village houses	July 8, 2002	6,000,000	85,714
	TOTAL				**10,000,000**	**347,152.19**

PROJECTS FUNDED IN THE SCIENTIFIC RESEARCH SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
207	Malawi Industrial Research	National	Funding for research programmes	November 1997	1,544,000	100,915.03
208	Department of Mines	National	Exhibition of mineral resources found in Malawi	June 2000	1,740,000	36,709
209	National Schools Science Fair	National	Helping Kamuzu Academy host the Fair	June 26, 2009	39,259,000	70,904
210	COSECSA	National	Contribution towards hosting of Scientific Conference	February 5, 2016	2,099,000	3,078
211	Dzaleka Secondary School	National	Support towards testing of locally made life jacket	March 9, 2018	220,000	303
	TOTAL				**44,862,000**	**211,909**

PROJECTS FUNDED IN THE ENVIRONMENTAL CONSERVATION SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
212	Michiru Nature Sanctuary/ WESM	Blantyre	Construction of houses for patrol men	July 14 2005	13,347,834	117,914
213	Department of Forestry	Dowa, Blantyre	Provision of tree seedlings for the National Forestry Season	October 4 2007	5,000,000	35,791
214	Department of Forestry	Mwanza & Ntcheu	Provision of tree seedlings for the National Forestry Season	March 26 2008	7,000,000	49,858
215	Department of Forestry	Balaka & Chikhwawa	Provision of tree seedlings for the National Forestry Season	March 26 2009	9,000,000	64,011
216	Department of Forestry	Salima, Thyolo & Phalombe	Provision of tree seedlings for the National Forestry Season	April 9, 2010	9,000,000	59,721
217	Department of Forestry	Nkhotakota, Lilongwe	Provision of tree seedlings for the National Forestry Season	October 1, 2011	9,500,000	62,997
218	Department of Forestry	Ntchisi, Nkhata Bay, Lilongwe	Provision of tree seedlings for the National Forestry Season	November 2, 2012	11,900,000	71,730
219	Department of Forestry	Chiradzulu, Zomba	Provision of tree seedlings for the National Forestry Season	November 8, 2013	11,500,000	34,912
220	Department of Forestry	Kasungu, Lilongwe	Provision of tree seedlings for the National Forestry Season	September 26, 2014	11,500,000	28,097
221	Lilongwe Wildlife Trust	National	Contribution towards national campaign against illegal wildlife trade	September 26, 2014	1,500,000	3,665
222	Department of Forestry	Nsanje, Dedza	Provision of tree seedlings for the National Forestry Season	November 16, 2015	13,676,000	31,252

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
223	Department of Forestry	National	Support towards afforestation programme	December 11, 2020	5,000,000	6,793
224	Malawi Defence Force	National	Support towards afforestation programme	August 1, 2019	7,955,000	10,882
225	Department of Forestry	National	Support towards afforestation programme	December 11, 2020	22,560,000	30,652
	TOTAL				**138,438,834**	**608,276**

PROJECTS FUNDED IN THE SPORTS AND CULTURE SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
226	Ministry of Education, Sports and Culture	National	Sports development programme	August 1999	45,000,000	1,027,397.26
227	Amateur Athletics Association of Malawi	National	Hosting the SADC Cross Country Championships	March 2001	1,900,000	24,142
228	Late Dr Banda's Mausoleum	Lilongwe	Contribution towards initial design costs	May 9, 2001	3,461,336	43,981
229	Cultural Museum Centre Karonga	Karonga	Shipping the remains of the dinosaur from USA	July 8,2002	1,200,000	17,143
230	Malawi Army	National	Contribution towards centenary celebrations	October 4,2002	375,000	7,979
231	Lilongwe Sisters Netball Club	Lilongwe	Purchase of netball uniform	February 5, 2004	150,000	1,377
232	Amateur Athletics Association of Malawi	National	Sponsorship of athletes	March 24, 2004	418,394	3,842
233	SADC Parliamentary Reseachers Workshop	Lilongwe	Contribution towards hosting the workshop	March 24, 2004	230,463	2,116
234	Museums of Malawi	National	Erection of shelters over open air exhibits	March 24, 2004	1,000,000	9,183
235	Late Dr Banda's Mausoleum	Lilongwe	Contribution towards erecting a fence	March 24, 2004	749,383	6,881
236	Malawi Law Society	Blantyre	Contribution towards the annual conference	November 18, 2004	280,500	2,576
237	Malawi Institute of Education	Zomba	Construction of an educational museum	February 23, 2005	9,370,792	82,781
238	Football Association of Malawi	National	Sponsorship of the FAM Cup	July 14 2005	6,000,000	53,004

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
239	National Women's Football	National	Participation in the COSAFA Tournament	November 23 2005	1,422,200	12,564
240	Ministry of Agriculture/ECAM	National	Contribution towards a workshop on food security	September 29,2006	3,159,000	23,452
241	Hockey Association of Malawi	National	Purcahse of hockey equipment	September 29,2006	5,131,712	38,097
242	National Assembly	National	Contribution towards hosting a SADC conference	October 10, 2008	500,000	3,561
243	Chewa Royal Establishment	National	Contribution towards Kulamba Traditional Ceremony	October 10, 2008	500,000	3,561
244	Malawi Television	National	Coverage of Kulamba Traditional Ceremony	October 10, 2008	198,000	1,410
245	Mulhakho wa Alhomwe	National	Contribution towards a traditional ceremony	October 10, 2008	750,000	5,342
246	Ministry of Sports & Youth Development	National	Sponsorship for the Flames	Decemebr 17 2008	11,256,000	80,171
247	Malawi Television	National	Awards & trophies for 'Our People Our Pride'	January 14, 2010	1,534,375	10,182
248	National Assembly	National	Helping the National Assembly host an international conference	March 1, 2010	200,000	1,327
249	Mulhako wa Alhomwe	National	Contribution towards cultural activities	March 1, 2010	250,000	1,659
250	Late Dr Aleke Banda	National	Publication & distribution of his biography	July 1, 2010	1,900,000	12,608
251	Malawi Government	National	Hosting 46th & 47th Anniversary Celebrations	July 1, 2010	1,000,000	6,636
252	National Public Events	National	Contribution towards Independence celebrations	July 1, 2010	500,000	3,318
253	Malawi Television	National	Awards & trophies for 'Our People Our Pride'	October 1, 2010	4,441,000	29,469
254	Miss Malawi 2010	National	Promoting the cultural component in the beauty peagent	December 14, 2010	270,000	1,792
255	National Public Events	National	Contribution towards Independence celebrations	July 8, 2011	1,200,000	7,958

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
256	Women Judges Association of Malawi	National	Helping the Association to officailly launch its activities	March 30, 2012	500,000	3,014
257	Zakwathu Cultural Programme	National	Promotion of cultural heritage on television and radio	April, 2012	213,498,000	1,286,908
258	Economics Association of Malawi	National	Contribution towards annual economic conference	August, 2012	6,538,000	39,409
259	Board of Architects and Quantity Surveyors	National	Contribution towards annual conference	October, 2012	100,000	606
260	Malawi Law society	National	Contribution towards regional legal conference	August 2, 2013	500,000	1,518
261	Malawi National Assembly	National	Contribution towards a sports festival in Zambia	August 2, 2013	500,000	1,518
262	Public Service Reforms Commission	National	Publication of the report of the Commission	November 18, 2014	2,000,000	4,886
263	Economics Association of Malawi	National	Contribution towards annual economic conference	August 3, 2015	2,000,000	4,570
264	MBC Innovations Awards	National	Contribution towards the MBC Innovations annual awards	November 27, 2015	4,401,000	10,057
265	MITC	National	Contribution towards hosting of Malawi Investment Forum	May 26, 2015	1,000,000	2,285
266	Media Institute of Southern Africa	National	Contribution towards publishing of strategic plan	July 22, 2016	1,302,000	1,909
267	Economics Association of Malawi	National	Contribution towards annual economic conference	October 21, 2016	4,045,000	5,931
268	Ministry of Industry & Trade	National	Contribution towards launch of Buy Malawi Strategy	July 22, 2016	2,000,000	2,933
269	MBC Innovations Awards	National	Contribution towards the MBC Innovations annual awards	October 21, 2016	5,000,000	7,331
	TOTAL				**347,732,156**	**2,898,385**

PROJECTS FUNDED IN THE DISASTER RELIEF SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNT APPROVED	$ Value
270	Karonga Drought Disaster	Karonga	Provision of relief items	August 1, 1997	500,000	32,679.74
271	Phalombe Floods Disaster	Phalombe	Provision of relief items for flood victims	February 1998	300,000	12,245
272	Nkhotakota Floods Disaster	Nkhotakota	Provision of relief items for flood victims	January 1998	400,000	16,327
273	Karonga Floods Disaster	Karonga	Provision of relief items for flood victims	January 1998	300,000	12,245
274	Lower Shire Floods disaster	Chikwawa, Nsanje	Provision of relief items for flood victims	December 1, 1999	1,105,897	25,248.79
275	Machinga Floods disaster	Machinga	Provision of relief items for flood victims	February 1998	500,000	20,408
276	1999 floods disasters	Nkhata Bay, Nsanje, Mchinji, Zomba	Provision of relief items for flood victims	May 1999	6,500,000	148,402
277	Year 2001 flood disasters	Machinga, Mangochi, Salima & Mchinji	Provision of relief items for flood victims	April 2001	7,000,000	88,945
278	Winter Cropping	Dowa, Lilongwe, Mangochi, Ntcheu, Karonga, Salima & Nkhata Bay	Purcahse of farm inputs & relief items	July 8, 2002	5,000,000	71,429
279	Disaster Relief Fund	National	Emergency fund	February 3, 2006	3,100,000	23,014
280	Karonga Earthquake	Karonga	Provision of relief items	January, 2010	1,500,000	9,954
281	Karonga Floods Disaster	Karonga	Provision of relief items	April, 2011	1,000,000	6,631
282	Disaster Relief Fund	National	Emergency fund	March 30, 2012	5,000,000	30,139
283	National Flood Disaster	National	Purchase of relief items	April 5, 2013	3,400,000	10,322
284	Northern Region Flood Disaster	Mzimba, Nkhatabay, Karonga	Provision of relief items for flood victims	July 22, 2016	2,880,000	4,223
285	COVID-19 National Response	National	Rehabiltation of Isolation Centres and provision of essential medical equipment	April 17, 2020	200,000,000	271,739
286	Disaster Relief Fund	National	Contribution towards national disaster management	August 1, 2019	10,000,000	13,680
	TOTAL				**248,485,897**	**797,630**

Patients receiving medical assistance at Chisamba Health Centre

CORPORATE GOVERNANCE STATEMENT

CODES AND REGULATIONS

Press Trust is fully committed to practicing and achieving high standards of corporate governance in conducting its business.

The principle governance rules that apply to the Trust are set out in the Press Trust Reconstruction Act, 1995 (PTRA). The PTRA enshrines virtually all the tenets of good corporate governance any organization can aspire to practice. In addition, the Trust fully endorses the applicable codes of corporate practice and conduct.

BOARD OF TRUSTEES

In terms of the PTRA, the Trust has a unitary board structure and the Board of Trustees comprises seven (7) independent, non-executive Trustees. As reported in the Chairperson's Statement, there have been five (5) additional members to the Board of Trustees during the period under review (1st April 2017 – 31st March 2021).

Section 6 of the Deed of Variation annexed to the PTRA ("the Deed") goes into detail about the procedure for the appointment of Trustees. In short, the PTRA provides that at the **expiry** of any Trustee's term of office, the remaining Trustees shall appoint by unanimous agreement an Ordinary Trustee to serve for a term of six (6) years. Under this provision, Trustees unanimously appointed Prof. Moses Maliro and Mr. Randson Mwadiwa to serve as Ordinary Trustees of Press Trust from August 2017, replacing Mrs. Esther Chioko and Mrs. Nancy Tembo who had diligently served the Trust for 12 years and had since retired.

The same section 6 of the Deed provides that if an Ordinary Trustee **dies** or **retires** as a Trustee before the expiry of his term of office then the remaining Trustees shall appoint by unanimous agreement an Ordinary Trustee to replace him for the remainder of his term. Under this provision, Trustees appointed three (3) additional Trustees as follows: first, Mr. Symon Msefula who joined the Board in June 2017 following the voluntary retirement of former Trustee Jim Nsomba; second, Mr. Stephen Matenje, SC who was appointed to the Board of Trustees in June 2019 replacing the late Trustee Mayer Chisanga, SC; and finally, Hon. Sosten Gwengwe, MP who is the newest member of the Board having joined it in August 2020 replacing former Trustee Randson Mwadiwa who voluntarily retired and was re-assigned by Trustees to Press Corporation Plc.

It is a provision of the PTRA that the Chairperson of the Board of Trustees holds office for one (1) year only and is elected from amongst the Trustees by simple majority. No retiring Chairperson is eligible for immediate re-election. In addition, the Chairperson has no casting vote. The Chairperson is simply the first among equals. It is pleasing to report that the following Trustees served and fully embraced their role as chairpersons of the Trust during the reporting period: late Trustee Mayer Chisanga, SC from July 2017 to October 2018; then Trustee Eng. Wilson Chirwa from October 2018 to November 2019; followed by Trustee Linda Phiri from December 2019 to 7th August 2020; and finally Trustee Audrey Mwala from August 2020 to the reporting date and beyond. In line with good corporate governance practice, Trustees only assume chairmanship of the Trust after the conclusion of the Annual General Meeting of the Trust in that particular year.

The Board of Trustees normally meets quarterly but additional meetings are held on need basis. The quorum for transacting the business of the Trust is four (4) Trustees. The Board retains full and effective control over the activities of the Trust and it recognizes that internal control, risk management and compliance are important aspects of corporate governance.

During the four (4) year period under review, the Board of Trustees met 27 times and the participation by Trustees was as follows:

from 1st April to 31st March						
Name of Trustee	**2018**	**2019**	**2020**	**2021**	**Total**	**Period**
Mrs. Audrey Mwala	6/8	4/4	8/8	7/7	**24/27**	2021 membership
Eng. Wilson Chirwa	7/8	4/4	8/8	7/7	**26/27**	
Ms. Linda M Phiri	6/8	3/4	5/8	7/7	**21/27**	
Mr. Symon Msefula	5/8	4/4	7/8	6/7	**22/27**	
Prof. Moses Maliro	4/8	4/4	7/8	7/7	**22/27**	
Mr. Stephen Matenje, SC			4/8	6/7	**10/27**	
Hon. Sosten Gwengwe, MP				2/7	**2/27**	
Mr. Mayer Chisanga, SC*	7/8	4/4			**13/27**	Previous members
Mr. Randson Mwadiwa**	3/8	3/4	8/8	2/7	**16/27**	
Mrs. Esther Chioko***	4/8				**4/27**	
Mrs. Nancy Tembo***	4/8				**4/27**	

**Late Trustee Chisanga,SC passed away in 2019 and was replaced by Trustee Matenje, SC.*
***Trustee Mwadiwa joined the board in August 2017 and voluntarily retired in June 2020. He was replaced by Trustee Gwengwe, MP.*
****The two Trustees retired in June 2017 after diligently serving the Trust for 12 years.*

STANDING COMMITTEES OF THE BOARD

The Board of Trustees of Press Trust has three (3) standing Committees to which various matters are delegated in accordance with their respective Terms of Reference. The Board also establishes committees on an ad hoc basis to deal with particular matters as and when the need arises. In doing so, the Board specifies the remit, quorum and participation of Trustees in the committees.

The Chairperson of the Board of Trustees does not participate in any of the Committees. As such, the membership of the Committees is refreshed every year as one Trustee steps down from the Chair and another ascends to it. The membership of every committee is four (4) Trustees at any one time. As a result, the six (6) Trustees, except the Chair, sit in two committees.

Finance and Audit Committee

The Committee has defined terms of reference and authority granted to it by the Board. In line with its terms of reference, the Committee is responsible for monitoring the integrity of the financial statements of the Trust and any formal announcements relating to financial performance and position of the Trust. It regularly reviews the effectiveness of the Trust's internal controls over management information and it monitors the independence and effectiveness of the Trust's external and internal auditors and receives and considers their reports.

The Executive Secretary, the Head of Finance & Administration and the Head of Operations attend the Committee Meetings. The Trust's external and internal auditors have unrestricted access to the Committee.

During the period under review, the Finance and Audit Committee comprised the following members at various times:-

i. Prof Moses Maliro
ii. Ms. Linda M Phiri
iii. Mr. Stephen Matenje, SC
iv. Hon. Sosten Gwengwe, MP
v. Mrs. Audrey Mwala
vi. Mrs .Nancy Tembo
vii. Mr. Mayer Chisanga, SC
viii. Mr. Randson Mwadiwa

The Committee met fourteen (14) times during the period under review and the participation of members was as follows:

from 1st April to 31st March						
Name of Trustee	**2018**	**2019**	**2020**	**2021**	**Total**	**Period**
Prof Moses Maliro	2/3	4/4	3/3	4/4	13/14	**2021 membership**
Ms. Linda M Phiri*	3/3	3/4	1/3	2/4	9/14	
Mr. Stephen Matenje, SC			2/3	3/4	5/14	
Hon. Sosten Gwengwe, MP				3/4	3/14	
Mrs. Audrey Mwala**	3/3	3/4	3/3	2/4	11/14	**Previous members**
Mr. Mayer Chisanga, SC	1/3	2/4			3/14	
Mr. Randson Mwadiwa	2/3	3/4	1/3	1/4	7/14	
Mrs. Nancy Tembo	1/3				1/14	

**Trustee Phiri served as Chairperson of the Trust from December 2019 to October 2020 and therefore did not attend any committee meetings during that time.*
***Trustee Mwala chaired the committee from 2018 until she was elected Chairperson of Trust in October 2020 when she ceased to be a member.*

Human Resources Committee

As with all the standing Committees of the Board, the Human Resources Committee has defined terms of reference and authority granted to it by the Board. The committee is responsible for formulating and implementing the appointments and remuneration policy of the Trust. The Committee makes recommendations to the Board in relation to the appointment of Trustees, the structure of the Board and membership of the Board's main standing committees. It is responsible for making recommendations to the Board in relation to the appointment, remuneration and development of executive management of the Trust. In addition, the Committee is responsible for making recommendations to the Board regarding the appointment of Directors to the boards of the Trust's subsidiaries and associate companies.

The Executive Secretary, the Head of Finance & Administration, the Head of Operations and the Administration Manager attend Committee Meetings.

During the period under review, the Human Resources Committee comprised the following members at various times:

i. Mr. Stephen Matenje, SC
ii. Eng. Wilson Chirwa
iii. Ms. Linda M Phiri
iv. Mr. Symon Msefula
v. Mr. Mayer Chisanga SC
vi. Mr. Randson Mwadiwa

During the four (4) years under review, the Committee met 12 times and the participation of members was as follows:

from 1st April to 31st March						
Name of Trustee	**2018**	**2019**	**2020**	**2021**	**Total**	**Period**
Mr. Stephen Matenje, SC			2/3	3/3	**5/12**	**2021 membership**
Eng. Wilson Chirwa*	3/3	1/3		2/3	**6/12**	
Ms. Linda M Phiri*	3/3	2/3	2/3	2/3	**9/12**	
Mr. Symon Msefula	3/3	3/3	3/3	2/3	**11/12**	
Mr. Mayer Chisanga SC*	1/3	2/3			**3/12**	**Previous members**
Mr. Randson Mwadiwa	2/3	3/3	3/3	1/3	**9/12**	
Mr. Randson Mwadiwa	2/3	3/4	1/3	1/4	**7/14**	
Mrs. Nancy Tembo	1/3				**1/14**	

**These Trustees served as Chairperson of the Trust during the period and therefore did not attend any committee meetings during their respective tenures.*

Operations, Risk, Investments and Compliance Committee (ORIC)

In line with its terms reference, the Operations, Risk, Investments and Compliance Committee is the business committee of the Trust responsible for formulating and implementing both the Trust's commercial investments and social development policy. The Committee considers and makes recommendations to the Board on all applications for funding for social development projects and all new proposed commercial investments. The Committee is also responsible for overseeing the formulation and implementation of the Trust's risk management and compliance policy. The Trust's mandate of managing investments and donating proceeds therefrom towards socio-development programmes necessitates the need for sound risk management procedures.

The Executive Secretary, the Head of Operations, the Head of Finance & Administration and the Projects Manager attend the Committee Meetings. The Trust's Risk Management and Compliance functions are outsourced and the service provider has unrestricted access to the Committee.

During the period under review, ORIC comprised the following members at various times:

i. Mr. Symon Msefula
ii. Prof Moses Maliro
iii. Eng. Wilson Chirwa
iv. Hon. Sosten Gwengwe, MP
v. Mrs. Audrey Mwala
vi. Mrs. Nancy Tembo
vii. Mr. Randson Mwadiwa

During the four (4) year period under review, the Committee met 12 times and the attendance was as follows:

from 1st April to 31st March						
Name of Trustee	**2018**	**2019**	**2020**	**2021**	**Total**	**Period**
Mr. Symon Msefula	3/3	3/3	3/3	2/3	**11/12**	**2021 membership**
Eng. Wilson Chirwa*	3/3	1/3		3/3	**7/12**	
Prof. Moses Maliro	2/3	3/3	3/3	3/3	**11/12**	
Hon. Sosten Gwengwe,				2/3	**2/12**	**Previous members**
Mrs. Audrey Mwala*	3/3	3/3	2/3	1/3	**9/12**	
Mr. Randson Mwadiwa	1/3	2/3	2/3		**5/12**	
Mrs. Nancy Tembo	1/3				**1/12**	

**Trustee Chirwa served as Chairperson of the Trust from October 2018 to November 2019 while Trustee Mwala is the current Chairperson of the Trust. Chairpersons do not participate in any committee.*

BOARD INFORMATION AND DEVELOPMENT

Under the direction of the Chairperson, the Executive Secretary is responsible for advising the Board on all governance issues, induction of new Trustees, ensuring that board procedures are followed and applicable rules and regulations are complied with. All Trustees individually and as a Board, have access to the advice and services of the Executive Secretary. Trustees are also entitled and authorized to seek independent and professional advice about the affairs of the Trust at the Trust's expense where necessary in fulfilling their duties.

Trustees periodically attend training programmes outside the country in order to keep up with knowledge levels required for their oversight responsibilities.

INTERNAL AUDIT, RISK MANAGEMENT AND COMPLIANCE

The Trust outsourced the above services to a duly registered practicing audit firm. The Board monitors the effectiveness of the Trust's internal control systems, policies and procedures through internal audit reports which are submitted directly to the Finance and Audit Committee. The risk management and compliance functions are handled by ORIC. The principal role of the service provider is to ensure that the Trust accomplishes its objectives through a systematic and disciplined approach in a control environment that is continuously improving and learning.

INDEPENDENCE OF EXTERNAL AUDITORS

The Board has systems in place for ensuring the independence, integrity, competence and professionalism of the external auditors to the Trust. The Board has satisfied itself that during the period under review, no aspect of the external auditors' work was impaired on these grounds.

EXECUTIVE MANAGEMENT COMMITTEE

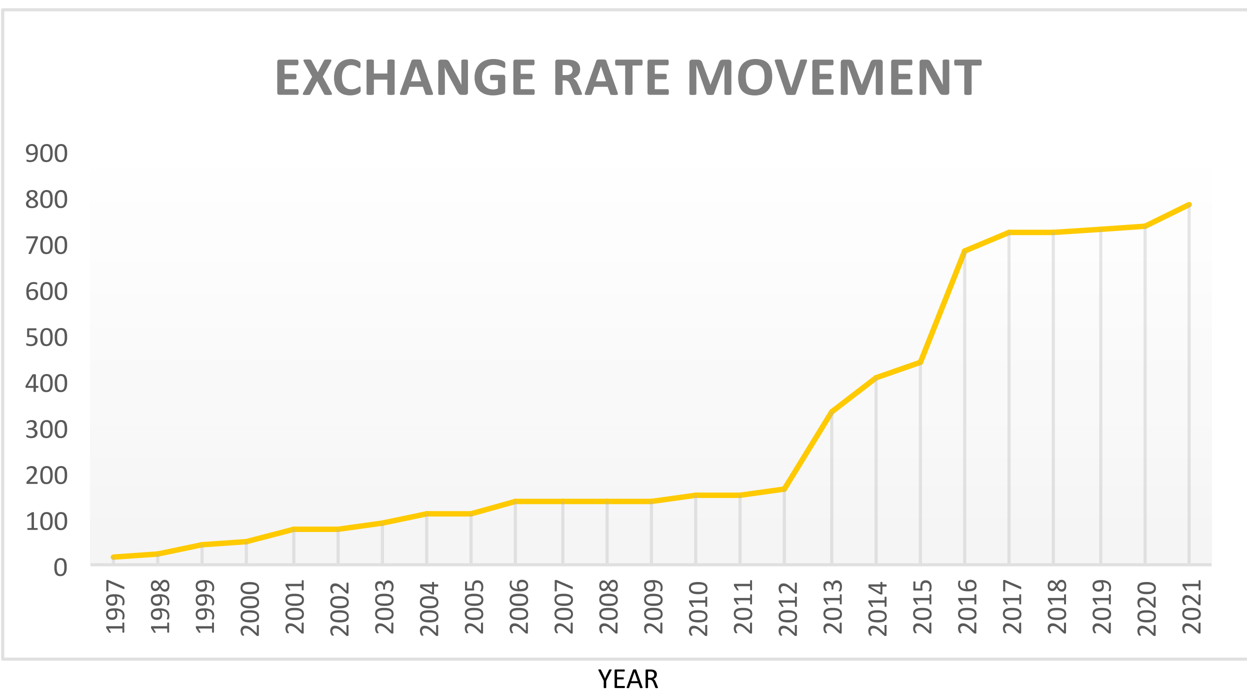
The Trust also has in place an Executive Management Committee which comprises the Executive Secretary, all Heads of Department and Managers. The Committee normally meets monthly and the main aim of the Management Meetings is to ensure that the wishes, instructions and resolutions of Trustees are timely and properly implemented.

By Order of the Board of Trustees.

GIBSON NGALAMILA
EXECUTIVE SECRETARY

SUMMARISED GROUP FINANCIAL STATEMENTS

FOR THE FOUR YEAR PERIOD



GROUP STATEMENTS OF COMPREHENSIVE INCOME *For the years ending 31 March*

	2018 K'000	2019 K'000	2020 K'000	2021 K'000
INCOME				
Total income	**2,429,567**	**2,552,239**	**2,333,940**	**2,132,782**
EXPENDITURE				
Administration expenditure	(1,886,452)	(2,165,810)	(2,144,298)	(1,953,379)
Provisions and other expenses	(430,673)	(666,939)	(800,613)	(740,999)
Surplus/(deficit) before charitable expenditure	**112,442**	**(280,510)**	**(610,971)**	**(561,596)**
Total charitable expenditure	(561,496)	(743,102)	(957,880)	(933,946)
Surplus/(deficit) before tax	**(449,054)**	**(1,023,612)**	**(1,568,851)**	**(1,495,542)**
Taxation	(56,378)	(54,923)	(37,964)	(68,848)
Surplus/(deficit) for the year transferred to General Fund	(505,432)	(1,078,535)	(1,606,815)	(1,564,390)
Total other comprehensive income	4,968,936	37,226,954	13,117,650	(2,028,361)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,463,504**	**36,148,419**	**11,510,835**	**(3,592,751)**
Attributable to the parent	4,522,833	36,221,001	11,638,900	(3,772,600)
Non-controlling interest	(59,329)	(72,582)	(128,065)	179,849
Total	**4,463,504**	**36,148,419**	**11,510,835**	**(3,592,751)**

GROUP STATEMENTS OF FINANCIAL POSITION *As at 31 March*

	2018	2019	2020	2021
	K'000	K'000	K'000	K'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	10,741,420	10,051,376	9,636,784	14,586,605
Right off-use assets		-	88,354	136,608
Listed equity investments	43,366,871	77,519,813	90,855,838	83,894,522
Unlisted equity investments	232,448	2,994,356	3,662,249	4,211,075
Standing crops	115,787	88,677	45,317	27,005
Total non-current assets	**54,456,526**	**90,654,222**	**104,288,542**	**102,855,815**
CURRENT ASSETS				
Growing crops	420,175	780,306	516,148	752,667
Inventory	606,733	160,699	146,950	245,150
Receivables and repayments	84,326	424,280	112,342	249,249
Bank balances and cash	1,360,367	2,294,035	1,867,228	2,260,892
Funds held by brokers	331	295	269	307
Assets held for sale and discontinued operations	155,484	155,484	155,484	155,484
Tax recoverable	1,444	14,379	31,358	56,269
Total current assets	**2,628,860**	**3,829,478**	**2,829,779**	**3,720,018**
TOTAL ASSETS	**57,085,386**	**94,483,700**	**107,118,321**	**106,575,833**
RESERVES AND LIABILITIES				
RESERVES				
Fair value reserve on listed investments	41,875,505	76,180,008	88,908,080	81,458,940
Fair value reserve on unlisted investments	12,980	2,774,888	3,072,781	3,485,753
Property revaluation reserve	12,192,629	12,353,171	12,444,856	17,137,171
Total non-distributable reserves	**54,081,114**	**91,308,067**	**104,425,717**	**102,081,864**
General fund	(2,996,514)	(3,986,407)	(5,503,406)	(6,932,153)
Total reserves	**51,084,600**	**87,321,660**	**98,922,311**	**95,149,711**
Non-controlling interest	(745,730)	(816,384)	(938,673)	(758,824)
Equity attributable to holders of the parent	**50,338,870**	**86,505,276**	**97,983,638**	**94,390,887**
LIABILITIES				
Total non-current liabilities	2,290,075	1,913,427	3,169,896	6,605,766
Total current liabilities	4,456,441	6,064,997	5,964,787	5,579,180
Total liabilities	**6,746,516**	**7,978,424**	**9,134,683**	**12,184,946**
TOTAL RESERVES AND LIABILITIES	**57,085,386**	**94,483,700**	**107,118,321**	**106,575,833**

GROUP CASHFLOW STATEMENT

For the years ending 31 March

	2018	2019	2020	2021
	K'000	K'000	K'000	K'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Surples(deficit) for the year before charitable expenditure	**112,442**	**(280,510)**	**(610,971)**	**(561,596)**
Adjustments for non-cash items	(568,463)	(1,321,633)	(797,018)	(1,329,849)
Net cash generated/ (absorbed) in operating activities	**(456,021)**	**(1,602,143)**	**(1,407,989)**	**(1,891,445)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(462,275)	(76,375)	(289,183)	(43,584)
Standing crops additions	(31,151)	(26,118)	(17,955)	(17,241)
Purchase of equity investments	(1,918,558)	(1,832,144)	(1,511,387)	(623,978)
Proceeds on disposal of equity investments	1,610,141	1,976,698	527,011	-
Proceeds on disposal of plant and equipment	15,560	317,503	225,773	88,144
Interest received	220,480	251,299	226,048	229,736
Interest paid	(557,009)	(639,698)	(782,410)	(737,074)
Loan received	2,220,838	1,274,616		
Accrued interest and exchange loss on loan capitalized	452,299	522,149		
Prior year error	(7,357)	(26,493)		
Loan repaid	(2,148,904)	(924,637)		
Dividends received	1,283,431	1,692,302	1,817,706	1,896,283
Net cash flows from investing activities	**677,495**	**2,509,102**	**195,603**	**792,286**
CASH FLOWS FROM FINANCING ACTIVITIES	-	-		
Interest paid			(14,979)	(16,451)
Loan received			3,683,603	1,469,467
Accrued interest and exchange loss on loan capitalized			621,683	607,098
Loan repaid			(3,486,829)	(545,530)
Loan reclassification				(1,906)
Repayment of lease liabilities			(26,468)	(11,076)
Net cash flows from financing activities	**-**	**-**	**777,010**	**1,501,602**
Net increase/ (decrease) in cash & cash equivalents	**221,474**	**933,452**	**(435,376)**	**402,443**
Cash and cash equivalents at beginning of the year	**1,139,206**	**1,360,680**	**2,294,132**	**1,858,756**
Cash and cash equivalents at the end of the year	**1,360,680**	**2,294,132**	**1,858,756**	**2,261,199**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CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

for the year ended 31 March 2020

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

The Trustees have pleasure in presenting the audited consolidated and separate financial statements for the year ended 31 March 2021 and report thereon as follows: -

STATEMENT OF COMPREHENSIVE INCOME

The Trustees report a consolidated deficit of K1 564 million (2020: K1 607 million) for the year.

SUBSIDIARIES

Details of investments in subsidiaries as of 31 March 2021 are shown in note 18 on page 119.

RESERVES

Details of the reserves of the Trust and the Group are shown in the statements of changes in reserves on pages 77-78.

TRUSTEES

The following Trustees, appointed in terms of the deed of the Trust, served office during the year:

Mrs. Audrey Mwala (Chairperson)	- All year
Prof. Moses F.A Maliro	- All year
Ms. Linda Mzumara Phiri	- All year
Mr. Stephen Matenje SC	- All year
Eng. Wilson Chirwa	- All year
Mr. Symon Msefula	- All year
Hon. Sosten Gwengwe, MP	- From August 2020
Mr. Radson Mwadiwa	- Up to July 2020

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Trustees accept that it is their duty to prepare financial statements annually which give a true and fair view of the state of the Trust and Group's affairs at the reporting date and their results for the year then ended and otherwise comply with the requirements of the Trustees Incorporation Act and Press Trust Reconstruction Act (PTRA).

The Trustees also acknowledge their duty to ensure the Trust and the Group keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and the Group and enable them to ensure that the financial statements comply with the Trustees Incorporation Act.

In preparing the financial statements the Trustees accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and consistent application thereof;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with International Financial Reporting Standards, when preparing financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Trust and the Group will continue in business..

TRUSTEES' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS (Continued)

The Trustees are also responsible for establishing internal controls that ensure the propriety of transactions and accuracy and reliability of the accounting records and to safeguard the assets of the Trust against loss by theft, fraud, defalcation or otherwise.

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Trust and the Group and of their operating results and cash flows for the year ended 31 March 2021.

...) TRUSTEE
Audrey Mwala

...) TRUSTEE
Moses F. A. Maliro

Deloitte.

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

Opinion

We have audited the Group annual financial statements of Press Trust and its subsidiaries, Press Trust Overseas Limited and Press Agriculture Limited ("the Group") and separate annual financial statements of Press Trust as set out on pages 75 to 140 which comprise the consolidated and separate statements of financial position as at 31 March 2021, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in reserves and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group as at 31 March 2021, and of its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Trustees Incorporation Act, 1962, so far as concerns Trustees of the Trust.

Basis for Opinion

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

Emphasis of Matter – Valuation of Property, Plant and Equipment

We draw attention to note 14 to the consolidated and separate financial statements which indicates that the Group revalued its property, plant and equipment as at 31 March 2021. Included in the value of property, plant and equipment are estates 42,43 and 47 with a total value of K 938 million whose lease period expired. As explained therein, the Group has already applied for the renewal of the leases for another 66 to 99 years to the Malawi Government through Ministry of Lands. The trustees are of the opinion that the lease period of these estates will be approved. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to note 1.3 to the financial statements, which indicates that the Group reported a deficit of K1 564 million (2020: K1 607 million) and the Trust realised a surplus of K595 million (2020: K488 million) during the year ended 31 March 2021 and, as at that date, the Group had net current liabilities of K1 859 million (2020: K3 135 million) and the Trust had net current assets of K515 million (2020: K496 million). The Group had accumulated deficit of K6 932 million (2020: K5 503 million) and the Trust had accumulated surplus of K6 472 million (2020: K5 877 million). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group and Trust's ability to continue as a going concern.

MAKING AN IMPACT THAT MATTERS since 1845

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters noted below relate to the consolidated financial statements of Press Trust Group for the year ended 31 March 2021.

Key Audit Matter	How the matter was addressed in the audit
Borrowings-Compliance with loan covenants	
Limbe Leaf Tobacco Company Limited facility The Group through Press Agriculture Limited has an agreement with Limbe Leaf Tobacco Company (LLTC) Limited to sublease the Group's four estates (numbers 15, 16, 17 and 18) for a period of 22 years from 1 February 2016 at US$40 per hectare, which translates to an equivalent sublease fee of US$1.9 million for the 2 175 hectares subleased, with an option to buy and transfer the estates at any time during the sublease period without any further payment by LLTC. Under the sublease agreement, the total sublease fee of US$1.9 million would be payable in advance and be offset against the adjusted loan of US$2.3 million owed by General Farming Company Limited (a subsidiary of Press Agriculture Limited) to LLTC leaving a loan of US$0.35 million. **Export Development Fund (EDF)** The Group has EDF global facility of K7 billion. The outstanding balance as at 31 March 2021 was K5.13 billion. The Group obtained a loan from Export Development Fund through Press Agriculture Limited. This loan is made up of following facilities The first working capital facility amounted to K1.15 billion. The purpose was to utilize the facility's proceeds to produce seed maize, seed soya beans, commercial groundnuts, commercial maize, commercial soya beans and paprika for its business for the 2019/2020 growing season to be sold locally and across the borders. The facility has a tenor of twenty-two months to expire in August 2021 with a bullet payment in the said month. The facility was drawn down in tranches depending on the specific requirement from the borrower. The second facility amounting to K2.5 billion was obtained to refinance the outstanding debts with CDH Investment Bank (CDHIB) and Continental Capital Limited (CCL) as well as clearing off part of the outstanding creditors. The third medium term facility of K1.8 billion was obtained to clear additional creditors including salaries and wages and installing irrigation infrastructure at PAL's Estate number 68. The group also obtained a working capital facility of K1.3 billion to utilize in the production of seed maize, seed soya, commercial maize, seed groundnuts and paprika for the 2020/21 growing season.	To address this risk, we performed the following procedures: • We inspected all the loan agreements with lenders and then analyzed covenants specified in the contracts with banks and performed our procedures to assess the mathematical accuracy of financial covenants calculations and compliance with such loan covenants. • We checked whether there were any breaches of covenants including whether the Group was able to make repayments when they fall due. • We assessed the implications of any non-compliance with loan covenants and verify that any such breach has been appropriately accounted for in the financial statements. • Our procedures also included the inspection of responses from lenders to our requests on possible non-compliance with loan covenants and the analysis of conditions, which may indicate possible non-compliance with non-financial covenants.

Key Audit Matter	How the matter was addressed in the audit
Borrowings-Compliance with loan covenants	
Export Development Fund (EDF) The group also obtained a short-term facility of K375 million which was for the provision of Project Preparation and Advisory Service which include undertaking market study for specific value chain as well as feasibility studies (economic, technical and business plan), to produce a suite of project documents, turnaround strategy and business plan which will demonstrate bankability and thus motivate EDF appetite and other financiers interest for distress funding. The borrowings have been considered as a key audit matter due to uncertainties arising from non-repayment of loans. In the past Press Agriculture Limited has been bailed out by Press Trust, its parent company, to repay significant portions of its loan facilities. This presents a risk that borrowing covenants may not be complied with and that inadequate disclosures may be made in the financial statements, particularly for offsetting LLTC loan facility against the sublease fees.	• We checked the accuracy of the disclosures for current and long-term portions and the terms and conditions of the loans.. The scope and the results of our tests were satisfactory.

Other Information

The trustees are responsible for the other information. The other information comprises the Report of the Trustees as required by the Trustees Incorporation Act which we obtained prior to the date of this auditor's report and the Annual Report which would be expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the trustees for the Consolidated and Separate Financial Statements

The Trustees are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Trustees Incorporation Act for such internal control as the Trustees determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Trustees are responsible for assessing the Group'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 Trustees either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 ISAs 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' 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 Group'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 consolidated and separate 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements..

We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

From the matters communicated with the Trustees, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte

Deloitte

Chartered Accountants

Vilengo Beza
Partner

8 November 2021

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	TRUST 2021 K'000	TRUST 2020 K'000	GROUP 2021 K'000	GROUP 2020 K'000
INCOME					
Turnover		-	-	749 299	1 197 238
Cost of sales		-	-	(1 281 644)	(1 513 357)
Gross loss		-	-	(532 345)	(316 119)
Dividend income	5	1 896 283	1 804 000	1 896 283	1 804 000
Interest income	6	229 734	226 045	229 736	226 048
Donations/grants		21 997	11 590	21 997	11 590
Other income	7	7 943	9 307	517 111	608 421
Total income		2 155 957	2 050 942	2 132 782	2 333 940
OPERATING EXPENDITURE					
Administration expenditure	34	(622 852)	(579 090)	(1 953 379)	(2 144 298)
Exchange gains/(losses)	7	12 050	1 151	10 603	(337)
EXCESS OF INCOME OVER OPERATING EXPENDITURE		1 545 155	1 473 003	190 006	189 305
Net increase in impairment of loan receivables	8	(1 468)	(9 582)	-	-
Interest expense	6	-	-	(737 074)	(782 410)
Finance costs - Lease liabilities	28	(16 451)	(14 979)	(16 451)	(14 979)
Recovery of staff and other receivables		1 923	3 326	1 923	3 326
Realised loss on sale of equity investments	9	-	(6 213)	-	(6 213)
SURPLUS/(DEFICIT) BEFORE CHARITABLE EXPENDITURE		1 529 159	1 445 555	(561 596)	(610 971)
CHARITABLE EXPENDITURE					
Project funding and donations approvals	11	(766 674)	(869 673)	(766 674)	(869 673)
Project related expenses	12	(182 786)	(235 618)	(182 786)	(235 618)
Completed/discontinued projects Under provision	11	15 514	147 411	15 514	147 411
Total charitable expenditure		(933 946)	(957 880)	(933 946)	(957 880)
Surplus/ (deficit) before tax	10	595 213	487 675	(1 495 542)	(1 568 851)
Taxation	13	-	-	(68 848)	(37 964)
SURPLUS/ (DEFICIT) FOR THE YEAR TRANSFERRED TO GENERAL FUND		595 213	487 675	(1 564 390)	(1 606 815)
OTHER COMPREHENSIVE INCOME					
Revaluation surplus	14	-	-	5 433 818	-
Deferred tax	25	-	-	(426 011)	91 685
Fair value (loss)/gain on financial assets	16, 17 & 18	(7 166 410)	13 302 551	(7 158 439)	13 012 240
Exchange differences on translating foreign operation		122 271	13 725	122 271	13 725
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		(7 044 139)	13 316 276	(2 028 361)	13 117 650
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(6 448 926)	13 803 951	(3 592 751)	11 510 835
Attributable to the parent		-	-	(3 772 600)	11 638 900
Non-controlling interest		-	-	179 849	(128 065)
Total		(6 448 926)	13 803 951	(3 592 751)	11 510 835

STATEMENTS OF FINANCIAL POSITION

31 March 2020

	Notes	TRUST 2021 K'000	TRUST 2020 K'000	GROUP 2021 K'000	GROUP 2020 K'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	14	863 838	903 295	14 586 605	9 636 784
Right-of-use assets	15	136 608	88 354	136 608	88 354
Listed equity investments	16	81 683 786	89 339 642	83 894 522	90 855 838
Unlisted equity investments	17	4 210 955	3 662 129	4 211 075	3 662 249
Investments in subsidiaries	18	2 212 053	1 525 185	-	-
Loans due from Press Agriculture Limited	8	6 033 537	6 032 069	-	-
Provision against loans due from		-			
Press Agriculture Limited	8	(6 033 537)	(6 032 069)	-	-
Standing crops – growing timber	19	-	-	27 005	45 317
Total non-current assets		89 107 240	95 518 605	102 855 815	104 288 542
CURRENT ASSETS					
Standing crops	19	-	-	752 667	516 148
Inventories	20	-	-	245 150	146 950
Receivables and prepayments	21	77 272	65 933	249 249	112 342
Bank balances and cash	22	2 237 296	1 842 190	2 260 892	1 867 228
Funds held by brokers	22	-	-	307	269
Assets held for sale and discontinued operations	23	-	-	155 484	155 484
Tax recoverable		-	-	56 269	31 358
Total current assets		2 314 568	1 908 123	3 720 018	2 829 779
TOTAL ASSETS		91 421 808	97 426 728	106 575 833	107 118 321
RESERVES AND LIABILITIES					
Non-distributable reserves					
Fair value reserve on listed investments		77 075 154	85 219 133	81 458 940	88 908 080
Fair value reserve on unlisted investments		3 485 753	3 072 781	3 485 753	3 072 781
Fair value of foreign investments		2 016 511	329 643	-	-
Property revaluation reserve		443 055	443 055	17 137 171	12 444 856
Total non-distributable reserves		83 020 473	90 064 612	102 081 864	104 425 717
General fund		6 472 383	5 877 170	(6 932 153)	(5 503 406)
Entity attributable to equity holders of the parent		89 492 856	95 941 782	95 149 711	98 922 311
Non-controlling interest		-	-	(758 824)	(938 673)
Total reserves (pages 9 and 10)		89 492 856	95 941 782	94 390 887	97 983 638
NON-CURRENT LIABILITIES					
Sublease fees	24	-	-	1 087 163	1 170 857
Deferred tax	25	-	-	999 180	575 805
Lease liabilities	28	129 757	73 234	129 757	73 234
Long-term borrowings	26	-	-	4 389 666	1 350 000
Total non-current liabilities		129 757	73 234	6 605 766	3 169 896
CURRENT LIABILITIES					
Project funding	11	1 608 754	1 264 584	1 608 754	1 264 584
Bank overdraft	22	-	-	-	8 741
Sublease fees	24	-	-	79 268	74 842
Lease liabilities	28	19 591	13 896	19 591	13 896
Deferred income		45 758	28 410	45 758	28 410
Current portion of long-term borrowings	26	-	-	863 070	2 373 607
Provisions	27	-	-	160 324	139 844
Accounts payable	29	125 092	104 822	2 552 278	1 882 214
Tax payable		-	-	250 137	178 649
Total current liabilities		1 799 195	1 411 712	5 579 180	5 964 787
TOTAL RESERVES AND LIABILITIES		91 421 808	97 426 728	106 575 833	107 118 321

The financial statements were approved and authorised for issue by the Board of Trustees on ……………………………2021 and were signed on its behalf by:

(…………………………………………………………)
AUDREY MWALA (TRUSTEE)

(…………………………………………………………)
MOSES MALIRO (TRUSTEE)

STATEMENTS OF CHANGES IN RESERVES

For the year ended 31 March 2020

TRUST

	Fair value reserve on listed investments K'000	Fair value reserve on unlisted investments K'000	Fair value reserve on foreign investments K'000	Property revaluation reserve K'000	General fund K'000	Total K'000
For the year ended 31 March 2021						
At the beginning of the year	85 219 133	3 072 781	1 329 643	443 055	5 877 170	95 941 782
Surplus for the year	-	-	-	-	595 213	595 213
Realised loss on sale of equity						
Fair value adjustment (Note 16, 17)	(8 143 979)	412 972	564 597	-	-	(7 166 410)
Translation gain (Note 18)	-	-	122 271	-	-	122 271
At the end of the year	77 075 154	3 485 753	2 016 511	443 055	6 472 383	89 492 856
For the year ended 31 March 2020						
At the beginning of the year	72 709 828	2 774 888	1 616 087	443 055	4 894 142	82 438 000
Surplus for the year	-	-	-	-	487 675	487 675
Realised loss on sale of equity	(495 353)	-	-	-	495 353	-
Fair value adjustment (Note 16, 17)	13 004 658	297 893	(300 169)	-	-	13 002 382
Translation gain (Note 18)	-	-	13 725	-	-	13 725
At the end of the year	85 219 133	3 072 781	1 329 643	443 055	5 877 170	95 941 782

STATEMENTS OF CHANGES IN RESERVES

For the year ended 31 March 2021 (Continued)

GROUP

	Reserve on listed investments K'000	Fair value reserve on unlisted investments K'000	Fair value property revaluation reserve K'000	General fund K'000	Equity holder of parent K'000	Attributable Non-controlling interest K'000	Total K'000
For the year ended 31 March 2021							
At beginning of the year	88 908 080	3 072 781	12 444 856	(5 503 406)	98 922 311	(938 673)	97 983 638
Deficit for the year	-	-	-	(1 428 747)	(1 428 747)	(135 643)	(1 564 390)
Deferred tax	-	-	(399 172)	-	(399 172)	(26 839)	(426 011)
Translation gain (Note 18)	122 271	-	-	-	122 271	-	122 271
Fair value surplus (Note 16 and 17)	(7 571 411)	412 972	5 091 487	-	(2 066 952)	342 331	(1 724 621)
Attributable to equity holders of the parent	81 458 940	3 485 753	17 137 171	(6 932 153)	95 149 711	(758 824)	94 390 887
For the year ended 31 March 2020							
At beginning of the year	76 180 008	2 774 888	12 353 171	(3 986 407)	87 321 660	(816 384)	86 505 276
Deficit for the year	-	-	-	(1 606 815)	(1 606 815)	(128 065)	(1 734 880)
Prior year adjustments	-	-	-	89 816	89 816	-	89 816
Deferred tax	-	-	91 685	-	91 685	5 776	97 461
Translation gain(Note 18)	13 725	-	-	-	13 725	-	13 725
Fair value surplus (Note 16 and 17)	12 714 347	297 893	-	-	13 012 240	-	13 012 240
Attributable to equity holders of the parent	88 908 080	3 072 781	12 444 856	(5 503 406)	98 922 311	(938 673)	97 983 638

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2021

	Notes	TRUST 2021 K'000	TRUST 2020 K'000	GROUP 2021 K'000	GROUP 2020 K'000
Cash flows from operating activities					
Surplus/(deficit) for the year before charitable expenditure		1 529 159	1 445 555	(561 596)	(610 971)
Adjustments for: -					
- Depreciation of property, plant and equipment	14	64 873	58 924	526 936	694 474
- Depreciation of right-of-use assets	15	25 041	25 244	25 041	25 244
- Amortisation of standing crops	19	-	-	28 008	32 317
- Dividends receivable	5	(1 896 283)	(1 804 000)	(1 896 283)	(1 804 000)
- Interest receivable	6	(229 734)	(226 045)	(229 736)	(226 048)
- Interest payable	6	-	-	737 074	782 410
- Finance cost	28	16 451	14 979	16 451	14 979
- Loss/(profit) on disposal of plant and equipment		168	(982)	168	(982)
- Profit on disposal on standing crop		-	-	(80 599)	(186 492)
- Loss on disposal of equity investments	9	-	6 213	-	6 213
Impairment of loan receivables	8	1 468	9 583	-	-
Unrealised exchange gain on foreign currency loan		(1 468)	-	-	-
Project related disbursements	12	(182 786)	(235 618)	(182 786)	(235 618)
Project Funding and donations disbursements	11	(406 990)	(607 139)	(406 990)	(607 139)
Cash absorbed by operating activities before changes in net operating assets		(1 080 101)	(1 313 286)	(2 023 836)	(2 115 613)
Movement in sublease fees		-	-	(79 268)	(74 862)
Movement in inventories		-	-	(98 200)	13 749
Movement in growing crops		-	-	(236 519)	264 158
Taxation paid		-	-	(24 911)	(16 979)
Movement in receivables and prepayments		(11 339)	(3 262)	(136 907)	298 232
Movement in accounts payable and deferred income		37 618	49 241	687 414	195 065
Movement in provisions		-	-	20 480	27 261
Net cash absorbed in operating activities		(1 053 822)	(1 267 307)	(1 891 445)	(1 407 989)
Cash flows from investing activities					
Purchase of property, plant and equipment	14	(25 584)	(175 030)	(43 584)	(289 183)
Standing crops additions	19	-	-	(17 241)	(17 955)
Purchase of equity investments	16 &17	(623 978)	(1 511 387)	(623 978)	(1 511 387)
Proceeds on disposal of equity investments		-	527 011	-	527 011
Proceeds on disposal of plant and equipment		-	10 283	-	10 283
Proceeds on disposal of standing crops		-	-	88 144	215 490
Interest received	6	229 734	226 045	229 736	226 048
Interest paid		-	-	(737 074)	(782 410)
Dividends received		1 896 283	1 817 706	1 896 283	1 817 706
Net cash flows generated from investing activities		1 476 455	894 628	792 286	195 603
Cash flows from financing activities					
Interest paid		(16 451)	(14 979)	(16 451)	(14 979)
Loan received	26	-	-	1 469 467	3 683 603
Loans advanced and interest capitalised		-	(9 582)	-	-
Accrued interest and exchange loss on loan capitalised		-	-	607 098	621 683
Loan repaid	26	-	-	(545 530)	(3 486 829)
Loan reclassification	26	-	-	(1 906)	-
Repayment of lease liabilities		(11 076)	(26 468)	(11 076)	(26 468)
Net cash flows used in financing activities		(27 527)	(51 029)	1 501 602	777 010
Net (decrease)/increase in cash and cash equivalents		395 106	(423 708)	402 443	(435 376)
Cash and cash equivalents at beginning of the year		1 842 190	2 265 898	1 858 756	2 294 132
Cash and cash equivalents at end of the year		2 237 296	1 842 190	2 261 199	1 858 756
Cash and cash equivalents comprise of: -					
Bank balances and cash		2 237 296	1 842 190	2 260 892	1 867 228
Bank overdraft			-	-	(8 741)
Funds held by brokers		-	-	307	269
Total cash and cash equivalents		2 237 296	1 842 190	2 261 199	1 858 756

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *For the year ended 31 March 2021*

1. Nature of the Trust

1.1 Applicable Law and Tax Status

The Trust was incorporated under the Trustees Incorporation Act on 5 March 1982. The Press Trust Reconstruction Act, 1995, revised the original trust deed dated 10 February 1982. The Trust was created to apply income for or towards such charitable purposes as are in the interest and for the benefit of the people of Malawi. The Trust's registered office is in the Press Trust offices in Kang'ombe House, Capital City, Lilongwe and its postal address is Private Bag 359, Capital City, Lilongwe 3. The Trust has 13 (2020: 13) employees. As a Trust of public character, Press Trust is exempt from income tax under paragraph (b) (ix) of the First Schedule of the Taxation Act.

Press Trust has a 100% owned foreign subsidiary, Press Trust Overseas Limited. The subsidiary was incorporated to hold certain offshore investments for the Trust. The incorporation and basis of operation has been approved by the Reserve Bank of Malawi. The company is resident in British Virgin Islands. Its investments are managed by IMARA Asset Management (Zimbabwe) (Pvt) Limited.

Press Trust also has a controlling interest of 93.7% in Press Agriculture Limited (PAL) group.

In 2014, the Trust registered Press Farming, and Chemical Company Limited. The Company has authorised share capital of 10 000 ordinary shares of K1 each. The issued share capital is 10 000 ordinary shares of K1 each. The Trust and Agriculture Trading and Financing Company Limited each holds 1 share, representing 50% shareholding each.

In the same year, the Trust also registered Farm Management Company Limited. The company has authorized share capital of 10 000 ordinary shares of K1 each. The issued share capital is 10 000 ordinary shares of K1 each. The Trust and Exagris Africa Limited each hold 1 share, representing 50% shareholding each.

As of 31 March 2021, the operations of Chemical Company Limited and Farm Management Company Limited had not yet commenced..

1.2 Nature of PAL group business

The group is involved in the agriculture industry and grows crops on some of its farms while sub leasing others to third parties. The company's registered office is Kulima house in Kasungu, Private Bag B352, a Kasungu, Malawi.

The immediate and substantive control vests in the Press Trust, a trust registered in Malawi.

To achieve operational efficiencies and improve financial performance, the group restructured its operations and stopped growing tobacco effective 2010/2011 growing season. The group has since then been focusing on growing seed maize, seed soya, seed groundnuts and pigeon peas.

Activities during the year were mostly carried out through General Farming Company Limited which is a subsidiary of Press Agriculture Limited whilst estates under Press Farming Limited were subleased to Gala Tobacco Company Limited, for the growing of tobacco which commenced in April 2007.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS *For the year ended 31 March 2021*

1. Nature of the Trust (Continued)

1.2 Nature of PAL group business (Continued)

The activities of its subsidiaries are: -

Subsidiary	Activity
General Farming Company Limited	Growing of seed maize, commercial maize, soya beans, sugar beans, peas, jatropha and timber
Press Farming Limited	Subleased to Gala Tobacco Company Limited

To achieve operational efficiencies and improve financial performance, the group restructured its operations and stopped growing tobacco effective 2010/2011 growing season. The group has since then been focusing on growing seed maize, seed soya, seed groundnuts and seed beans..

1.3 Going concern

Group reported a deficit of K1 564 million (2020: K1 607 million) and the Trust realised a surplus of K595 million (2020: K488 million) during the year ended 31 March 2020 and, as at that date, the Group had net current liabilities of K1 859 million (2020: K3 135 million) and the Trust had net current assets of K515 million (2020: K496 million). The Group had accumulated deficit of K6 932 million (2020: K5 503 million) and the Trust had accumulated surplus of K6 472 million (2020: K5 877 million).

The directors are aware of the financial challenges the company is facing. Management has also set plans which includes to secure an equity partner to inject working capital and to capitalise the company's operations to the tune of USD8.4 million

On 25 April 2019, Press Trust "the ultimate parent company" resolved that the debt owed by the Group be converted into equity as ordinary shares. The total amount of K16.189 billion that has been converted into equity has been presented as funds awaiting capitlisation in the equity.

The shareholder, Press Trust, took over the remaining US$8.3 million capex unproductive loan with Limbe Leaf Tobacco Company Limited. In addition, Press Trust also took over the CDHIB loan of US$6.1 million and the Press Agriculture Limited Group owed its parent entity the loan taken over at the interest rate of LIBOR plus 1.5%. However, those loans taken over by Press Trust Press have been converted into equity as one way of restructuring the balance sheet of the Group. Press Trust has also made a formal commitment that it will continue providing financial support to the Press Agriculture Limited Group.

Due to these efforts taken by the company and the financial support of its holding entity and lenders, the directors believe that the company is a going concern and the financial statements have been prepared on that basis.

1.4 Distribution of the Trust's Income

Clause 3(b) and Clause 3(c) of the Deed of Variation annexed to the Press Trust Reconstruction Act, state that:

"the Trustees shall distribute not less than 50% of the Trust's income in any financial year", and "if at the end of the five financial years the total amount of income distributed is less than 66% of the income arising to the Trust during that period then the Trustees shall distribute sufficient of the income accumulated during that period as if the same were income of the Trust arising in the then current year so that not less than 66% of the total income of the Trust is distributed in any five year period".

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

1. Nature of the Trust (Continued)

1.4 Distribution of the Trust's Income (Continued)

In the current year, 50% of the Trust's income amounted to K765 million and for the five-year period ended 31 March 2021, 66% of the Trust's income amounted to K4 156million. For the current year, K925 million was distributed representing 61% of the annual net income and for the five-year period ended 31 March 2021 a total of K3 736 million was distributed representing 61%. The distributions for the five-year period ended 31 March 2021 were below the minimum level as set out in clause 3(c) due to delays to execute some projects because of COVID-19 restrictions and the Trust had to be reserved considering the uncertainty caused by the pandemic. The distributions for the year ended 31 March 2021 were, however, above the minimum levels as set in clause 3(b).

1.5 Limitations on Investments

Clause 4a, 4b and 4c of the Deed of variation annexed to the Press Trust Reconstruction Act, states that:

In addition to the Trustees' investment powers under the general law, money to be invested may be applied or invested as the Trustees shall in their absolute discretion think fit in:-

a) the purchase of or an interest upon security of any shares, stocks, funds or securities quoted on any recognised stock exchange anywhere in the world (subject to the Exchange Control Act and the Regulations made thereunder) provided that the Trustees shall not control more than 50 per cent of the voting rights of any company which forms part of the Trust Fund unless the company is the Press Corporation Limited or any other company that by reason of any reorganisation of the Press Corporation Limited or any of its subsidiaries may be owned directly by the Trustees;

b) the purchase of or at interest upon security of any land or building (the "Relevant Land") provided that before any such transaction the Trustees obtain from a qualified Chartered Surveyor selected by the Trustees for such purpose, a written report covering the following:

    i) a full description of the Relevant Land; and

    ii) the Surveyor's opinion as to the current value of the Relevant Land having regard to its current state of repair and other relevant circumstances.

c) Assets which in the opinion of the Trustees have a development benefit to Malawi but would not normally be considered a suitable investment for Trustees provided that monies so applied or invested represent no more than 50 per cent of the total value of such asset and provided that the Trustees satisfy themselves that the Co-investor being a Pension Fund, Financial Institution or reputable developer has carried out (and made available to the Trustees) appropriate due diligence work in respect of the proposed investment and has provided the remainder of the funding for the total value of such asset. Investment in such assets is within the sole discretion of the Trustees and no more than five per cent of the Trust income arising in a Financial Year may be invested in such assets.

2. Adoption of new and revised International Financial Reporting Standards

2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current year, the entity has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 April 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

2. Adoption of new and revised International Financial Reporting Standards (Continued)

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the entity.

2.2 Standards and Interpretations in issue, not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after *1 March 2021* and have not been applied in preparing these financial statements. Those which may be relevant to the entity are set out below. The *entity* does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2023	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Annual reporting periods beginning on or after 1 January 2022	Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
Annual reporting periods beginning on or after 1 January 2022	Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).
Annual reporting periods beginning on or after 1 January 2022	Annual Improvements to IFRS Standards 2018–2020 Makes amendments to the following standards: • **IFRS 1 –** The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • **IFRS 9 –** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Trustees anticipate that these and all other Standards and Interpretations in future periods will have no significant impact on the financial statements of the Group.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared in terms of the historical cost basis, except for the revaluation of certain financial instruments and property. Procedures are not adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices.

The significant accounting policies of the Group, which are set out below, have been consistently followed in all material respects.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Press Trust (the Trust) and entities controlled by the Trust. Control is achieved where the Trust has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring all intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Minority interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interest of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

3.1 Subsidiary investment and associates

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment done, and are initially measured at fair value, net of transaction costs. Subsequently these are measured at cost less impairment loss..

3.2 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using Malawi Kwacha, the functional currency of the primary economic environment in which the entire Group operates. The consolidated financial statements are presented in Malawi Kwacha, which is the Group's functional and presentation currency..

(b) *Transactions and balances*

Transactions in currencies other than Malawi Kwacha are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.2 Foreign currency translation (Continued)

Basis of consolidation (Continued)

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings

3.3 Financial instruments

Financial assets and financial liabilities are recognised in the Groups's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss an equity investment.

Financial assets

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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets..

Classification of financial assets

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Classification of financial assets (Continued)

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (IV) below).

(i) Amortised cost and effective interest method

- The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.
- For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.
- The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.
- Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.
- For purchased or originated credit-impaired financial assets, the company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.
- Interest income is recognised in profit or loss and is included in the “finance income – interest income” line item.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Classification of financial assets (Continued)

(i) Debt instruments classified as at FVTOCI

- The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

(iii) Equity instruments designated as at FVTOCI

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates statement that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Classification of financial assets (Continued)

(iv) Financial assets at FVTPL (Continued)

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

  Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Classification of financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1) The financial instrument has a low risk of default,
2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the group considers the changes in the risk that the specified debtor will default on the contract.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

Irrespective of the above analysis, the group considers that default has occurred when a financial asset is more than 90 days past due unless the group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Significant increase in credit risk (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties..

(iv) Write-off policy

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

Credit-impaired financial assets (Continued)

(v) Measurement and recognition of expected credit losses (Continued)

For a financial guarantee contract, as the group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the group expects to receive from the holder, the debtor or any other party.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3.4 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the group, are measured in accordance with the specific accounting policies set out below.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.4 Financial liabilities and equity (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the group that are designated by the group as at FVTPL are recognised in profit or loss.

<u>Financial liabilities measured subsequently at amortised cost</u>

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.4 Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

Financial liabilities measured subsequently at amortised cost (Continued)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.4 Financial liabilities and equity (Continued)

Financial liabilities at FVTPL (Continued)

When the group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

3.5 Financial liabilities and equity instruments issued by the Group

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement..

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Dividends on ordinary shares
Dividends on ordinary shares are recognised in equity in the period in which they are approved by the company.

Financial liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
Financial liabilities are classified as other financial liabilities'.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.5 Financial liabilities and equity instruments issued by the Group (Continued)

<u>Other financial liabilities</u> (Continued)

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and loan receivables, where the carrying amount is reduced through the use of an allowance account. When trade and loans receivable are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the income statement.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3.6 Impairment of financial assets

Land and buildings are shown at the latest valuation, with subsequent additions at cost. Valuations are carried out with sufficient regularity so that the carrying value reflects the fair value of the properties on the open market at the reporting date.

Surpluses on revaluation are transferred to a non-distributable property revaluation reserve. On disposal of the assets, the appropriate portion of the revaluation reserve is transferred to the general fund.

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives less residual values, using the straight line method as follows: -

Buildings	-	20-50 years
Furniture and equipment	-	3-10 years
Motor vehicles	-	4-5 years
Lease hold property	-	6-20 years
Land development and buildings	-	6-100 years
Office and workshop buildings	-	40 years
Water and electricity supply and conservation works	-	6-40 years

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3.7 Inventories

Inventories and work in progress, are valued at the lower of cost and net realisable value and, where applicable, include direct labour costs and those overheads that have been incurred in bringing the inventory to its present location and condition. Inventory is valued using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs necessary to make the sale..

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in the comprehensive income or directly in equity respectively. Where current and deferred tax arise from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.9 Impairment of non-financial assets

At the end of each reporting period, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings, other than investment property, carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior year. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.10 Biological assets

In line with International Accounting Standard 41 *Agriculture,* paragraph 30, plantations are accounted for at cost less accumulated depreciation and accumulated impairment losses. Costs comprise all directly attributable costs incurred until the biological asset reaches full productive capacity.

Plantations are accounted for at cost less accumulated depreciation and accumulated impairment losses rather than at annually appraised fair values (the benchmark presentation under IAS 41) because there are no active markets for forestry plantations in Malawi. Further the produce market prices and Malawi Kwacha exchange rates are considered too volatile for alternative valuation methods to give reliable fair value estimates at the end of the reporting period.

The capitalisation periods after planting are seven years for macadamia and cashew and four years for coffee.

The standing crops are depreciated on a straight line basis over their expected useful economic lives as follows:

Timber plantations	12 years

In addition to the long-term development costs, the group incurs recurring direct standing crop management costs, which enhance the yields for the next harvest season. For cashew and macadamia such costs are capitalised until the next harvest when they are transferred to inventory as the cost of agricultural produce. The extent of capitalised costs is limited to the projected net realisable value after allowing for selling costs.

Further to that, the group incurs costs of growing crops and that all costs incurred as at reporting period is capitalised as current assets

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earning on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they incurred.

3.12 Revenue recognition

The group derives its revenue from contracts with customers for the transfer of goods and services at a point in time.

The group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services. The group recognises revenue by applying the following five-step approach:

- Identify the contract(s) with a customer by an agreement between two or more parties that creates enforceable rights and obligations;
- Identify the performance obligations in the contract which includes promises to transfer goods or services to a customer;
- Determine the transaction price which is the amount of consideration in a contract to which an company expects to be entitled in exchange for transferring promised goods or services to a customer;
- Allocate the transaction price to the performance obligations in the contract on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract; and
- Recognise revenue when (or as) the company satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service.

3.13 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable amount is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.14 Dividend income

The group recognises dividend income only when

- the group's right to receive payment of the dividend is established;
- it is probable that the economic benefits associated with the dividend will flow to the group; and
- the amount of the dividend can be measured reliably

3.15 Interest income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the group.

3.16 Donations/grants

The group recognises donations or grants when all conditions are met. These are received from strategic partners/donors in respect of joint projects..

3.17 Retirement benefit costs

The group operates a defined contribution externally managed plan. The retirement benefit plan is funded by payments from employees and the Trust. The Trust's contributions are charged as an expense as they fall due.

3.18 Project expenditure

Project expenditure is accrued when the Trustees have approved the project creating a legal obligation on the Trust. All payments made are debited to the project accruals account. On completion of the project any under/over accruals are taken to the statement of comprehensive income.

3.19 Leases

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

- Lease payments included in the measurement of the lease liability comprise:
- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.19 Leases (Continued)

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

3. Significant accounting policies (Continued)

3.19 Leases (Continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its estates, and residential houses.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical judgements in applying the Trust's accounting policies

No critical judgements were made by the Trustees during the current period which would have a material impact on the financial statements.

4.2 Key sources of estimation uncertainty

The key assumption concerning the future and key sources of estimation uncertainty at the reporting date, that has a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year is discussed below.

4.2.1 Valuation of property, plant and equipment

Property is carried at fair value in accordance with IAS 16 *Property, Plant and Equipment*. The fair value is determined by a qualified valuer based on expected market property prices.

Management has reviewed the residual values used for the purposes of depreciation calculations in the light of the requirement for an annual review of residual values in IAS 16 *Property, Plant and Equipment.*

4.2.2 Fair value of standing crops

The estimation of the fair value of growing crops are at the end of the reporting period based on estimated yields and an estimated percentage of completion of biological transformation and is carried out by management. In most cases crops are sold at determined contract prices: subsequent cost up to and including harvesting are reasonably predictable.

The harvest may differ in yield from expectation. The percentage completion estimate relies not only on the pro-rated portion of the expected growing season, but is also weighted to produce a valuation which approximates to a potential market value of the crop in the field, though there is no such active market. In the present period, subsequent realisations substantially support the estimate made reasonable

4.2.3 Listed and unlisted investments

Listed and unlisted investment are measured at fair value for financial reporting purposes. The board of trustees determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value for listed and unlisted investments, the trustees uses market-observable data to the extent it is available. Where level 1 inputs are not available, the trustees engage third party qualified external valuers to establish the appropriate techniques and inputs to the model.

Information about the valuation technique and inputs used in determining the fair value of these investments is disclosed in note 3.3.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
5. Dividend income				
Listed equity investments (note 16)	1 759 329	1 710 241	1 759 329	1 710 241
Unlisted equity investments (note 17)	136 954	93 759	136 954	93 759
Total dividend income	1 896 283	1 804 000	1 896 283	1 804 000

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
6. Interest				
Interest income				
Loan interest income				
Share ownership scheme	592	563	592	563
Staff loans	2 655	3 478	2 655	3 478
Total loan interest income	3 247	4 041	3 247	4 041
Other interest				
Short-term bank deposits	226 487	222 004	226 489	222 007
Total other interest	226 487	222 004	226 489	222 007
Total interest income	229 734	226 045	229 736	226 048
Interest expense				
Interest on borrowings	-	-	737 074	782 410
Total interest expense	-	-	737 074	782 410

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
7. Other income				
Sundry income	8 111	8 325	437 158	420 947
(Loss)/profit on disposal of plant and equipment	(168)	982	79 953	187 474
Total	7 943	9 307	517 111	608 421
Exchange gains/(losses)	12 050	1 151	10 603	(337)
Total other income	19 993	10 458	527 714	608 084

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

Long-term loans

Due from Press Agriculture Limited

	TRUST	
	2021 K'000	**2020 K'000**
At the beginning of the year	6 032 069	6 022 487
Advanced during the year	-	9 583
Unrealised exchange loss	1 468	(1)
Total loans	6 033 537	6 032 069
Impairment of loans	(6 033 537)	(6 032 069)
At the end of the year	-	-
Maturity Profile		
Receivable within 1 year		
Receivable after 1 year	6 033 537	6 032 069
At the end of the year	6 033 537	6 032 069

Movement in long-term loans provision

	TRUST	
	2021 K'000	**2020 K'000**
At the beginni	6 032 069	6 022 487
Additional loan	-	9 583
Unrealised exchange gain	1 468	(1)
At the end of the year	6 033 537	6 032 069

Press Agriculture

The Press Agriculture Limited (PAL) loans were denominated in United States Dollars and bore interest at 1.5% above LIBOR and is repayable within 20 semi-annual instalments. The initial amount obtained in 2003 was for US$2.4 million. Additional loans amounting to US$2.4 million and US$5.9 million were advanced by the Trust and its subsidiary Press Trust Overseas Limited (PTOL) to Press Agriculture Limited in April 2008 and August 2013 respectively, to enable it to repay its indebtedness to Limbe Leaf Tobacco Company Limited that had fallen due and the Trust had become liable as a guarantor. In October 2015, the Trust and PTOL advanced an additional loan of US$2.7million (K1 500 million) and US$3.0million, respectively, to PAL to assist it pay its indebtedness to CDH Investment Bank. In the year ended March 2019, The Trust advanced an additional loan of US$17,138.13 (K12.5 million) to PAL to assist it pay Imara Corporate Finance Zimbabwe (Private) Limited (IMARA) in respect of transaction advisory services. In March 2020, The Trust advanced an additional loan of US$12 794.62 (K 9.5 million) to PAL to assist it pay Imara Corporate Finance Zimbabwe (Private) Limited (IMARA) in respect of transaction advisory services.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

8. Long-term loans (Continued)

PAL has not been able to substantially meet its obligations as per agreement due to cash flow problems, and thus technically was consistently in default. Consequently, Trustees have set plans which includes securing an equity partner to inject working capital and to capitalize Press Agriculture Limited's operations to the tune of USD 8.4 million. The discussions have commenced with two investors with whom the Group has signed non-disclosure agreement. In the prior year, financial year 2020, the Trust resolved that the debt owed by Press Agriculture Limited be converted to equity as ordinary shares. Even though, the discussions are yet to be finalised, the amount is being presented as funds awaiting capitalization in the equity of Press Agriculture Limited.

9. Realised loss on sale of listed equity investments

	TRUST		GROUP	
	2021 K'000	**2020 K'000**	**2021 K'000**	**2020 K'000**
Listed equity investments	-	(6 213)	-	(6 213)
Total	-	(6 213)	-	(6 213)

There was no disposal of investments in the current year. In the prior year, the group disposed the remaining interest in Illovo Malawi Plc. The shares were disposed of at their fair value of MK533 million. The net proceeds on disposal of MK527 million were received in cash.

10. Surplus/(deficit) before charitable expenditure

Surplus/(deficit) before charitable expenditure is arrived at after taking into account:-

	TRUST		GROUP	
	2021 K'000	**2020 K'000**	**2021 K'000**	**2020 K'000**
Staff costs	290 142	270 562	749 611	696 683
Depreciation	64 873	58 924	533 045	694 473
Trustees and directors' expenses and fees	49 308	44 742	60 400	53 212
Auditor's remuneration - current year	28 355	26 500	65 157	59 458
- prior year	-	-		(368)
Legal fees	542	780	45 744	785
(Recovery)/impairment of receivables	(1 923)	(3 326)	(1 923)	221 814

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

11. Project funding and donations (Trust and group)

For the year ended 31 March 2021

	Brought from 2020 K'000	Disbursement K'000	Approvals accrued K'000	Completed/ discontinued Projects under-provision K'000	Carried forward to 2022 K'000
Balabanthi Junior Primary School Project	79 000	-	-	-	79 000
Chikunkha Primary School Project	74 783	341	-	-	74 442
Chirimba Police Unit project	30 401	7 688	-	-	22 713
Chinyaza Primary School Project	40 000	-	-	-	40 000
Chisamba Dispensary Salima Project	97 695	42 473	-	-	55 222
COVID-19 Response Fund Accrual	-	105 198	200 000	-	94 802
Department of Forestry	3 085	3 084	22 560	-	22 561
Disaster Relief Fund	10 887	-	-	-	10 887
Dowa Secondary School Project	5 933	4 881	-	-	1 052
Engucwini Primary School Project	82 000	-	-	-	82 000
Hospital Equipment/Ambulances Donations	29	-	-	-	29
Kamuzu Academy - National Science Fair	3 507	-	-	-	3 507
Light House - Mzuzu Project	-	80	58 000	-	57 920
Ligowe Health Centre Project	-	-	61 570	-	61 570
Lilongwe Girls Secondary School Project	-	-	51 180	-	51 180
Malembo Health Centre LL project	89 948	24 001	57 000	-	122 947
Manjawira Health Centre OPD Project	65 000	-	-	-	65 000
Mathandani CDSS project	13 402	-	-	-	13 402
M'buka Primary School Project	81 000	-	-	-	81 000
Milamba Health Post Project	-	-	54 500	-	54 500
Min of Education	55 076	64 549	9 500	-	27
Ministry of Health (Health Centres) Projects	-	-	100 000	-	100 000
Mother's Day Donations	2 646	-	-	-	2 646
Mpiri Secondary School Project	29 418	18 787	-	-	10 631
Mulanje Vocational and Rehabilitation Centre Project	53 630	7 727	9 962	-	55 865
Nalikule College of Education Project	30 000	25 897	-	-	4 103
Namaso-bay Primary School Project	14 075	1 547	-	(12 528)	-
Njale Health Centre Project	63 389	-	-	-	63 389
Njini Health Centre Project	18 017	1 935	-	-	16 082
Nsamba Primary School Project	4 479	3 126	-	-	1 353
Ntaja Health Centre Project	82 500	-	-	-	82 500
Nthalire Health Centre Project	100 000	-	-	-	100 000
Nyungwe Health Centre Project	(180)	-	180	-	-
Operation Smile	187	-	-	(187)	-
Pitala Primary School Project	4 670	1 871	-	(2 799)	-
Police Dispensary Northern Region	79 211	6 491	-	-	72 720
Press Trust - Standard Bank Merit Scholarship Scheme	-	474	54 935	-	54 461
Projects Promotional Activities	26 908	25 754	30 000	-	31 154
Put a Child on a Desk Programme	15 239	-	-	-	15 239
Stop Child Marriages (STOM)/DCA - Ntchisi Project	-	7 287	7 287	-	-
Tertiary Education Fund	-	50 000	50 000	-	-
University of Blantyre Synod	8 649	3 799	-	-	4 850
Sub-Total	1 264 584	406 990	766 674	(15 514)	1 608 754

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

11. Project funding and donations (Trust and group) (Continued)

For the year ended 31 March 2020

	Brought from 2019 K'000	Disbursement K'000	Approvals accrued K'000	Completed/ Discontinued Projects K'000	forward to 2021 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 Heath 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
Njini 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-Ntchisi 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
12. Project related expenses				
Staff costs	131 264	149 688	131 264	149 688
Training and subscriptions	7 870	34 299	7 870	34 299
Motor vehicle expenses	28 522	31 287	28 522	31 287
Printing and stationery	585	3 403	585	3 403
Office expenses	11 704	10 550	11 704	10 550
Projects investigations	2 840	2 584	2 840	2 584
Communication expenses	-	3 807	-	3 807
Total project related expenses	182 786	235 618	182 786	235 618

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
13. Taxation				
Taxation charge	-	-	71 484	37 956
Deferred tax	-	-	(2 636)	8
Total taxation	-	-	68 848	37 964

The group has losses carried forward for the period for taxation purposes of approximately K21 675 million (2020: K19 579 million) subject to confirmation by Malawi Revenue Authority.

Deferred tax

No deferred tax asset has been recognised in respect of the above mentioned tax losses as this can only be recognised where there is likelihood that the group will be profitable to utilise the losses in the near future.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

14. Property, plant and equipment (Trust)

	Freehold Land & Buildings K'000	Buildings - WIP K'000	Software - WIP K'000	Furniture & Equipment K'000	Motor Vehicles K'000	Total K'000
For year ended 31 Mar 2021						
Cost or Valuation						
At beginning of the year	631 000	7 736	23 005	82 214	342 703	1 086 658
Additions	-	-	8 000	13 234	4 350	25 584
Disposals	-	-	-	(926)	-	(926)
Transfers	-	-	(31 005)	31 005	-	-
At end of the year	631 000	7 736	-	125 527	347 053	1 111 316
Depreciation						
At beginning of the year	1 900	-	-	47 595	133 868	183 363
Charge for the year	1 900	-	-	12 274	50 699	64 873
Disposals	-	-	-	(758)	-	(758)
At end of the year	3 800	-	-	59 111	184 567	247 478
Net book value						
At end of the year	627 200	7 736	-	66 416	162 486	863 838
For year ended 31 Mar 2020						
Cost or Valuation						
At beginning of the year	631 000	7 736	14 455	70 793	281 978	1 005 962
Additions	-	-	8 550	12 780	153 700	175 030
Disposals	-	-	-	(1 359)	(92 975)	(94 334)
At end of the year	631 000	7 736	23 005	82 214	342 703	1 086 658
Depreciation						
At beginning of the year	-	-	-	39 746	169 725	209 471
Charge for the year	1 900	-	-	9 203	47 821	58 924
Disposals	-	-	-	(1 354)	(83 678)	(85 032)
At end of the year	1 900	-	-	47 595	133 868	183 363
Net book value						
At end of the year	629 100	7 736	23 005	34 619	208 835	903 295

Prior year comparative figures have been adjusted to conform to changes in the presentation in the current year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

14. Property, plant and equipment (Continued)

Group

	Freehold Land & Buildings K'000	Leasehold Land & Buildings K'000	Buildings - WIP K'000	Software - WIP K'000	Furniture & Equipment K'000	Motor Vehicles K'000	Total K'000
For the year ended 31 Mar 2021							
Cost or Valuation							
At beginning of the year	631 000	10 027 490	7 736	23 005	342 490	884 830	11 916 551
Additions	-	-	-	8 000	17 034	18 550	43 584
Revaluation	-	3 532 590	-	-	-	-	3 532 590
Disposals	-	-	-	-	(1 403)	-	(1 403)
Transfers	-	-	-	(31 005)	31 005	-	-
At end of the year	631 000	13 560 080	7 736	-	389 126	903 380	15 491 322
Depreciation							
At beginning of the year	1 900	1 539 990	-	-	256 422	481 455	2 279 767
Charge for the year	1 900	361 238	-	-	20 281	143 517	526 936
Elimination on revaluation	-	(1 901 228)	-	-	-	-	(1 901 228)
Disposals	-	-	-	-	(758)	-	(758)
At end of the year	3 800	-	-	-	275 945	624 972	904 717
Net book value							
At end of the year	627 200	13 560 080	7 736	-	113 181	278 408	14 586 605
For year ended 31 March 2020							
Cost or Valuation							
At beginning of the year	631 000	10 027 490	7 736	14 455	329 040	711 981	11 721 702
Additions	-	-	-	8 550	14 809	265 824	289 183
Disposals	-	-	-	-	(1 359)	(92 975)	(94 334)
At end of the year	631 000	10 027 490	7 736	23 005	342 490	884 830	11 916 551
Depreciation							
At beginning of the year	-	1 044 448	-	-	198 650	427 228	1 670 326
Charge for the year	1 900	495 542	-	-	59 126	137 905	694 473
Disposals	-	-	-	-	(1 354)	(83 678)	(85 032)
At end of the year	1 900	1 539 990	-	-	256 422	481 455	2 279 767
Net book value							
At end of the year	629 100	8 487 500	7 736	23 005	86 068	403 375	9 636 784

Prior year comparative figures have been adjusted to conform to changes in the presentation in the current year.

Register of land and buildings is available at the Registered Office of the Trust and open for inspection by authorised parties.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

14. Property, plant and equipment Group (Continued)

The fair value measurement of the Group's property (Continued)

The Group's leasehold land and buildings are stated at fair value, being the fair value as at the date of revaluation, less any subsequent accumulated depreciation and subsequent impairment losses. The fair value measurements of the company's leasehold land and buildings as at 31 March 2021 have been based on land and buildings revaluation done on 31 March 2021. The revaluations were done on the open market value basis. The resultant surplus was taken to other comprehensive income and allocated to the property revaluation reserve in the statement of changes in equity. The revaluation was done by an independent registered valuer, Mr Nickson S.C. Mwanyali, BSc (Est. Man), Dip (Bus Mngt), MSIM Valuation Surveyor of Knight Frank.

Land and buildings have a lease period of 99 years effective between 1970 and 1975.

Included in the property, plant and equipment value are estates 42, 43 and 47 with a total value of K938 million whose lease period expired. However, the Group has already applied for the renewal of the lease for another 66 – 99 years to the Malawi Government through the Ministry of Lands. The directors are of the opinion that the leases will be renewed.

Included in the property, plant and equipment are estates 113, 114, 128 and 132 whose lease period is less than 12 years. The Group has already applied for lease extension with the Malawi Government through Ministry of Lands and that the directors are of the opinion that the lease will be extended.

Information concerning land and buildings owned by the Trust is included in the register maintained at the administrative office of the company and is open for inspection by members or their duly authorised agents.

Details of the group's leasehold land and buildings, and other property and information about fair value hierarchy as at 31 March 2021 are as follows;

Trust

	Level 1 K'000	Level 2 K'000	Level 3 K'000	Fair value 2021 K'000	Fair value 2020 K'000
Land and buildings	-	638 736	-	638 736	638 736

Group

	Level 1 K'000	Level 2 K'000	Level 3 K'000	Fair value 2021 K'000	Fair value 2020 K'000
Land and buildings	-	13 560 000	-	13 560 000	8 487 500

There were no transfers between levels during the year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	2021 K'000	2020 K'000
15. Right-of-use assets (Trust and the Group)		
For the year ended 31 March 2021		
COST		
At the beginning of the year	113 598	-
Revaluations	73 294	-
Additions	-	113 598
At the end of the year	186 893	113 598
ACCUMULATED DEPRECIATION		
At the beginning of the year	25 244	-
Charge for the year	25 041	25 244
At the end of the year	50 285	25 244
NET BOOK VALUE		
At the end of the year	136 608	88 354

The group leases office building. The average lease term is 6 years the maturity analysis of lease liabilities is presented in note 28.

16. Listed equity investments

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
At the beginning of the year	89 339 642	75 726 821	90 855 838	77 523 674
Additions	488 123	1 141 387	488 123	1 141 387
Fair value surplus taken to equity (pages 9 and 10)	(8 143 979)	13 004 658	(7 449 439)	12 724 001
Disposals	-	(533 224)	-	(533 224)
At the end of the year	81 683 786	89 339 642	83 894 522	90 855 838
Analysed as follows:				
Held by Press Trust	81 683 786	89 339 642	81 683 786	89 339 642
Held by Press Trust Overseas Limited	-	-	2 210 736	1 516 196
Total	81 683 786	89 339 642	83 894 522	90 855 838

Investments in listed companies are measured at fair value through other comprehensive income and accounted for in accordance with accounting policy 3.3.

Investments held by Press Trust are listed on the Malawi Stock Exchange.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

16. Listed equity investments (Continued)

	Nominal value per share	Number of shares 2021	Number of shares 2020	Holding %	Share price 2021 K	price 2020 K	Share Valuation 2021 K'000	Valuation 2020 K'000	Dividend income 2021 K'000	Dividend income 2020 K'000
Malawi Investments										
Press Corporation Plc	1 tambala	56 102 189	55 602 189	46.23	1 199.94	1 400.00	67 319 261	77 843 065	1 458 657	1 436 853
Standard Bank (Malawi) Plc	1 Kwacha	5 441 594	5 441 594	2.32	1 200.12	730.01	6 530 566	3 972 418	173 913	141 481
Blantyre Hotels Plc	25 tambala	220 864 920	220 864 920	26.30	11.00	12.94	2 429 514	2 857 992	-	39 756
National Bank of Malawi Plc	1 Kwacha	4 269 708	4 269 708	0.91	650.05	540.01	2 775 524	2 305 685	84 967	69 212
National Investment Trust Plc	2 tambala	4 795 000	4 795 000	3.56	94.94	95.00	455 237	455 525	3 596	4 795
MPICO Plc	5 tambala	4 690 887	4 690 887	0.20	20.89	25.00	97 993	117 272	704	1 102
ICON Properties Plc	5 tambala	170 418 000	170 418 000	2.55	12.18	10.49	2 075 691	1 787 685	37 492	17 042
							81 683 786	89 339 642	1 759 329	1 710 241

All listed equity investments are traded on the Malawi Stock Exchange. Press Corporation Limited was also listed on the London Stock Exchange until 10 July 2020 when it was delisted.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

16. Listed equity investments (Continued)

Investments held by Press Trust Overseas Limited

	Number of shares 2021	Number of shares 2020	Share price 2021 USD	Share price 2020 USD	Valuation 2021 USD	Valuation 2020 USD	Valuation 2021 K'000	Valuation 2020 K'000	Dividend income 2021 K'000	Dividends income 2020 K'000
Dominium Global Fund	215 100	215 100	12.34	10.65	2 653 262	1 950 796	2 084 406	1 437 163	-	-
Imara African Opportunities Fund	12 163	12 163	13.22	8.82	160 806	107 280	126 330	79 034	-	-
					2 814 068	2 058 076	2 210 736	1 516 197	-	-

17. Unlisted equity investments

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
At the beginning of the year	3 662 129	2 994 236	3 662 249	2 994 356
Additions	135 854	370 000	135 854	370 000
Fair value surplus taken to equity (page 9)	412 972	297 893	412 972	297 893
At the end of the year	4 210 955	3 662 129	4 211 075	3 662 249

Listed and unlisted investments are measured at fair value for financial reporting purposes. The Board of Trustees determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value for listed and unlisted investments the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation or uses level 3 inputs to perform the valuations. The valuation committee works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

Information about the valuation techniques and inputs used in determining the fair value of these investments is disclosed in note 3.3 to these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

17. Unlisted equity investments (Trust) (Continued)

	Nominal value per share	Number of shares 2021	Shareholding of shares 2020	Shareholding % 2021	Shareholding % 2020	Trustees' valuation 2021 K'000	Trustees' valuation 2020 K'000	Dividend income 2021 K'000	Dividend income 2020 K'000
Malawi investments									
Kang'ombe Investments Limited	1 Tambala	499 900 000	499 900 000	24.995%	24.995%	1 513 325	1 360 888	36 703	47 740
Continental Discount House Limited	1 Kwacha	24 174 644	22 125 243	13.46%	13.469%	1 975 745	1 466 126	100 251	46 018
Bridgepath Capital	1 Kwacha	20 000 000	20 000 000	21.65%	21.65%	30 095	15 499	-	-
CDH Investment (Preference shares)	1 Kwacha	13 927 577	13 927 577	-	-	350 000	350 000	-	-
Mwaiwathu Private Hospital Limited	1 Kwacha	3 779 991	3 779 991	22.97%	22.97%	341 790	469 616	-	-
						4 210 955	3 662 129	136 954	93 758

Investments in unlisted companies are accounted for at fair value.

The Trustees have valued unlisted investments at fair value. All investments where there is evidence of poor past historic performance and uncertainty on future prospects, an impairment loss has been recognised.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

17. Unlisted equity investments (Group) (Continued)

	Nominal value per share	Number of shares 2021	Number of shares 2020	Shareholding % 2021	Shareholding % 2020	Trustees' valuation 2021 K'000	Trustees' valuation 2020 K'000	Dividend income 2021 K'000	Dividends income 2020 K'000
Malawi investments									
Kang'ombe Investments Limited	1Tambala	499 900 000	499 900 000	24.995	24.9995	1 513 325	1 360 888	36 703	47 740
Continental Holdings Limited	1 Kwacha	24 174 644	22 125 243	14.440	13.45	1 975 745	1 466 126	100 251	46 019
Mwaiwathu Private Hospital Limited	21.66 Kwacha	3 779 991	3 779 991	22.97	22.97	341 790	469 616	-	
Bridgepath Capital	1 Kwacha	20 000 000	20 000 000	21.65	21.65	30 095	15 499	-	-
CDH Investment (Preference shares)	1 Kwacha	13 927 577	13 927 577	-	-	350 000	350 000	-	-
Auction Holdings Limited	1 Kwacha	120 000	120 000	2	2	120	120	-	-
						4 211 075	3 662 249	136 954	93 759

Investments in unlisted companies are accounted for at fair value through other comprehensive income

All investments where there is evidence of poor past historic performance and uncertainty on future prospects, an impairment loss has been recognised.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

18. Investments in subsidiaries

Press Trust Overseas Limited

	TRUST	
	2021	**2020**
	K'000	**K'000**
At the beginning of the year	1 525 185	1 811 629
Fair value adjustment	564 597	(300 044)
Translation gain	122 271	13 600
Balance at the end of the year	2 212 053	1 525 185

The Trust has invested in 50 000 ordinary shares of US$1 each, being the whole issued share capital of Press Trust Overseas Limited.

Press Agriculture Limited
The Trust has invested in 8 626 512 ordinary shares of K1 each, being 93.7% of the issued share capital of Press Agriculture Limited. The remaining 6.3% is held by Old Mutual Plc.

The original value of this investment was K505.901 million it has however been written down to nil due to permanent diminution in value of the investment.

19. Standing crops – growing Timber

	GROUP	
	2021	**2020**
	K'000	**K'000**
Plantations		
COST		
At the beginning of the year	422 486	600 106
Write offs	(71 111)	(195 575)
Additions	17 241	17 955
At the end of the year	368 616	422 486
AMORTISATION		
At the beginning of the year	377 168	511 431
Write offs	(63 565)	(166 579)
Charge for the year	28 008	32 317
At the end of the year	341 611	377 169
NET BOOK VALUE		
At the end of the year	27 005	45 317
Standing crops – other growing crops	752 667	516 148

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

19. Standing crops (Continued)

Standing crops comprise forestry plantations. The plantations are valued at cost less accumulated depreciation and accumulated impairment losses in line with accounting policy on note 3.10

Other crops comprise seed maize, soya beans, ground nuts, commercial maize, cow peas and pigeon peas. Growing crops are carried at fair value in line with accounting policy on note 3.10.

Fair value measurement of Group's standing crops
Details of the group's standing crops and information about their value hierarchy as at 31 March 2021 are analysed as follows:

	Level 1	Level 2	Level 3	Fair Value	
	2021	2021	2021	2021	2020
	K'000	K'000	K'000	K'000	K'000
Standing crops					
Growing timber	-	-	27 005	27 005	45 317
Other growing crops	-	-	752 667	752 667	516 148
Total standing crops at fair value	-	-	779 672	779 672	561 465

There were no transfers between the levels during the year. For financial reporting purposes fair value measurement are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described in note 34.

Valuation techniques and assumptions applied for the purposes of measuring fair value

Management considers that the carrying amounts of standing crops recognised at amortised cost in the financial statements approximate their fair values.

The company's finance department is responsible for performing the valuation of fair value measurements included in the financial statements including level 3 fair value. The valuation processes and results for recurring measurements are reviewed and approved by management at least once every quarter.

The fair values of standing crops are determined as follows:

- The fair values of standing crops are determined in accordance with generally accepted pricing models (costs approach model) based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar crops.
- Costs comprise all directly attributable costs incurred until 31 March 2021 and that prices for the transactions were from observable current transactions.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

19. Standing crops (Continued)

Valuation techniques and assumptions applied for the purposes of measuring fair value (Continued)

Had Press Agriculture Limited had more than two groups of standing crops classified in level 3, a further disaggregation of these standing crops into separate classes might have been necessary.

20. Inventories

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
Consumable stores	-	-	126 625	80 036
Farm crops	-	-	115 157	65 513
Future crop expenditure	-	-	3 368	1 401
Total inventories	-	-	245 150	146 950

21. Receivables and prepayments

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
Trade receivables	-	-	410 541	176 577
Prepayments and other receivables	78 753	66 715	199 650	321 092
Less: Expected credit losses	-	-	(359 461)	(384 545)
Impairment on staff loans receivables and other receivables	(1 481)	(3 404)	(1 481)	(3 404
Press Corporation Limited – Share Ownership Fund	-	2 622	-	2 622
Total receivables and prepayments	77 272	65 933	249 249	112 342

The group's credit risk is primarily attributable to its trade receivables. The average credit period on sale of goods is 60 days.

The Group measures Expected Credit Losses (ECLs) for trade receivables at an amount equal to lifetime Expected Credit Loss. The ECLs are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The directors consider that the carrying amount of receivables approximates their fair.

Except for other receivables as noted above, the Group has no significant concentration of credit risk, with exposure spread over its customers. No interest is charged on receivables.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
22. Bank balances and cash				
Short-term bank deposits	2 156 299	1 798 214	2 156 299	1 798 214
Current accounts	36 422	7 851	60 019	32 889
Foreign currency accounts	44 525	36 075	44 525	36 075
Cash on hand	50	50	50	50
Bank balances and cash	2 237 296	1 842 190	2 260 892	1 867 228
Funds held by brokers			307	269
Bank overdraft	-	-	-	(8 741)
Total cash and cash equivalents	2 237 296	1 842 190	2 261 199	1 858 756

Overdraft facilities

The Group did not have overdrawn amounts in the current year (2020: K8.7 million related solely to a book overdraft).

Short-term deposits

Bank balances earned interest between 4% and 13.5% during the year (2020: between 14% and 13%)

23. Assets held for sale and discontinued operations

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
At the beginning and end of the year	-	-	-	155 484

The group decided in the previous periods to dispose of some property, plant and equipment. There was no disposal during the current year.

In the prior years, the Board resolved to discontinue the sale of estates. The estates will now be used for the normal course of business of growing pigeon peas and allied crops as recommended by management beginning the 2016/17 season. As such only the estates that had already been earmarked for sale to Limbe Leaf Tobacco Company were classified as held for sale and reported at their carrying amount which is the lower of fair value less costs to sale and carrying amount.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	GROUP 2021 K'000	2020 K'000
24. Sublease Fees		
At the beginning of the year	1 245 699	1 320 561
Amounts released to income	(79 268)	(74 862)
At the end of the year	1 166 431	1 245 699
The deferred sublease fees are to be leased to income as follows:		
Within one year	79 268	74 842
After one year	1 087 163	1 170 857
Total deferred sublease fees	1 166 431	1 245 699

The group subleased estates to Gala Tobacco Company and Clinton Development Initiative. As per the lease agreement, Gala Tobacco Company is supposed to pay land rentals to Ministry of Lands on behalf of Press Farming Limited for leased estates and the other subleased estates fees was initially paid into CDH Investment Bank account but now these fees are assigned to Export Development Fund.

The deferred sublease fees relate to sublease fees received from Gala Tobacco Company Limited and Limbe Leaf Tobacco Company Limited for a period of 30 years commencing from 2011/2012 crop season.

The sublease for Limbe Leaf Tobacco Company Limited (LLTC) relates to the conversion of part of LLTC loan into sub-lease after the board approved that LLTC should sublease four estates (15,16,17 and 18) for a period of 22 years translating to an equivalent sublease fee of US$1.9 million (at US$40 per hectare for 2 175 hectares) with an option to buy and transfer the estates at any time during the sublease period without any further payment by LLTC.

The sublease fees are allocated over the lease term and sublease income relating to the year is released to the statement of comprehensive income.

	GROUP 2021 K'000	2020 K'000
25. Deferred tax		
At the beginning of the year	575 805	667 482
Equity movement	426 011	(91 685)
Recognised in profit and loss	(2 636)	8
At the end of the year	999 180	575 805

The Trust is tax exempt. The deferred tax relates to capital gains tax on land, for its subsidiary Press Agriculture Limited, whose tax base has been estimated based on 1994 carrying values. The deferred tax asset, principally from tax losses, is not recognised due to the loss making position raising doubts about recoverability of such deferred tax asset. However, since the capital gain is considered separately from the income tax, the deferred tax liability on capital gain has been recognised.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

Long-term borrowings

Group

31 March 2021

	Export Development Fund K'000	Limbe Leaf Tobacco K'000	CDHIB K'000	Total K'000
At the beginning of the year	3 611 090	112 517	-	3 723 607
Loans advanced	1 469 467	-	-	1 469 467
Accrued interest	607 098	-	-	607 098
Repayments	(545 530)	-	-	(545 530)
Loan reclassification	(10 551)	8 645	-	(1 906)
At the end of the year	5 131 574	121 162	-	5 252 736
Current-term portion				863 070
Long term portion				4 389 666
Total borrowing				5 252 736

31 March 2020

	Export Development Fund K'000	Limbe Leaf Tobacco K'000	CDHIB K'000	Total K'000
At the beginning of the year	835 965	122 945	1 937 799	2 896 709
Loans advanced	3 683 603	-	-	3 683 603
Accrued interest	355 670	-	266 013	621 683
Repayments	(1 263 875)	(20 238)	(2 202 716)	(3 486 829)
Loan reclassification	(273)	9 810	(1 096)	8 441
At the end of the year	3 611 090	112 517	-	3 723 607
Current-term portion				2 373 607
Long term portion				1 350 000
Total borrowing				3 723 607

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

26. Long-term borrowings (Continued)

a) Limbe Leaf Tobacco Company Limited
This long-term loan to rehabilitate the estates was for US$12.7 million and repayable over a period of 10 years in various instalments which commenced in September 2003. The loan attracted interest at the rate of Libor plus 2%.

Part of the loan amounting to US$8.3 million was paid off by the group in prior years through finance from its parent company who guaranteed the amounts. The outstanding amount of US$4.4 million was for General Farming Company Limited (US$3.8 million) and Press Farming Limited (US$0.6 million). The General Farming Company Limited loan was repayable over seven years and attracts interest at 2% above LIBOR. The loan was secured by a debenture over all General Farming Company Limited and Press Farming Limited estates and a lien over all General Farming Company Limited farming produce. The loan for Press Farming Limited is repayable over a ten year period and does not attract interest. It is secured by a lien over 45% of lease fee payments from Press Farming Limited.

In 2017, the PAL Board approved that Limbe Leaf Tobacco Company (LLTC) should sublease the entity's four estates (numbers 15, 16, 17 and 18) for a period of 22 years from 1 February 2016 at US$40 per hectare, which translates to an equivalent sublease fee of US$1.9 million for the 2 175 hectare subleased, with an option to buy and transfer the estates at any time during the sublease period without any further payment by LLTC. Under the sublease agreement, the total sublease fee of US$1.9 million would be payable in advance and be offset against the adjusted loan of US$2.3 million owed by GFCL to LLTC leaving a loan of US$0.35 million.

b) Export Development Fund (EDF)

The amount of global facility approved to General Farming Limited is K7 000 000 000 broken down into the following facilities:

K1 150 000 000 Working capital facility
The purpose was to utilize the facility's proceeds to produce seed maize, seed soya beans, commercial groundnuts, commercial maize commercial soya beans and paprika for its business for the 2019/2020 growing season to be sold locally and across the borders. The facility has a tenor of twenty-two months to expire in August 2021 with a bullet payment in the said month. The facility was drawn down in tranches depending on the specific requirement from the borrower.

The loan shall carry interest at the rate of EDF's floating base rate currently at 12 % plus a margin of 5 percent per annum, making an effective interest rate of 17 % per annum on the reducing balance payable within twenty-two months by way of bullet payment from the request date of the borrower. The interest rate is however subject to change at any time at the Fund's sole discretion.

K2 500 000 000 Medium term facility
The purpose of the loan was to refinance the outstanding debts with CDH Investment Bank (CDHIB) and Continental Capital Limited (CCL) as well as payment for salaries and wages arrears.

The loan shall carry interest at the rate of EDF's floating base rate currently at 12% plus a margin of 5% per annum, making an effective interest rate of 17 % per annum on the reducing balances payable within fifty-one months from the request date of the borrower. The facility has a tenor of fifty-one months to expire on 31 December 2023. The interest rate is however subject to change at any time at the Fund's sole discretion.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

26. Long-term borrowings (Continued)

K1 722 826 119 Medium term facility

b) **Export Development Fund (EDF)** (Continued)
The purpose of the loan was aimed at clearing creditors including salaries and wages and installing irrigation infrastructure at PAL's Estate number 68.

The loan shall carry interest at the rate of EDF's floating base rate currently at 12% plus a margin of 5% per annum, making an effective interest rate of 17 % per annum on the reducing balances payable within the period to 31 December 2023 and in addition to arrangement fees of 2% payable upfront. The interest rate is however subject to change at any time at the Fund's sole discretion.

K1 252 173 880 Working capital facility
The purpose of the facility is to utilize in the production of seed maize, seed soya, commercial maize, seed groundnuts and paprika for the 2020/21 growing season to be sold locally and internationally. The loan shall carry interest at the rate of EDF's floating base rate currently at 12% plus a margin of 5% per annum, making an effective interest rate of 17 % per annum on the reducing balances payable within sixteen months by way of bullet payment from the request date of the borrower and in addition to arrangement fees of 2% payable upfront. The interest rate is however subject to change at any time at the Fund's sole discretion.

K375 000 000 Short term facility
The purpose of the facility was for the provision of Project Preparation and Advisory Service which include undertaking market study for specific value chain as well as feasibility studies(economic, technical and business plan), to produce a suite of project documents, turnaround strategy and business plan which will demonstrate bankability and thus motivate EDF appetite and other financiers interest for distress funding

The loan shall carry interest at the rate of EDF's floating base rate currently at 12% plus a margin of 5% per annum, making an effective interest rate of 17 % per annum on the reducing balances payable within eighteen months from the first disbursement in addition to arrangement fees of 2% payable upfront. The interest rate is however subject to change at any time at the Fund's sole discretion.

The loan will be repaid by assignment of proceeds from Monsanto, SeedCo, Demeter Agriculture Limited and wood sales from Alliance Once.

The facility is secured by caution over land and (Kulima house) valued at K4.6 billion and assignment of proceeds from PAL contract customer to EDF.

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
27. Provisions				
At the beginning of the year	-	-	139 844	112 585
Charge for the year	-	-	20 480	27 260
At the end of the year	-	-	160 324	139 844

The provisions relate mainly to obligations and contractual benefits to group employees.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
28. Lease liabilities				
Current portion	19 591	13 896	19 591	13 896
Non-current portion	129 757	73 234	129 757	73 234
At the end of the year	149 348	87 130	149 348	87 130

	TRUST AND GROUP	
	2021 K'000	2020 K'000
Movement in lease liabilities details are as below:		
At the beginning of the year	87 130	-
Addition lease liability	73 294	113 598
Interest on lease liability	16 451	14 979
Principal repayment	(11 076)	(26 468)
Interest repayment	(16 451)	(14 979)
	149 348	87 130
Maturity analysis		
Year 1	19 591	13 896
Year 2	22 428	26 089
Year 3	25 675	30 253
Year 4	29 394	16 892
Year 5	33 650	-
Year 6	18 610	-
	149 348	87 130

29. Accounts payable

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
Trade payable	-	381	746 602	232 635
Accruals and other payables	125 092	104 441	1 805 676	1 649 579
Total accounts payable	125 092	104 822	2 552 278	1 882 214

Trade payables relate to amounts due to local suppliers. The average credit period on purchases is 30 days from the invoice date. No interest is charged on these payables. Accruals relate mainly to land rent, pensions, PAYE liabilities, audit fees liabilities and staff salaries.

Trustees consider that the carrying amount of payables approximate their fair value.

30. Capital commitments

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
Approved and contracted for	-	-	6 896	26 000

The capital commitments comprising of plant and equipment assets expenditure are to be funded from

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

31. Events after the reporting period

31.1 Listed equity investments

The market value of the shares in listed equity investment moved as follows after year-end.

	08 November 2021 Kwacha per share	31 March 2021 Kwacha per share
Press Corporation Plc	1 494.96	1 199.94
Standard Bank Malawi Plc	1 250.00	1 200.12
Blantyre Hotels Plc	11.00	11.00
National Bank of Malawi Plc	676.00	650.05
National Investment Plc	92.00	94.94
Malawi Property Investment Company Plc	21.00	20.89
Icon Properties Plc	12.09	12.18

The share price movements have resulted in a net fair value gains of K16 840 million in the current year (2020: net fair value gain of K1 806 million).

The net fair value losses have occurred as follows:

	8 November 2021 K'000
Press Corporation Plc	16 551 268
Standard Bank Malawi Plc	271 427
Blantyre Hotels Plc	-
National Bank of Malawi Plc	110 842
National Investment Plc	(14 097)
Mpico Plc	516
Icon Properties Plc	(15 338)
Total net fair value losses	16 904 618

In May 2021,the Trust increased its shareholding in Press Corporation plc from 46.2% to 47.1% as a result of purchasing 560 014 additional shares.

31.2 Unlisted equity investments

The Trust in October 2021 sold its 25% stake held in Kang'ombe Investments Limited at K1.7 billion.

31.3 COVID-19

The World Health Organization (WHO) declared COVID-19 as a pandemic in January 2020 and consequently the Malawi Government declared the pandemic a national disaster in Mid-March 2020 which led to travel and trade restrictions and social distancing measures. In January 2021 the COVID-19 infection cases rose sharply during the second wave leading to the tightening of the restrictions. These travel restrictions slowed down the implementation of some activities of the Group, especially on investigations of new projects and also continuation of existing projects. Business operations and performance of some of the Group's investments were significantly affected, especially those in the tourism and hospitality industry. However, some operations continued due to the disaster recovery procedures adopted by the Group as most of the staff were operating either from home or at office with reduced staffing.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

32. Related parties

In terms of the Trust related parties mean subsidiaries, Trustees and their associates.

Paragraph 2(f) of the Press Trust Reconstruction Act, 1995, defines an "Associate" as one of the following:

i) a Trustee's spouse;
ii) a Trustee's parents, sister, brother, child, business partner and the spouse of any of them;
iii) a Trustee's spouse;
iv) a Trustee's parents, sister, brother, child, business partner and the spouse of any of them;
v) a company controlled by a Trustee or a person or persons falling within paragraphs i) and ii) above; and
vi) Press Trust Overseas Limited.

Press Agriculture Limited
Press Farming Limited
General Farming Limited
Farm Management Company Limited
Press Farming and Chemical Company Limited
Press Corporation Limited
Kang'ombe Investments Limited
Mwaiwathu Private Hospital Limited
Blantyre Hotels Limited

Total emoluments of the management staff during the year amounted to K161.384 million (2020: K184.977 million)

Total loans due from management as at 31 March 2021 was K7.85 million (2020: K9.49 million) as disclosed in in note 21.

Transactions with its subsidiaries, Press Trust Overseas Limited and Press Agriculture Limited, have been disclosed in notes 6, 8, 14 and 15.

33. Key economic indicators

The average of the year-end buying and selling rates of foreign currency most affecting the performance of the group is stated below, together with interest rates and the increase in the National Composite Consumer Price Index for the preceding year which represents an official measure of inflation.

Date	K/USD	National rate of inflation	Fixed deposit interest rates 2 months	3 months	6 months	Base lending rate
31 March 2020	736.7058	9.80%	5.50%	5.25%	4.00%	13.3%
31 March 2021	785.6012	9.40%	5.50%	5.25%	4.00%	11.9%
13 October 2021	816.3119	8.40%	4.25%	4.00%	3.00%	12.2%

Date	K/USD	National rate of inflation	Fixed deposit interest rates 2 months	3 months	6 months	Base lending rate
31 March 2019	731.1941	8.80%	5.50%	5.25%	4.00%	14.9%
31 March 2020	736.7058	9.80%	5.50%	5.25%	4.00%	13.4%
30 November 2020	736.7058	8.00%	5.50%	5.25%	4.00%	13.4%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

33. Financial risk management

Categories of financial instruments

The analysis below sets out the Group's classification of financial assets and liabilities and their fair values including accrued interest.

	TRUST		GROUP	
	2021 **K'000**	**2020** **K'000**	**2021** **K'000**	**2020** **K'000**
Financial assets at amortised cost				
Loans and receivables				
R	77 692	65 933	247 839	112 342
Funds held by brokers	-	-	307	269
Bank balances and cash	2 237 296	1 842 190	2 260 893	1 867 228
Total financial assets at amortised cost	2 314 988	1 908 123	2 509 039	1 979 839
Financial assets at fair value through Other comprehensive income				
	81 683 785	89 339 642	83 894 521	90 855 838
Unlisted investments	4 210 954	3 662 128	4 211 074	3 662 249
Total financial assets	88 209 308	94 909 893	90 614 635	96 497 926

	TRUST		GROUP	
	2021 **K'000**	**2020** **K'000**	**2021** **K'000**	**2020** **K'000**
Financial liabilities				
Financial liabilities held at amortised cost				
- Accounts payable	125 062	104 822	2 552 278	1 882 214
- Bank Overdraft	-	-	-	8 741
- Project funding	1 608 754	1 264 582	1 608 754	1 264 583
- Borrowings	-	-	5 252 736	3 723 607
Total liabilities	1 733 846	1 369 404	9 413 768	6 879 145

The Group has exposure to the following risks arising from its transactions in financial instruments:

- Capital risk;
- Foreign currency risk;
- Interest rate risk;
- Credit risk;
- Other price risk; and
- Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Trust's objectives, policies and processes for identification, measurement, monitoring and controlling risk. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

33. Financial risk management (Continued)

(a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return available for its charitable works through the optimisation of the debt and equity balance. The Press Trust Reconstruction Act sets limits on the distributions it can make (note 1.2).

(b) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

(c) Interest rate risk management

The Group is exposed to interest rate risk as it borrows funds at fixed interest rates. The risk is managed by maintaining an appropriate amount of the fixed rate borrowings.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties.

(e) Other price risk

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The table below shows the maximum exposure to credit risk by class of financial instrument. Financial instruments include financial instruments defined and recognised under IFRS 9 *Financial Instruments*. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

	TRUST	
	2021	**2020**
	K'000	**K'000**
Gross Maximum Exposure		
Corporate loans and interest	6 033 537	6 032 069
Security available		
Net impaired loans	-	-
	6 033 537	6 032 069

These corporate loans are unsecured and are fully provided for.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of Trustees, which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

33. Financial risk management (Continued)

(f) Liquidity risk management (Continued)

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period at 31 March 2021 to the contractual maturity date.

	Up to 6 months K'000	6 to 12 Months K'000	Over 1 Year K'000	Total K'000	Carrying Value K'000
TRUST					
31 March 2021					
Assets					
Receivables and prepayments	38 636	38 636	-	77 272	77 272
Bank balances and cash	1 118 648	1 118 648	-	2 237 296	2 237 296
AFS financial assets (Listed investments	-	-	81 683 785	81 683 785	81 683 785
AFS financial assets (Unlisted investments)	-	-	4 210 954	4 210 954	4 210 954
Total financial assets	1 157 284	1 157 284	85 894 740	88 209 308	88 209 308

	Up to 6 months K'000	6 to 12 Months K'000	Over 1 Year K'000	Total K'000	Carrying Value K'000
Liabilities					
Accounts payable	62 546	62 546	-	125 092	125 092
Project funding	536 251	1 072 503	-	1 608 754	1 608 754
Total liabilities	598 797	1 135 049	-	1 733 846	1 733 846
Gap	**558 486**	**22 235**	**85 894 740**	**86 475 462**	**86 475 462**
Cumulative Gap	**558 486**	**580 721**	**86 475 462**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

33. Financial risk management (Continued)

(f) Liquidity risk management (Continued)

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period at 31 March 2021 to the contractual maturity date.

	Up to 6 months K'000	6 to 12 Months K'000	Over 1 Year K'000	Total K'000	Carrying Value K'000
GROUP					
31 March 2021					
Assets					
Receivables and prepayments	123 920	123 920	-	247 839	247 839
Bank balances and cash	1 130 446	1 130 446	-	2 260 893	2 260 893
Funds held by brokers	-	-	307	307	307
AFS financial assets (Listed investments)	-	-	83 894 521	83 894 521	83 894 521
AFS financial assets (Unlisted investments)	-	-	4 211 074	4 250 597	4 250 597
Total financial assets	1 254 366	1 254 366	88 105 903	90 614 635	90 614 635
Liabilities					
Accounts payables	1 276 139	1 276 139	-	2 552 278	2 552 278
Project funding& Loans	536 251	1 935 572	4 389 666	6 861 490	6 861 490
Total liabilities	1 812 390	3 211 711	4 389 666	9 413 768	9 413 768
Gap	**(558 025)**	**(1 957 346)**	**83 716 237**	**81 200 866**	**81 200 866**
Cumulative Gap	**(558 025)**	**(2 515 370)**	**81 200 866**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

33. Financial risk management (Continued)

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period at 31 March 2020 to the contractual maturity date.

	Up to 6 months K'000	6 to 12 Months K'000	Over 1 Year K'000	Total K'000	Carrying Value K'000
TRUST					
31 March 2020					
Assets					
Receivables and prepayments	32 966	32 966	-	65 932	65 932
Bank balances and cash	921 095	921 095	-	1 842 190	1 842 190
AFS financial assets (Listed investments)	-	-	89 339 642	89 339 642	89 339 642
AFS financial assets (Unlisted investments)	-	-	3 662 128	3 662 128	3 662 128
Total financial assets	954 061	954 061	93 001 770	94 909 892	94 909 892
Liabilities					
Accounts payable	52 411	52 411	-	104 822	104 822
Project funding	421 527	843 054	-	1 264 581	1 264 581
Total liabilities	473 938	895 465	-	1 369 403	1 369 403
Gap	**480 123**	**58 596**	**93 001 770**	**93 540 489**	**93 540 489**
Cumulative Gap	**480 123**	**538 719**	**93 540 489**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

33. Financial risk management (Continued)

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period at 31 March 2020 to the contractual maturity date.

	Up to 6 months K'000	6 to 12 Months K'000	Over 1 Year K'000	Total K'000	Carrying Value K'000
GROUP					
31 March 2020					
Assets					
Receivables and prepayments	56 171	56 171	-	112 342	112 342
Bank balances and cash	933 614	933 614	-	1 867 228	1 867 228
Funds held by brokers			269	269	269
AFS financial assets	-	-	90 855 838	90 855 838	90 855 838
AFS financial assets (Unlisted investments)	-	-	3 662 249	3 662 249	3 662 249
Total financial assets	989 785	989 785	94 518 356	96 497 926	96 497 926
Liabilities					
Accounts payables	941 106	941 106	-	1 882 212	1 882 212
Project funding	421 528	3 302 079	-	3 723 607	3 723 607
	1 362 634	4 243 185	-	5 605 819	5 605 821
Gap	**(372 849)**	**(3 253 400)**	**94 518 356**	**90 892 107**	**90 892 107**
Cumulative Gap	**(372 849)**	**(3 626 249)**	**90 892 107**	**-**	**-**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

	TRUST		GROUP	
	2021 K'000	2020 K'000	2021 K'000	2020 K'000
34. Administration expenditure				
Staff costs	290 142	270 562	774 365	728 086
Amortization	-	-	28 008	32 317
Depreciation	70 983	69 088	533 045	704 637
Office expenses	48 821	46 851	50 368	51 996
Board expenses	49 308	44 742	60 400	53 212
Office/land rent	3 635	3 635	35 024	35 122
Motor vehicles expenses	18 120	13 765	177 155	113 363
Auditors' remuneration	28 355	26 500	65 157	59 437
Travel and accommodation	8 178	10 109	45 529	30 805
Guest house expenses	20 282	18 941	20 282	18 773
Motor vehicle insurance	11 738	14 004	11 738	14 004
Postage and telephones	6 202	6 514	13 229	7 725
Internal audit fees	16 694	10 902	16 694	10 902
Printing and stationery	2 861	7 634	2 861	7 634
Staff training	5 984	15 289	5 984	15 289
Advertising	2 372	3 955	2 372	3 955
Bank charges	1 262	1 540	4 191	4 940
Legal fees	542	780	45 744	785
Consultancy expenses	32 329	14 279	32 329	14 279
Interest charges	-	-	-	-
Allowance for impairment of receivables	3 215	-	3 215	225 140
Sundry expenses	1 829	-	25 689	11 897
Total administration expenditure	622 852	579 090	1 953 379	2 144 298

35. Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

34.1

Valuation techniques and assumptions applied for the purposes of measuring fair value
The Trustees consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

35. Fair value measurements (Continued)

Market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

35.2 Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

35.3 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The Group had financial assets that are measured at fair value at the end of each reporting period as detailed below.

	2021 K'000	2020 K'000
Trust		
Financial assets		
Listed equity investments	81 683 786	89 339 642
Unlisted equity investments	4 210 955	3 662 128
Investments in subsidiaries	2 212 053	1 525 185
	88 106 794	94 526 955

	2021 K'000	2020 K'000
Group		
Financial assets		
Listed equity investments	83 894 522	90 855 838
Unlisted equity investments	4 211 075	3 662 249
	88 105 597	94 518 087

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

35. Fair value measurements (Continued)

35.4 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the Trustees consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	2021		2020	
	Carrying amount K'000	Fair value K'000	Carrying amount K'000	Fair value K'000
Trust				
Financial assets held at amortised cost				
Loan and receivables				
Cash and cash equivalents	2 237 296	2 237 296	1 842 190	1842 190
Receivables	77 692	77 692	65 933	65 933
Total	2 314 988	2 314 988	1 908 123	1 908 123
Trust				
Financial liabilities				
Financial liabilities held at amortised cost				
Payables	125 092	125 092	104 822	104 822
	1 608 754	1 608 754	1 264 582	1 264 582
	1 733 846	1 733 846	1 369 404	1 369 404

	2021		2020	
	Carrying amount K'000	Fair value K'000	Carrying amount K'000	Fair value K'000
Group				
Financial assets held at amortised cost				
Listed equity Investments	83 894 522	83 894 522	90 855 838	90 855 838
Unlisted equity investments	4 211 075	4 211 075	3 662 249	3 662 249
Cash and cash equivalents	2 260 893	2 260 893	1 867 228	1 867 228
Taxation recoverable	56 269	56 269	31 358	31 358
Receivables	247 839	247 839	112 342	112 342
Total	90 670 598	90 670 598	96 529 015	96 529 015
Financial liabilities				
Financial liabilities held at amortised cost				
Bank overdraft	-	-	8 741	8 741
Payables	2 552 278	2 552 278	1 882 212	1 882 212
Borrowings	5 252 736	5 252 736	3 723 687	3 723 687
Project funding	1 608 754	1 608 754	1 264 583	1 264 583
Total	9 413 768	9 413 768	6 879 223	6 879 223

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

35. Fair value measurements (Continued)

	Fair value hierarchy – 2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Trust				
Financial assets				
Listed equity investments	81 683 786	-	-	81 683 786
Unlisted equity investments	-	-	4 210 955	4 210 955
Investment in subsidiaries	-	-	2 212 053	2 212 053
Cash and cash equivalents	2 237 296	-	-	2 237 296
Receivables	-	77 692	-	77 692
Total	83 921 082	77 682	6 423 008	90 421 782
Financial liabilities				
Financial liabilities held at amortised cost				
Bank overdraft				
Payables	-	125 092	-	125 092
Project funding	-	1 608 754	-	1 608 754
Total	-	1 733 846	-	1 733 846

	Fair value hierarchy – 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Trust				
Financial assets				
Listed equity investments	89 339 642	-	-	89 339 642
Unlisted equity investments	-	-	3 662 128	3 662 128
Investment in subsidiaries	-	-	1 525 185	1 525 185
Cash and cash equivalents	1 842 190	-		1 842 190
Receivables	-	65 933	-	65 933
Total	91 181 832	65 933	5 187 313	96 435 078
Financial liabilities				
Financial liabilities held at amortised cost				
Bank overdraft				
Payables	-	104 822	-	104 822
Project funding	-	1 264 582	-	1 264 582
Total	-	1 369 404	-	1 369 404

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (Cont.) *For the year ended 31 March 2021*

35. Fair value measurements (Continued)

35.4 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required) (Continued)

		Fair value hierarchy - 2021		
	Level 1	**Level 2**	**Level 3**	**Total**
Group				
Financial assets held at amortised cost				
Listed equity investments	83 894 522	-	-	83 894 522
Unlisted equity investments	-	-	4 211 075	4 211 075
Cash and cash equivalents	2 260 893	-	-	2 260 893
Taxation recoverable	-	-	56 269	56 269
Receivables	-	247 839	-	247 839
Total	86 155 415	247 839	4 267 344	90 670 598
Financial liabilities				
Financial liabilities held at amortised cost				
Bank overdraft	-	-	-	-
Payables	-	2 552 278	-	2 552 278
Borrowings	-	5 252 736	-	5 252 736
Project funding	-	1 608 754	-	1 608 754
Total	-	9 413 768	-	9 413 768

		Fair value hierarchy - 2020		
	Level 1	**Level 2**	**Level 3**	**Total**
Group				
Financial assets held at amortised cost				
Listed equity investments	90 855 838	-	-	90 855 838
Unlisted equity investments	-	-	3 662 249	3 662 249
Cash and cash equivalents	1 867 228	-	-	1 867 228
Taxation recoverable	-	-	31 358	31 358
Receivables	-	112 342	-	112 342
Total	92 723 066	112 342	3 693 607	96 529 015
Financial liabilities				
Financial liabilities held at amortised cost				
Bank overdraft	8 741	-	-	8 741
Payables	-	1 882 214	-	1 882 214
Borrowings	-	3 723 607	-	3 723 607
Project funding	-	1 264 583	-	1 264 583
Total	8 741	6 870 404	-	6 879 145

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