

# RESULTS FOR YEAR ENDED 31 MARCH 2023



Further Together

Further Together

Basis of preparation

Pursuant to the Press Trust Reconstruction Act (PTRA) (Cap 5:04 of the Laws of Malawi), we report below results for the year ended 31 March 2023.

March 2023.

The Trustees have prepared the summary consolidated and separate financial statements to meet the requirements of the Press Trust Reconstruction Act.1995 as amended in 2023 (PTRA). The Trustees have considered the requirements of the PTRA and believe that the summary consolidated and separate statements of financial position, profit or loss and other comprehensive income, changes in reserves and cash flows are sufficient to meet the requirements of the users of the summary consolidated and separate financial statements. The amounts in the summary consolidated and separate financial statements are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the Trustees Incorporation Act, 1962. The summary consolidated and separate financial statements have been derived from the Annual Consolidated and Separate Financial Statements which were approved by the Board of Trustees on 27July 2023 and are available at the Trust's registered office.

Independent Auditor's report on the summary consolidated and separate financial statements of Press Trust

## To the Registered Trustees of Press Trust.

#### Opinion

The summary consolidated and separate financial statements, (the "summary financial statements") of Press Trust which comprise the summary consolidated and separate statements of financial position as at 31 March 2023, the summary consolidated and separate statements of profit or loss and other comprehensive income, changes in reserves and cash flows for the year then ended, and the related notes are derived from the audited consolidated and separate financial statements of Press Trust for the year ended 31 March 2023.

In our opinion, the accompanying summary consolidated and separate financial statements of Press Trust are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the Basis of Preparation paragraph.

## Other matter

We have not audited the overall performance and outlook included in the summary of consolidated and separate financial statements and accordingly do not express any opinion thereon.

# Summary consolidated and separate financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary consolidated and separate financial statements, and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon. The summary consolidated and separate financial statements and the audited consolidated and separate financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited consolidated and separate financial statements.

# The audited consolidated and separate financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 8th August 2023. That report also includes the communication of 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 for the current year.

# Trustees' responsibility for the summary consolidated and separate financial statements

Trustees are responsible for the preparation of the summary consolidated and separate financial statements in accordance with the Basis of Preparation paragraph.

## Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Joel Mwenelupembe Chartered Accountant (Malawi) Partner Lilongwe Malawi

8th August 2023

PRESS TRUST
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
As at 31 March 2023
In thousands of Malawi Kwacha

	SEPARATE		CONSOLIDATED	
	2023	2022	2023	2022
ASSETS				
Non-current assets				
Property, plant and equipment	1 544 995	913 321	14 167 825	14 077 174
Right-of-use assets	86 932	111 770	86 932	111 770
Listed equity investments	147 560 527	123 918 471	150 346 845	126 288 562
Unlisted equity investments	3 668 147	3 038 996	3 668 267	3 039 116
Growing crops	-	-	324 211	352 319
Investments in subsidiaries	2 784 745	2 376 245	-	-
Investments in Government Securities	1 389 737	1 330 458	1 389 737	1 330 458
Investment in oil/gas	966 394		966 394	
Loans due from Press Agriculture Limited	6 040 828	6 034 489	-	-
Provision against loans due from -				
Press Agriculture Limited	(6 040 828)	(6 034 489)	-	-
Total non-current assets	158 001 477	131 689 261	170 950 211	145 199 399
Current assets				
Standing crops	-	-	1 410 499	1 046 895
Inventories	-	-	433 869	177 188
Receivables and prepayments	242 010	86 583	413 308	268 087
Cash and cash equivalents	3 708 071	4 255 018	3 718 022	4 390 571
Current portion of 5 Year Treasury Notes	16 918	16 918	16 918	16 918
Funds held by brokers	-	-	340	311
Tax recoverable		<u>-</u> _	237 753	133 818
Total current assets	3 966 999	4 358 519	6 230 709	6 033 788
TOTAL ASSETS	161 968 476	136 047 780	177 180 920	151 233 187
RESERVES AND LIABILITIES				
RESERVES				
Non distributable reserves				
Fair value reserve on listed investments	142 404 275	118 762 219	147 840 727	123 781 016
Fair value reserve on unlisted investments	3 371 266	2 589 050	4 806 272	4 024 056
Fair value of foreign investments	2 589 203	2 180 703	-	-
Property revaluation reserve	938 590	443 055	17 758 741	17 202 238
Total non-distributable reserves	149 303 334	123 975 027	170 405 740	145 007 310
General fund	10 812 241	9 732 252	(6 554 386)	(6 114 776)
Entity attributable to equity holders	-	-	163 851 354	138 892 534
Non-controlling interest			(885 245)	(794 909)
Total reserves	160 115 575	133 707 279	162 966 109	138 097 625
LIABILITIES				
Non-current liabilities				
Sublease fees	-	-	925 927	1 005 194
Deferred tax liabilities	-		868 733	933 800
Lease liabilities	81 654	107 329	81 654	107 329
Long-term borrowings		<u>-</u>		3 577 092
Total non-current liabilities	81 654	107 329	1 876 314	5 623 415
Current liabilities				
Project funding	1 510 833	2 047 821	1 510 833	2 047 821
Sublease fees	-	-	81 970	81 970
Lease liabilities	25 676	22 428	25 676	22 428
Deferred income	9 443	15 915	9 443	15 915
Long-term borrowings-current portion	-	-	6 692 985	3 094 285
Provisions	-	-	175 608	169 468
Trade and other payables	225 295	147 008	3 434 104	1 756 743
Tax payable			407 878	323 517
Total current liabilities	1 771 247	2 233 172	12 338 497	7 512 147
TOTAL	4 6	0.0/= ==:	446	10 105
TOTAL LIABILITIES	1 852 901	2 340 501	14 214 811	13 135 562
TOTAL RESERVES AND LIABILITIES	161 968 476	136 047 780	177 180 920	151 222 107
TOTAL RESERVES AND LIABILITIES	101 300 4/0	130 047 700	177 100 920	151 233 187

PRESS TRUST
STATEMENTS OF CHANGES IN RESERVES
For the year ended 31 March 2023
In thousands of Malawi Kwacha

SLIANAIL		
	31 March 2023	31 March 2022
Balance at the beginning of the year	133 707 279	89 492 856
balance at the beginning of the year	133 707 279	09 492 030
Comprehensive income		
Surplus for the year	1 079 989	1 358 270
Total other comprehensive income	25 328 307	42 856 153
Total comprehensive income	26 408 296	44 214 423
Balance at the end of the year	160 115 575	133 707 279
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# CONSOLIDATED

	31 March 2023		31 March 2022			
	Equity holder of parent	Attributable Non- controlling interest	Total	Equity holder of parent	Attributable Non- controlling interest	Total
Balance at the beginning of the year	138 892 534	(794 909)	138 097 625	95 149 711	(758 824)	94 390 887
Comprehensive income (Deficit)/surplus for the year Total other comprehensive income	(439 610) 25 398 430	(94 435) 4 099	(534 045) 25 402 529	817 377 42 925 446	(36 085)	781 292 42 925 446
Total comprehensive income	24 958 820	(90 336)	24 868 484	43 742 823	(36 085)	43 706 738
Balance at the end of the	163 851 354	(885 245)	162 966 109	138 892 534	(794 909)	138 097 625

PRESS TRUST CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 March 2023

	SEPARATE		CONSOLIDATED	
	2023	2022	2023	2022
INCOME			0.000.055	0.004.000
Turnover	-	-	2 388 355	2 264 892
Cost of sales			(1 877 695)	(1 592 311)
Gross loss	0.050.404	0.000.004	510 640	672 581
Dividend income	2 956 494 916 562		2 956 494	2 630 001
Interest income	33 896		916 562	543 862
Donations/grants Other income	33 896		33 896 838 391	106 683 921 881
Total income	3 937 148		5 255 983	4 875 008
Total income	3 937 140	3 297 199	5 255 965	4 675 006
OPERATING EXPENDITURE				
Administration expenditure	(997 728)	(670 004)	(2 558 875)	(1 966 811)
Exchange gains	5 674	7 992	(664)	7 040
		0.005.407		0.045.007
EXCESS OF INCOME OVER OPERATING EXPENDITURE			2 696 444	2 915 237
Net increase in impairment of loan receivables	(6 339)	(952)	(4 007 000)	(700 440)
Interest expense	(4.5.400)	(40.050)	(1 287 363)	(788 113)
Finance costs-lease liabilities	(15,422)		(15 422)	(18 259)
Recovery of staff and other receivables	(2 473)		(2 473)	452
Realised gain on sale of equity investments	0.000.000	248 738	4 004 400	251 941
Surplus before charitable expenditure	2 920 860	2 865 167	1 391 186	2 361 258
CHARITABLE EXPENDITURE				
Project funding and donations	(1 593 390)	(1 259 224)	(1 593 390)	(1 259 224
Project related expenses	(294 105)		` (294 105)	(247 673)
Completed/discontinued projects over provision	46 624	· · · · · · · · · · · · · · · · · · ·	46 624	· -
Total charitable expenditure	(1 840 871)	(1 506 897)	(1 840 871)	(1 506 897)
Surplus/(deficit) before income tax	1 079 989	1 358 270	(449 685)	854 361
Income tax expense	1 079 909	1 336 270	(84 360)	(73 069)
moome tax expense			(04 000)	(10 000)
SURPLUS/ (DEFICIT) FOR THE YEAR	1 079 989	1 358 270	(534 045)	781 292
TRANSFERRED TO GENERAL FUND				
OTHER COMPREHENSIVE INCOME				
Revaluation surplus	495 535		495 535	
Deferred tax	490 000	•	65 067	65 067
Fair value gain on financial assets	24 222 355	42 766 399	24 231 510	42 770 625
Exchange differences on translating foreign operation	610 417		610 417	89 754
Total other comprehensive income	25 328 307		25 402 529	42 925 446
Total other comprehensive income	25 326 307	42 630 133	25 402 529	42 923 440
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	26 408 296	44 214 423	24 868 484	43 706 738
Attributable to the parent	-	-	24 958 820	43 742 823
Non-controlling interest	-		(90 336)	(36 085)
Total	26 408 296	44 214 423	24 868 484	43 706 738

For the year ended 31 March 2023 In thousands of Malawi Kwacha					
	SEPARAT 2023	E 2022	CONS( 2023	OLIDATED 2022	
Cash flows used in operating activities before working capital changes	(3 153 463)	(1 515 120)	(2 830 779)	(1 011 053)	
Changes in operating assets/liabilities	7,845	(17 237)	827 343	(1 118 918)	
Net cashflows used in operating activities	(3 145 618)	(1 532 357)	(2 003 436)	(2 129 971)	
Net cash flows generated from investing activities	2 636 520	3 587 929	1 455 065	2 878 863	
Net cash flows (used in)/ generated from financing activities	(37 849)	(37 850)	(124 149)	1 380 791	
Net change in cash and cash equivalents	(546 947)	2 017 722	(672 520)	2 129 683	
Cash and cash equivalents at beginning of the year	4 255 018	2 237 296	4 390 882	2 261 199	
Cash and cash equivalents at the end of the year	3 708 071	4 255 018	3 718 362	4 390 882	
Cash and cash equivalents comprise of: Bank balances and cash Funds held by brokers	3 708 071	4 255 018	3 718 022 340	4 390 571 311	
Total cash and cash equivalents	3 708 071	4 255 018	3 718 362	4 390 882	

The consolidated and separate financial statements were approved and authorised for issue by the Board of Trustees on <u>27 July 2023</u> and were signed on its behalf by:

PROF. MOSES F. A. MALIRO ENG. WILSON T. CHIRWA
CHAIRPERSON TRUSTEF

## **Board Composition**

ABRIDGED STATEMENTS OF CASH FLOWS

The composition of the Board of Trustees during the 2022/23 financial year was as follows:

	-	
Name	Position	Period
Prof. Moses F.A Maliro	Chairperson	Full year
Mr. Symon Msefula	Member	Full year
Ms. Linda Mzumara Phiri	Member	Full year
Mr. Stephen D.T. Matenje SC	Member	Full year
Eng. Wilson Chirwa	Member	Full year
Mrs. Audrey Mwala	Member	Full year
Hon. Sosten Gwengwe, MP	Member	Full year

In terms of Section 6 (I) (i) of the Deed of Variation annexed to the PTRA, the Chairperson of the Board of Trustees of Press Trust holds office for one year and is elected from amongst the Trustees. In line with this requirement, at the 26th Annual General Meeting held on 27 July

2023, Trustees unanimously elected Eng. Wilson T. Chirwa as the new Chairperson replacing Professor Moses F.A. Maliro

#### Object of the Trust

The main object of the Trust is to make donations, grants and contributions to persons or institutions for charitable purposes as are in the interest of, or for the benefit of, and the development of the people of Malaŵi (National Benefits Purposes (NBPs).

During the year ended 31 March 2023, the Trust approved projects and disbursed funds as follows (in alphabetical order): -

# Project funding and donations (SEPARATE AND CONSOLIDATED)

# For the year ended 31 March 2023

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	Balance			Completed	Balance
	as at 1		Approvals	(overprovision/	as at 31
	April 2022	Disbursements	accrued	underprovision	March 2023
Balabanthi Junior Primary School - Nkhotakota	83,643	83 727	15 000	-	14 916
Chikunkha Primary School - Nsanje	9,499	15 522	8 000	-	1 977
Chirimba Police Unit - Blantyre City	4,324	-	-	-	4 324
Chinyaza Primary School - Zomba Rural	153,527	85 074	35 000	-	103 453
Chisamba Dispensary - Salima	12,832	123	-		12 709
Chiyola CDSS - Rumphi	76,000	126 217	100 000	-	49 783
COVID-19 Response Fund Accrual - National	56,217	62 301	7 630		1 546
Department of Forestry - National	8,206	4 575	_		3 631
Disaster Relief Fund - National	10,368	112 849	110 000		7 519
Dowa Secondary School - Dowa	1,010				1 010
Embangweni Mission Hospital - Mzimba	.,0.0		20 000		20 000
Enquewini Primary School - Mzimba	86.325	89 684	15 000		11 641
Girls Education Trust - Mangochi	269	1	15 000	(268)	11 041
High Court of Malawi – Zomba	100,000	1,136	90 000	(200)	188 864
Hospital Equipment/Ambulances - National	29	1,100	30 000		29
Kamuzu Academy - National Science Fair	290	5 562	20 000	•	14 728
Kasangazi Mini Electricity Grid - Mzimba	50.000	44 510	20 000		5 490
Light House - Mzuzu	,	91 265	-	•	6 370
	97,635		-	-	
Ligowe Health Centre - Neno	61,484	87 129	116 000	-	90 355
Lilongwe Girls Secondary School	51,180	52 296	1 117	•	1
Malembo Health Centre - Lilongwe	53,398	52 896	9 000	-	9 502
Manjawira Health Centre OPD - Ntcheu	65,000	179	-		64 821
Mathandani CDSS - Kasungu	13,402	12 355		(1 047)	
M'buka Primary School - Lilongwe City	168,488	9,204	100 000	-	259 284
Milamba Health Post - Lilongwe Rural	150,995	93 831		-	57 164
Min of Education - National	37,521	36 281	50 000	-	51 240
Ministry of Health - National	-	121 454	152 250	-	30 796
Mother's Day Donations - Dowa	4,162	20 947	23 500	-	6 715
Mpiri Secondary School - Machinga	8,938	-	-	-	8 938
Msauzawana Dispensary - Lilongwe Rural	90,947	50 824	-	-	40 123
Mulanje Vocational and Rehabilitation Centre	9,580	2 384	-	(7 198)	2
Nalikule College of Education - National	3,806	-	-	(3 806)	-
Njale Health Centre - Thyolo	66,784	52 685	-	-	14 099
Njini Health Centre Dedza	11,645	-	-	-	11 645
Nsamba Primary School - Zomba Rural	1,289	-	-	-	1 289
Ntaja Health Centre - Machinga	170,896	220 829	163 000		113 067
Nthalire Health Centre - Chitipa	196,165	246 387	183 000		132 778
Operation Smile - National	-	20 000	23 000		3 000
Police Dispensary Northern Region - National	57,699	23 419	_	34 278	2
Police Headquarters – Vocational and Rehabilitation School			(34 278)		34 278
Press Trust - Standard Bank Merit Scholarship Scheme		146 342	146 342		0.2.0
Projects Promotional Activities	6,136	52 216	50 000		3 920
Put a Child on a Desk Programme - National	64,394	32 210	30 000		64 394
Queen Elizabeth Central Hospital	755	729	_	(27)	1
Region 5 Games (African Union Sports Council) - National		58 800	58 800	(21)	
	-	21	22		1
Stop Child Marriages (STOM)/DCA - Ntchisi		21		-	
Tertiary Education Fund - National	2.092		62 451	-	62 452
University of Blantyre Synod - National	2,982	-	-	-	2 982
	2 047 821	2 083 754	1 593 390	(46 624)	1 510 833
	2 047 021	2 003 734	1 393 390	(40 024)	1 310 633

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

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

## GROUP FINANCIAL REVIEW

The Press Trust Group is made up of two (2) subsidiaries, namely, Press Trust Overseas Limited (an investment company) and Press Agriculture Limited (an agricultural company). Press Trust has significant investments in four (4) companies, namely, Press Corporation Plc, Blantyre Hotels Plc, Continental Holdings Limited and Mwaiwathu Private Hospital Limited. Furthermore, Press Trust has also invested on the Malawi Stock Exchange

The Board announces the results of the Group for the year ended 31 March 2023. Total income of the Group grew by 8% from K4.875 billion in 2022 to K5.256 billion in 2023. The Group registered a deficit of K534 million (2022: surplus of K781.292 million) and the Trust realised a surplus of K1.08 billion (2022: K1.358 billion) during the year ended 31 March 2023. The total Group comprehensive income for the year declined from a surplus of K43.707 billion in 2022 to a Group comprehensive surplus of K24.86 billion in 2023. This performance in comprehensive income for the Group was mainly due to reduced unrealised fair value gains registered on listed investments when compared to prior year.

# PROSPECTS

The Trust's subsidiary, Press Agriculture Limited (PAL), continues to experience operational challenges. The Board of PAL is working on improving production efficiencies and strict cost containment measures in order to improve gross profit margins and later on, break even. There is hope that the company may return to profitability by 2025. In view of this, Trustees continue to provide support to the company and vigorously courting strategic equity and technical partners to reduce dependency on seasonal loan financing which has become too costly due to shifting economic fundamentals.

Trustees are pleased with the recent enactment of the amendments to Press Trust Reconstruction Act. The new law has empowered Trustees to mobilise resources and explore meaningful investment opportunities aimed at growing the Trust Fund.

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

Physical address
9th Floor
Kang'ombe House,

City Centre, LILONGWE

Postal address Private Bag 359, Capital City, LILONGWE 3. Tel: 01 772 844/ 0887 772 844 E-mail: presstrust@presstrustmw.com