



Further Together

# Press Trust Review 2021-2023





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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



*“ ...it gives me profound joy to report that legislative reforms which the Trust had been pursuing for the past 19 years were finally approved by the Government and enacted into law by the Malawi Parliament in April 2023. ”*

## REFORMS

Press Trust has clocked 26 years from the time it established its permanent Secretariat in Lilongwe in 1997 following its reconstruction through the enactment of the Press Trust Reconstruction Act (PTRA) in 1995. In celebrating that milestone of existence and service to our nation, it gives me profound joy to report that legislative reforms which the Trust had been pursuing for the past 19 years were finally approved by the Government and enacted into law by the Malawi Parliament in April 2023. The amendments have

given greater latitude to Trustees to not only grow the Trust Fund but also to meaningfully mobilise resources to fund the critical investments in the private sector which the country so desperately needs. Indeed, the unity of purpose demonstrated by Parliament in reforming the Trust is a true testament that Press Trust should continue echoing the policy principles of democracy, accountability and transparency in governance. Achieving economic independence for the country remains a dream which the founders of Press Trust had and with the renewed impetus given to Trustees through the reforms, it is a dream that should be pursued vigorously and earnestly as the country implements its Malawi Agenda 2063. It is with this renewed hope and empowerment that I present to you, my fellow citizens, our Report for the past two (2) years covering the period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2023.

## OPERATING ENVIRONMENT

As explained in detail in the Executive Secretary's Report, the operating environment for the past two (2) years was very challenging indeed. The country suffered the full devastating effects of cyclones Ana, Gombe and Freddy while some parts of the country experienced severe drought. The events severely affected agricultural output and worsened the power shortages in the country as electricity generation capacity was drastically compromised. As a consequence, the GDP growth rate decelerated to 1.2% in 2022 from a recovery of 3.9% recorded in 2021 immediately after the easing of the COVID - 19 pandemic.

The real sector continued to face acute shortages of foreign exchange, exacerbated by low export performance and increased appetite for imports. The continued war in Ukraine and the rebound of global economies meant that commodity prices (petroleum, wheat, fertilisers, oil seeds etc.) skyrocketed while constraints in the supply chain remained. As a result, the country struggled to import critical commodities such as fuel over the reporting period as the local currency continued to depreciate against major trading currencies. The private sector has seen a sharp rise in the cost of borrowing following measures implemented by the monetary authorities to adjust the policy rate upwards to 22% in 2023 to tame inflation which peaked at 26.7% in March 2023. Nevertheless, Trustees remain confident that the initiatives being implemented by the Government around fiscal policy will bear fruit by deliberately supporting sectors with the potential to generate foreign exchange and contribute to

long-term food security. As always, Press Trust stands ready to support the Government in this endeavour by continuing to invest in the productive sectors of the country and take a leading role in the private sector-led growth objectives of the country.

## PERFORMANCE

The main object of the Trust remains to apply the income of the Trust to such charitable purposes as are in the interest, for the benefit and development of the people of Malaŵi. Our goal as Trustees which we are pursuing relentlessly is to ensure that ultimately, all communities in Malaŵi should benefit from the trust fund through the Trust's socioeconomic development programmes. In that respect, I am proud to report that at K3.4 billion donated over the past two (2) years, the Trust distributed 58% of its net income to charitable causes aimed at correcting social ills in our country. The guidance in the PTR is that the Trust should be donating at least 50% of its net income in any one financial year. By continually surpassing that target, Trustees continue to demonstrate their fervent passion to support more communities in their social development work, and in the process, reach out to as many Malaŵians as possible.

The challenging economic environment did not spare the subsidiary companies of the Trust, from which Press Trust derives most of its income. Despite the challenges, Trustees are pleased to report that the 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 K534.045 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<sup>st</sup> March 2023.

Group results continue to be heavily weighed down by the prolonged underperformance of our subsidiary, Press Agriculture Ltd (PAL). PAL continues to experience operational challenges. The Board of PAL is working on improving production efficiencies and strict cost containment measures 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 are 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 to report that due to the record performance of the Malawi Stock Exchange (MSE) over the reporting period, the Trust has recorded significant net unrealised capital gains to the extent that the net worth of Press Trust grew by an average of 36.3% year on year from K94.39 billion in April 2021 to K162.966 billion as at 31<sup>st</sup> March 2023. Indeed, as part of its ongoing rebalancing of the investment portfolio, the Trust managed to mobilise and commercially invest an additional K5 billion during the reporting period in its continued quest to strengthen and grow the Trust Fund.



## STRATEGIC DIRECTION

Press Trust is now towards the end of implementing its 5-Year Strategic Plan to March 2024 which identified 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, investing in new sectors such as oil and gas in Senegal and mobilising funds from partners in social development work. The Trust is working with a number of local companies and foreign aid organisations in its quest to expand its social development programmes and in doing so, strengthening the Trust's programming capacity to handle various partnerships. The Executive Secretary's report has a lot more detail on our partnership programmes.

Indeed, the bulk of the Executive Secretary's report details the work Press Trust has been doing over the recent past in implementing the strategic goals in the social sectors of education and health. It is pleasing to report that in education, the interventions by the Trust are targeting all levels of education (primary, secondary & tertiary), while in the health sector, child and maternal health remain the focus of funding by Trustees. Press Trust has made sure that two-thirds (66%) of its donations target these two (2) critical social sectors, education and health. In addition, 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, adequate sanitation facilities, and promote good hygiene practices.

I am extremely pleased to report that the legal reforms which Trustees planned under the strategic theme of strengthening institutional capacity were successfully implemented and closed in 2023. Trustees would like to express their profound gratitude to all stakeholders who participated in the reform process and in the end, believed in the merit of the new law. Trustees undertake to ensure that the new legislation is implemented as intended so that the full benefits of the reforms are realised in the years to come.



From left to right: Eng. Wilson T.M. Chirwa, Hon. Sosten Alfred Gwengwe, MP, Ms. Linda M. Phiri, Mrs. Audrey Mwala, Mr. Symon W. Msefula, Prof. Moses F.A. Maliro - Chairperson and Mr. Stephen Dick Tennyson Matenje, SC





## BOARD OF TRUSTEES

For the reporting period covering two (2) years from 1st April 2021 to 31st March 2023, there were no changes on the board. 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 a simple majority. No retiring Chairperson is eligible for immediate re-election. In addition, the Chairperson has no casting vote. It is pleasing to report that the following two (2) Trustees served diligently and fully embraced their role as chairpersons of the Trust during the reporting period: Trustee Audrey Mwala from October 2020 to 2nd November 2021; then Trustee Symon Msefula from November 2021 to July 2022. I then took over from Trustee Msefula from August 2022 to the reporting date and beyond. I would therefore like to thank the two (2) Trustees most sincerely for steering the Trust through the most difficult times under the COVID-19 pandemic. Collectively, Trustees carry an enormous responsibility of administering Press Trust and I would therefore like to express my sincere gratitude to the exceptional individuals and colleagues who have served as Trustees during the past two (2) years and have demonstrated at all times the wisdom and maturity which justified their appointment. I should admit, that I have learnt a lot from them all during the time I have been on the board.

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.

## MANAGEMENT AND STAFF

Press Trust continues to maintain a very lean establishment of only 14 members of staff. Time and time again, and with relentless training, coaching and capacity building, members of staff have consistently produced excellent results efficiently and effectively. Their zeal to judiciously implement the wishes, instruction, decisions and resolutions of Trustees is unappreciated and they apply themselves with exemplary dedication to a unique national task. Most significantly, it is pleasing to report 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

Despite the projected challenging environment ahead, Trustees are confident that if the Trust focuses on being part of the solution to the country's development questions, a lot of opportunities in mining, power generation, food security, production of export crops and many more could be realised. Trustees will remain steadfast in overseeing the implementation of the strategic plan of the Trust and in that role, help catalyse socio-economic development for our beloved country. 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 be of real service to our fellow citizens of Malawi.

**PROF. MOSES F.A. MALIRO**  
**CHAIRPERSON**

**31<sup>st</sup> March 2023**

# A Driver and Partner for Growth 2022 Report to Society



As a Bank we mark the second publication of our Report to Society with renewed commitment to continue creating value to Malawi while remaining accountable and transparent to our stakeholders.

The report underscores our commitment to drive the country's growth ambitions and attain the status of an inclusively wealthy and self-reliant industrialized upper middle-income, as envisioned in the Malawi 2063 national blueprint. As a member of Standard Bank Group, we are signatories to the United Nations Principles for Responsible Banking (UN PRB) and are committed to ensuring that our strategy is consistent with and contributes to society's needs and priorities, as expressed by the United Nations Sustainable Development Goals (UN SDGs), the Pairs Agreement, the African Union's Agenda 2023, and sustainable banking frameworks.



Phillip Madinga, Chief Executive of Standard Bank Plc and NPC Director General, Dr Thomas Munthali unveil the second edition of the report.

## Pillars

### Education



Invested MK162 million towards the Bursary program, MUST endowment fund and Lilongwe Girls hostel construction.

### Health



Invested over MK20 million towards cleft lip surgeries by Operation Smile, and the purchase of medical equipment for Dowa District Hospital maternity wing.

### Infrastructure and Green Solutions



Rolled out solar financing solution and facilitated growth of the telco sector through lending worth MK30 billion.

### Enterprise Growth



Launched the award winning Phuka Incubator Hub with 68 graduates gaining skills to grow their businesses.

### Protection of Natural Resources



Donated 20,000 Pine tree seedlings to Ntcheu and Dedza district councils.

### Trade



Facilitated domestic and international trade worth MK625 billion through our trade financing solutions.

## PROFILE OF TRUSTEES



### PROF. MOSES F.A. MALIRO - CHAIRPERSON

Prof Moses F.A Maliro is a Professor of Plant Breeding and Genetics, a faculty member in the Department of Crop and Soil Sciences under Faculty of Agriculture at the Lilongwe University of Agriculture and Natural Resources (LUANAR). He is a trained agronomist and plant biotechnologist. He possesses a Diploma and BSc. in Agriculture, an MSc in Agronomy from the University of Malawi and a PhD in Agriculture and Food Systems (specialized in Molecular Genetics) at the University of Melbourne in 2007. He has 26 years of experience in lecturing, supervision of Under Graduate and Post Graduate research, starting as staff associate and rising through the ranks to Professor.

He has extensive research experience in plant germplasm development working on breeding of emerging and highly nutritious crops (quinoa, chia, chickpea, common bean, greegram, potatoes and wheat). He has authored numerous book chapters and journal articles in his related field. Prof Maliro has served as a Deputy Head of Crop and Soil Sciences Department, University Senator and on various University committees (Academic Policy and Planning Committee, Appeals Committee & several others). He has served as a board member of National Herbarium & Botanic Gardens and a technical Committee on Biosafety under Department of Forestry and Environmental Affairs under the Ministry of Natural Resources, Energy and Mining.

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

### 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 Institute 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 Director of Finance at Greenbelt Authority. She formerly served as Chief Executive Officer (CEO) of the National Construction Industry Council (NCIC). She has also previously 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 is also serving on the Boards of Centenary Bank and TNM Mpamba and 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.

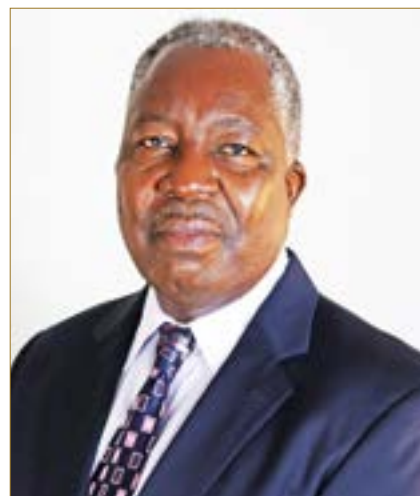
### STEPHEN DICK TENNYSON MATENJE, SC

Mr. Steven 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 Finance and Economic Affairs.

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.

### MRS AUDREY MWALA

Mrs Audrey Mwala is the founder of Sycamore Credit Limited, an 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 20 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.



### 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.



*Happy students at Blantyre Secondary School, beneficiaries of the scholarships*

# MANAGEMENT



**Mr Gibson Ngalamila**  
Executive Secretary



**Dr Chikondi Maleta**  
Head of Operations



**Mr Elias A. Malion**  
Head of Finance  
and Administration



**Mrs Stella Chuthi**  
Administration Manager







# EXECUTIVE SECRETARY'S REPORT



## ECONOMIC REVIEW

The operating environment for the past two (2) years from 1st April 2021 to 31st March 2023 was extremely challenging. In 2021, the domestic economy is estimated to have grown by 3.9%, a significant rebound from the 0.9% GDP growth rate recorded during the COVID-19 period in 2020. The growth in 2021 was mainly driven by solid performance in the agriculture, manufacturing, mining and quarrying, and construction sectors. However, in 2022, growth was adversely affected by weather related shocks in some parts of the country such as erratic rains and cyclones Ana and Gombe during the first quarter of 2022 which decimated agricultural output and washed away power generation facilities, taking out about 120 megawatts from the power grid. Consequently, the Malawi economy grew by 1.2% only in 2022.

The economy continued to face critical shortages of foreign exchange which precipitated a 6 percent devaluation of the Malawi Kwacha against the United States Dollar in 2021 which was followed by a significant devaluation of 25 percent in May 2022, thereby putting a lot of pressure on inflation. The Malawi Kwacha was trading at K1,023.00/ US\$1.00 as at 31st March 2023 from K736.71/ US\$1.00 in April 2021. The Russia/Ukraine war which started in February 2022 led to global supply chain challenges and high commodity prices. A combination of low supply of foreign exchange and spiralling costs of offshore petroleum products resulted in endemic fuel shortages especially during the third quarter of 2022. Fuel prices almost doubled during the period under review, completely reversing all prospects of high economic growth. This was exacerbated by protracted power supply disruptions as a result of significantly reduced generation capacity due to the adverse impact of the cyclones on power generation infrastructure.

The above adverse factors led to headline inflation accelerating during the period under review to close at 26.7% in March 2023 from an average of 9.3% recorded in 2021. In response, monetary authorities increased the policy rate from 12% in April 2021 to 22% as at 31st March 2023, leading to a sharp rise in the cost of financing production for the subsidiary companies of the Trust and reduced private sector borrowing from the financial market.

Economic growth in 2023 will be adversely affected by exogenous weather-related shocks in the aftermath of tropical cyclone Freddy and dry weather conditions in the Northern Region. The excess foreign exchange demand conditions remain the catalyst for continued local currency depreciation against currencies of the major trading partners despite the prospects of the onset of the tobacco auction season.

## OPERATIONS OVERVIEW

The mandate of the Trust is two-fold as enshrined in the Press Trust Reconstruction Act (PTRA), as amended in 2023, regarding the responsibility of Trustees in managing and growing the trust fund comprising commercial investments, and supporting charitable social development projects across the country using part of the returns mobilized from investment companies. During the reporting period, the Trust mobilized K8.4 billion to fund the operations of the Trust. Out of those funds, K5 billion was re-invested in order to grow and diversify the trust fund, whereas K3.4 billion was donated towards social development projects and used to finance project activities across the country, benefitting many Malawians.

## INVESTMENTS

The donor capabilities of the Trust are derived from its commercial investments which mainly comprise equity securities and money market instruments. The Trust aims to generate a regular and reasonably stable income stream from its investments and to prudently grow in real terms both income and the investment portfolio over time. Trustees have been firm over the years to ensure that the Trust remains stable and self-sustaining, without underwriting undue risks.

The tough operating environment over the reporting period did not spare the Trust's investments to the extent that the Trust's tourism & hospitality, health care services and farming businesses remained underperforming. Nonetheless, it is pleasing to report that the Trust's investments in the financial services sector showed remarkable resilience and performed extremely well, and were the main drivers of the Trust's returns in the form of both dividends and capital gains.



*Part of the oil and gas drilling rig in Senegal*

In its continued drive to improve returns, the Trust rebalanced its investments portfolio by divesting from three (3) companies, namely, Kang'ombe Investments Ltd (KIL), MPICO PLC and National Investment Trust PLC (NITL). Further, following conclusion of the recapitalizing efforts in 2019, CDH Investment Bank (CDHIB) has been posting excellent results over the years and it decided to redeem in full all its preference shares in 2022, and the Trust received K350 million from the Company. In total, the Trust managed to realise K2.6 billion from the divestures. These funds together with the surplus of K2.4 billion realised over the past two (2) years meant that the Trust had a total of K5 billion to finance its investment activities.

In line with its mandate and in order to meaningfully diversify the portfolio, subsequent to year end, the Trust completed investing US\$1.5 million (about K1.64 billion) in Fortesa International Inc. of the USA for upstream activities (drilling, processing and conveyance) in oil and gas in Senegal operated by Africa Fortesa Corporation Ltd (AFC). In short, the Trust has successfully acquired direct revenue interests in two (2) oil and gas wells in Senegal. The development of the oil and gas wells is expected to be completed in 2023. Once operational, this investment will help the Trust start generating income in foreign currency and in the process, also help boost foreign exchange reserves for the country.

For strategic and business reasons, the Trust also acquired additional shares in its flagship investment, Press Corporation Plc (PCL), worth K566 million. This helped to increase the Trust's stake in PCL to 47.6% from 46.2% reported in the previous period. The Trust remains steadfast in ensuring that PCL remains strong and successful. PCL is the only truly Malawian company that helps to provide a wide range of private sector goods and services, it employs thousands of Malawians through its subsidiaries, and it has fully embraced the manufacturing of import substitution products such as fuel ethanol, helping save millions of foreign exchange for the country. Trustees therefore firmly believe that the positive reforms that are happening at PCL and its subsidiaries, if well implemented, will propel the Company to even greater heights and for that reason, the Trust will continue supporting PCL's efforts.



In order to guarantee generation of minimum levels of income for funding its day-to-day activities, the Trust further invested K1.3 billion in a five-year Government Treasury Note with a face value on maturity of K1.7 billion and an annual return of 20.25%. The balance of the funds available for investment during the period were invested in various products on the money market in line with the treasury management policies of the Trust. Money market investments remain an important source of revenue for the Trust to the extent that investment income comprised an average of 20% of total income over the past two (2) years.

Press Trust continues to maintain its listed 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 31<sup>st</sup> March 2023, PTOL was valued at K2.8 billion. The Trust will continue investing in listed equity securities both locally and abroad whenever such opportunities arise.

As indicated above, the farming business in Press Agriculture Limited (PAL) continues to struggle despite the huge perceived potential in the sector. The company has formulated a turnaround strategy which focuses on minimising the cost base, increasing productivity and venturing into meaningful value addition. Indeed, there are lucrative opportunities for partnership with investors willing to finance specific projects in PAL aimed at food security, import substitution and generation of foreign exchange. Press Trust will continue supporting PAL in its quest to attracting and identifying credible technical and financing partners for the business.

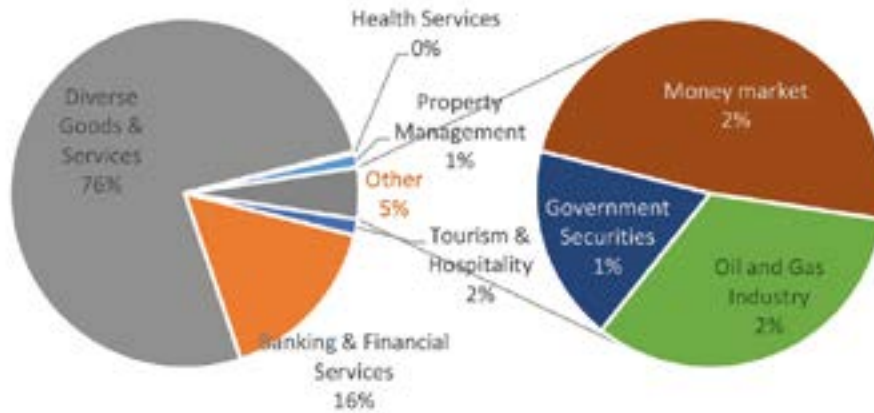
As reported by the Chairperson, the recent legal reforms to the enabling legislation (the PTR) have empowered the Trust to mobilise resources for investment activities. Moving forward, the Trust will re-examine its investment mandate with a view to significantly strengthen it in order to take timely advantage of the vast opportunities ahead.

The table and pie chart below show the Trust's equity investment portfolio per sector as detailed in the audited financial statements.

*Investments Portfolio by Sector as at 31<sup>st</sup> March 2023*

SECTOR	AMOUNT (K)	PERCENTAGE
Tourism & Hospitality	2,420,679,523	1.5%
Banking & Financial Services	25,800,924,011	15.9%
Diverse Goods & Services	123,597,263,404	76.3%
Health Services	401,539,564	0.2%
Property Management	2,026,270,020	1.3%
Oil and Gas Industry	2,550,000,000	1.6%
Government Securities	1,389,737,000	0.9%
Money Market	3,708,071,000	2.3%
<b>TOTAL</b>	<b>161,894,484,522</b>	<b>100%</b>

### Investment Portfolio by Sector



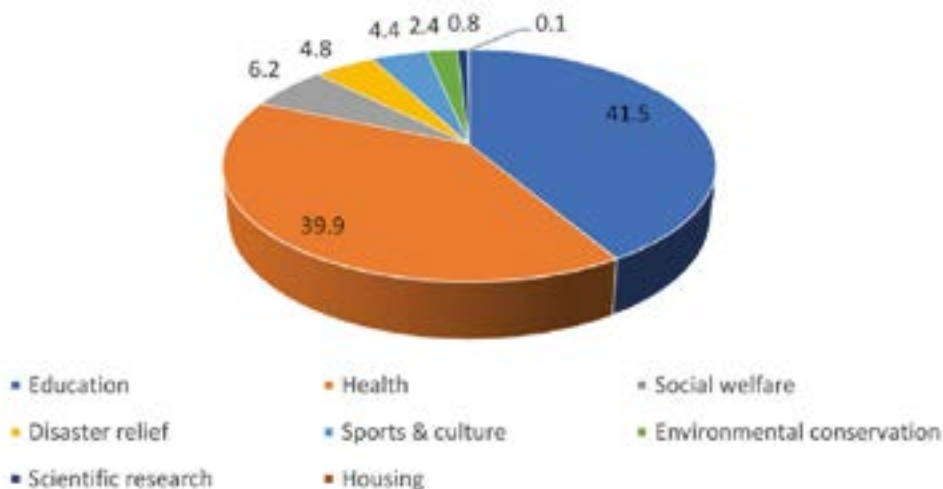
### SOCIAL DEVELOPMENT PROJECTS

The PTRA requires the Trust to apply at least half of its net income on social development projects that are in the interest and for the benefit of the people of Malawi. As at 31<sup>st</sup> March 2023, the Trust had mobilised and donated K8.75 billion (about US\$31.38 million) towards financing 301 distinct projects across the country in the sectors indicated in Table 2 below.

Summary of Project Approvals as at 31<sup>st</sup> March 2023

SECTOR	APPROVAL (K)	US\$ EQUIVALENT	PERCENTAGE
Education	3,631,845,535	10,391,095	41.5
Health	3,489,105,277	10,780,349	39.9
Social welfare	542,065,827	5,948,098	6.2
Disaster relief	418,485,897	978,103	4.8
Sports & culture	381,776,015	2,005,554	4.4
Environmental conservation	211,438,834	700,726	2.4
Scientific research	65,767,000	232,510	0.8
Housing	10,000,000	347,152	0.1
<b>Total</b>	<b>8,750,484,384</b>	<b>31,383,587</b>	<b>100.0</b>

Project approvals per sector (%)



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

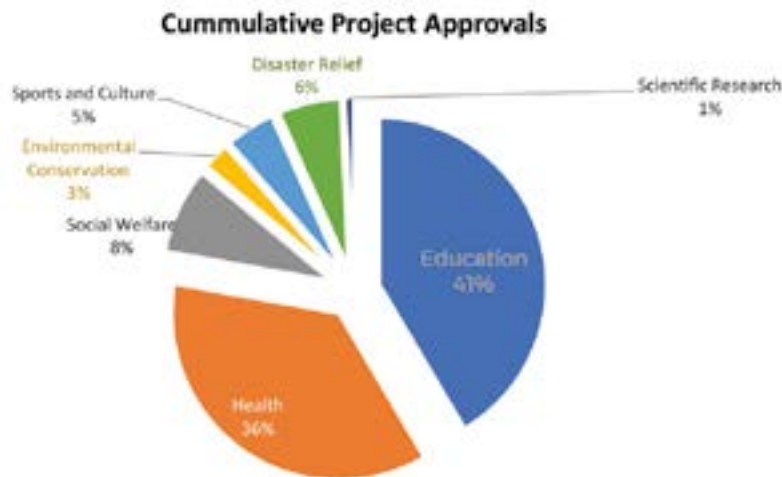


In 2019, Trustees made a deliberate decision that the Trust should focus most of its social programmes towards the health and education sectors. Over the past two (2) years, the Trust has donated a total of K2.85 billion towards 38 social development projects across the country, where over 77% of the total donations were made towards education (41%) and health (36%) sectors. These sectors are priority sectors on human capital development under the Malawi Agenda 2063. In response to national disasters and as part of strengthening good governance over the reporting period, the Trust donated over 22% towards disaster relief, social welfare, environmental conservation, and sports and culture sectors.

The proportional spread of donations per sector for the review period (2021-2023) is indicated in Table 3 and the pie chart below.

*Cumulative Project Approvals for the reporting period*

Sector	2022	2023	Total	%
Education	647,308,000	532,931,000	1,180,239,000	41
Health	343,817,000	697,380,000	1,041,197,000	36
Social Welfare	110,000,000	124,278,000	234,278,000	8
Environmental Conservation	73,000,000	-	73,000,000	3
Sports and Culture	24,194,000	108,800,000	132,994,000	5
Disaster Relief	60,000,000	110,000,000	170,000,000	6
Scientific Research	905,000	20,000,000	20,905,000	1
<b>Total Project Funding</b>	<b>1,259,224,000</b>	<b>1,593,389,000</b>	<b>2,852,613,000</b>	<b>100</b>



*Newly built classrooms at Engucwini Primary School in Mzimba District*

## EDUCATION SECTOR

### Overview

Trustees remain cognisant of the fact that education is key to meaningful development of any country. Accordingly, the strategic goal of the Trust for the past four years in the education sector has been to contribute towards improved access and quality of education at all levels in line with the National Education Sector Plan (NESP). Indeed, at close to K1.2 billion, the education sector was the biggest beneficiary of funding from the Trust for the past two (2) fiscal years. Out of that amount, a third went into primary education with an allocation of K387.11 million, 29% benefitted secondary school students with scholarships worth K337.46 million, 15% (K177.11 million) was used to fund infrastructure development at secondary school level, 14% of the funding to education sector has been used to procure desks for primary and secondary schools across the country worth K165.80 million, and 10% benefitted students in the tertiary education sub-sector with scholarships worth K112.75million.

### Improving access to quality primary education

The people around Balabanthi in Zangena village, TA Kafuzira in Nkhotakota have received a donation of K100 million which has funded four (4) fully furnished classrooms and an administration office, one (1) teacher's house and modern sanitary facilities (three (3) double holed pit latrines) for both teachers and students. A similar donation of K103 million was made to the people around Engucwini, Group Village Aaron Mvula, Inkosi Mtwalo's area in Mzimba North who constructed four (4) classrooms and an administration office complete with furniture for both teachers and students, one (1) teacher's house and modern sanitary facilities was made.

The Trust has so far donated a total of K189 million to the people of Group Village Headman Mwangata, TA Mlumbe in Zomba, to help them rebuild Chinyaza Primary School which was condemned for use following heavy rains in 2018 as all the buildings at the school were too dilapidated and were on the verge of collapse and were a real danger to both pupils and teachers. The Trust is constructing eight (8) fully furnished classrooms, an administration office, and sanitary facilities. The Trust also formally handed over a donation of a new primary school comprising eight (8) classrooms and an administration office both of which are fully furnished, a staff house, and sanitary facilities to the people of Chikunkha in TA Malemia's area in Nsanje District. The donation of this new primary school worth K144 million was part of the long-term response by the Trust to recurring flood disasters in the area. The infrastructure, together with health facilities and water supply is meant to help Government resettle people permanently away from flood prone areas.



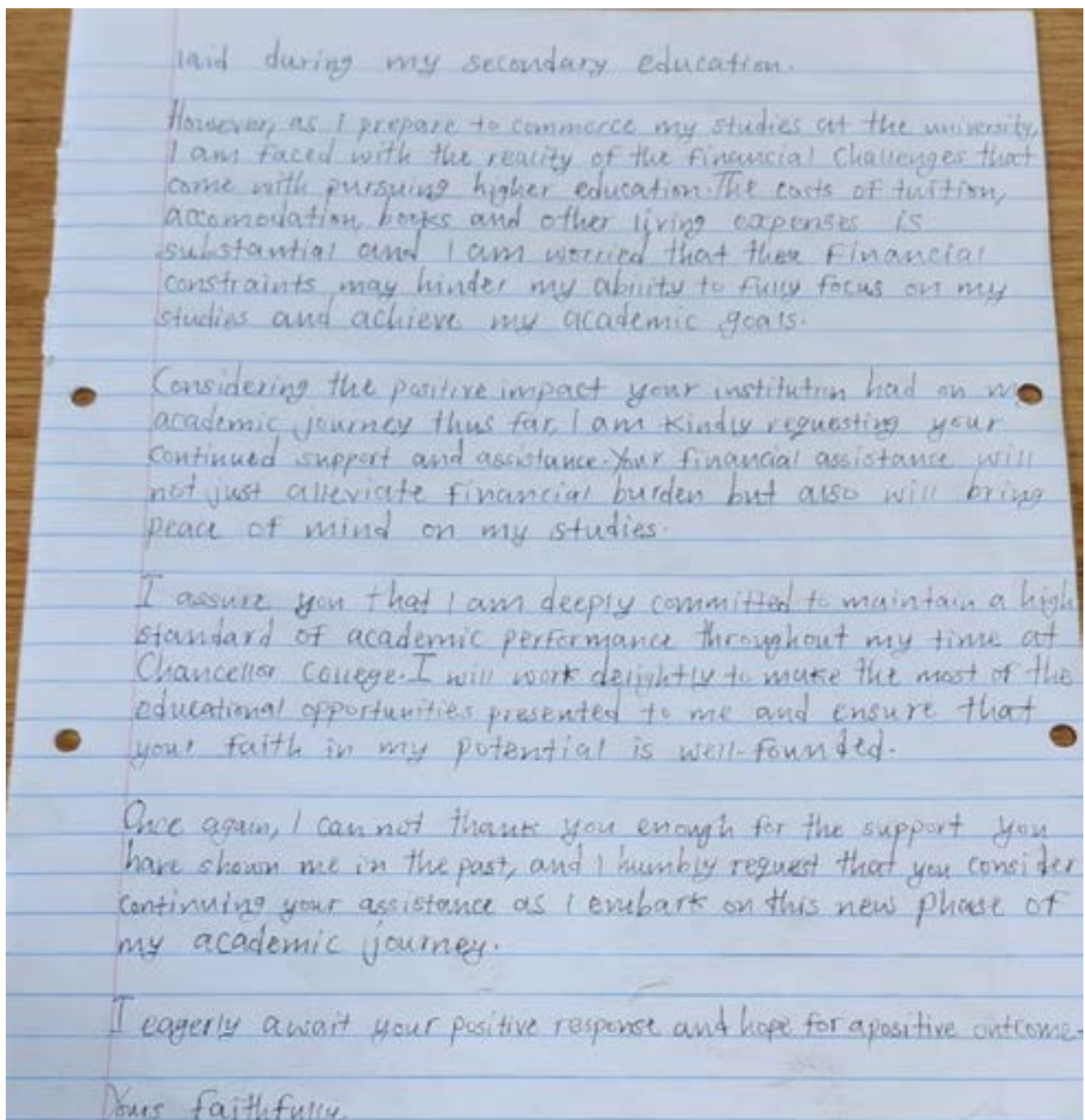
*Chikunkha Primary School in Nsanje District*



The Trust has so far committed K268 million to finance the construction of eight (8) classrooms, ten (10) pit latrines, and provide 480 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 project will commence in 2023 following the completion of designs for high-rise classroom blocks to counter the challenge of space at the school.

### Secondary education scholarships

The Trust continues to receive a lot of applications appealing for assistance of school fees from both parents and students across the country. In response to such requests, Press Trust established the secondary school Merit Scholarship Programme in 2003, targeting the best boy and girl in every educational district as determined by the Primary School Leaving Certificate of Education (PSLCE) examinations. Although the scholarships are awarded to students on merit, it has also proven that a third of such smart students are also very needy.



Appreciation letter from a graduand from Merit scholarship, seeking for tertiary support

Since inception of the scholarship programme, the Trust has supported over 1,569 students' complete secondary education and has invested well over K555 million. In the past two (2) years, donations towards the scholarship programme have increased by K267 million because of the desire by Trustees to provide full entitlements to benefiting students, such as school materials (school bags, exercise books, pens, instruments etc), examination fees, school uniforms complete with shoes in addition to tuition and boarding fees which comprised the initial scholarships. The Trust offers this package of scholarship support for each successful year the student is enrolled in secondary education. It is extremely sad to report that one (1) girl who was being sponsored withdrew from the scholarship because she fell pregnant. Trustees will continue advocating for empowerment of girls and women and ensure that such occurrences are completely eliminated.

In 2019, Standard Bank PLC partnered with the Trust and enrolled a cohort of 76 secondary school students under the scholarship programme. The bank has since invested close to K72 million in supporting the scholarship package for the cohort. As of 31st March 2023, this cohort was in Form 4. Standard Bank remains poised to take on a new cohort during the 2023/2024 academic year.



*Symbolic Presentation of Scholarships by Standard Bank through Press Trust*

From 2018, the Trust and three (3) partners, namely, Danish Church Aid and Evangelical Association of Malawi and TEVETA joined hands to pilot a project in Ntchisi District called Stop Child Marriages Project (STOM). As the name suggests, the aim of the project was to encourage girls who had dropped out of school or were in teenage marriages to go back to school. In addition, STOM was also targeting to prevent vulnerable girls who were on the verge of dropping out of school from doing so. Under STOM, the Trust together with its partners have supported over 120 students, mostly girls and the Trust has so far donated K80 million towards scholarships under STOM. The project was completed in the 2022/2023 academic year and the partners are formulating a successor programme to be rolled-out to more districts.



## ***Improving access to secondary education***

Press Trust remains extremely concerned that almost 65% of students who complete primary education fail to transition and access secondary education mainly because of unavailability of space in the secondary sub-sector. Over the years, the Trust has responded by financing establishment of community day secondary schools across the country. Unfortunately, the gap is so wide and coupled with the ever-increasing population, the capacity of the secondary education sub-sector remains a critical development challenge for the country.

As part of its continued response, the Trust has committed to donate K322 million to the people of Jeka Chipofya Village, TA Mwazisi's area in Rumphu District to help them establish a new community day secondary school at Chiyola. The first phase of the project has been completed and comprised construction of four (4) fully furnished classrooms. The second phase which will commence in 2023 will involve the construction of a laboratory, library, administration offices, and water reticulation. The community around the school has committed to constructing teachers' houses as part of its contribution to the efforts to fully establish the school. The new school with a capacity of 240 students is expected to be operational during the 2024/2025 academic year.



*Chiyola Community Day Secondary School under construction*

In order to cement the partnership between the Trust and Standard Bank, 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 over K160 million. The Trust contributed close to K60 million towards 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. The hostels were handed over to Government by Standard Bank and Press Trust in 2022.



*Hostel donated by Standard Bank & Press Trust to Lilongwe Girls Secondary School*

### ***Improving the learning environment in schools***

Press Trust continues providing school furniture to help improve the teaching and learning environment in education institutions. During the period under review, the Trust completed providing desks to the remaining five (5) district boarding secondary schools under the Put a Child on a Desk Programme, namely; Rumphu, Namitete, Ntcheu, Lunzu, and Chiradzulu Secondary Schools. The aim of the Programme was that every student at the 19 targeted district boarding secondary schools drawn from all the six (6) education divisions has a desk. Prior to the reporting period, the following 14 district boarding secondary schools had already benefitted: Euthini, Chitipa, Madisi, Chayamba, Mitundu, Salima, Mchinji, Balaka, Lisumbwi, Soche Hill, Masongola, Mulanje, Luchenza and Bangula. In total, the Trust has invested K202.8 million in procuring 1,083 new desks and rehabilitating 3,301 old desks which have been donated to the 19 schools enumerated above.



*A sample of the donated desks*

At the commencement of expansion works of Kenyatta Drive in Lilongwe City, it became necessary to harvest hardwood timber from Mibawa trees which were cut down to give way for the highway. Lilongwe City Council donated the timber to the Ministry of Education. Thereafter, Press Trust came in with financing of K36 million and contracted Lilongwe Technical College to produce and distribute 720 desks to schools within Lilongwe City. Some of the beneficiary schools include: Mvama Primary School, Mlodza CDSS, Bwemba Primary School, Mchesi CDSS and Mkomachi CDSS.

Under the Desk Fund initiative, Trustees would like to see that by the end of the year 2024, all districts and all constituencies in the country have benefitted from this donation of desks. The need for desks in public schools is enormous and Trustees find it utterly unacceptable for our children to be sitting literally on the floor during lessons. As part of continued efforts to contribute to equitable distribution of desks, the Trust donated 580 desks worth K50.8 million during the past two (2) fiscal years which were distributed to schools in the following districts: Mzimba, Rumphi, Kasungu, Lilongwe, Ntcheu, Balaka, Mangochi, Mulanje and Nsanje. From April 2019 but before the current period, the Trust had already donated 2,815 desks which benefitted 41 public schools in the following districts: Chitipa, Karonga, Mzimba, Lilongwe, Mchinji, Kasungu, Nkhotakota, Salima, Balaka, Blantyre, Neno, Mwanza, Mulanje, Phalombe, Zomba and Thyolo. Therefore, the Trust has to-date donated a total of 4,115 desks worth K179 million to 38 primary and 17 secondary schools across the country under the current strategic planning period.

### ***Tertiary educational 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 cohort of students under the fund have successfully transitioned in their respective courses and colleges to the third year. The loans 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 which is being drawn down yearly.

*List of projects funded in the education sector in FY2022-FY2023*

No	Project	District	Description	Amount (K'000)	Total (K'000)	Year
1	Balabanthi Primary School	Nkhotakota	Construction & furnishing of classrooms & offices	6,354	647,308	2022
2	Chinyaza Primary School	Zomba	Construction & furnishing of classrooms & offices	114,102		
3	Chiyola CDSS	Rumphi	Establishing a new CDSS	76,000		
4	Engucwini Primary School	Mzimba	Construction & furnishing of classrooms & offices	6,160		
5	Girls Education Trust	Mangochi	Donation of school supplies	1,300		
6	M'buka Primary School	Lilongwe	Construction & furnishing of classrooms & offices	87,497		
7	Ministry of Education	National	Donation of desks	64,500		
8	Press Trust - Standard Bank Merit Scholarship Scheme	National	Secondary school scholarships	121,232		
9	Put a Child on a Desk Programme	National	Donation of desks	50,000		
10	Tertiary Education Fund	National	Provision of loans to students through HESLGB	50,300		
11	Stop Early Mariages Project (STOM)	Ntchisi	Secondary school scholarships	69,863		
1	Balabanthi Primary School	Nkhotakota	Construction & furnishing of classrooms & offices	15,000	532,931	2023
2	Chikunkha Primary School	Nsanje	Construction & furnishing of classrooms & offices blocks	8,000		
3	Chinyaza Primary School	Zomba	Construction & furnishing of classrooms & offices	35,000		
4	Chiyola CDSS	Rumphi	Establishing a new CDSS	100,000		
5	Engucwini Primary School	Mzimba	Construction & furnishing of classrooms & offices	15,000		
6	Lilongwe Girls Secondary School	Lilongwe	Construction of hostel	1,117		
7	Mbuka Primary School	Lilongwe	Construction & furnishing of classrooms & offices	100,000		
8	Ministry of Education - Desk Fund	National	Donation of desks	50,000		
9	Stop Early Marriages Project (STOM)	Ntchisi	Secondary School Scholarships	22		
10	Press Trust - Standard Bank Merit Scholarship Scheme	National	Secondary School Scholarships	146,342		
11	Tertiary Education Fund	National	Provision of loans to students through HESLGB	62,450		
<b>Total - (2022 - 2023)</b>				<b>1,180,239</b>	<b>1,180,239</b>	

## HEALTH SECTOR

### Overview

At K1.03 billion, the health sector was the second largest recipient of funding from the Trust for the past two (2) fiscal years mainly because Trustees would like to meaningfully contribute towards ensuring that all Malawians have access to primary health care services within reasonable distances. Indeed, Trustees are well aware that the needs in this sector are enormous and if not well targeted, the support from the Trust could lose meaning. As such, the Trust has opted to focus its investments towards maternal and child health as this demographic remains 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 line with Malawi Agenda 2063. In this respect, the Trust has managed to mobilise support worth over K2.8 billion in equipment and medical supplies for various health facilities in the country. Therefore, the true total contribution to the health sector by the Trust during the period under review is K3.83 billion.

Out of the K1.03 billion donated to the health sector, almost 80% of that funding went into infrastructure development projects worth K804.20 million while the balance of 20% was used to finance donations of medical equipment and furniture worth K206.58 million to various hospitals.

### *Upgrading of health centres into rural community hospitals*

During the development of the Press Trust Strategic Plan (2019-2024), Government through the Ministry of Health pleaded with Trustees that the key challenges which the Ministry was facing was the congestion of patients at Machinga and Chitipa District Hospitals. Sadly, most patients seeking help at these secondary health facilities were coming from very far hard to reach areas, where roads were almost impassable during the rain season. As a solution to decongest the two (2) district hospitals, the Ministry challenged the Trust to consider upgrading into rural community hospitals Ntaja Health Centre in Machinga District and Nthalire Health Centre in Chitipa District. The Trust gladly accepted the challenge.

The Trust has committed about K600 million towards upgrading of Ntaja Health Centre and it is pleasing to report that as of 31<sup>st</sup> March 2023, construction of wards and a laboratory had been completed. The major remaining work scheduled to be completed in March 2024 is the construction and equipping of the theatre. For Nthalire in Chitipa, the Trust has also committed about K600 million for its upgrading and so far, the following works have been completed: a male and female ward, kitchen, laundry, and rehabilitation of the laboratory. Construction of a mortuary and rehabilitation of the theatre are the main remaining works at Nthalire which are expected to be completed by December 2023. These two projects are being funded in phases in order to align with the yearly resource envelope of the Trust.



*Male & female wards, kitchen and laundry constructed at Nthalire Health Centre, Chitipa*

### ***Medical equipment, general***

It is pleasing to report that the partnership which the Trust established in 2018 with Project CURE of the USA continues to bear more fruits. In the past two years, Project CURE and the Trust have managed to jointly solicit and ship to Malawi critical medical equipment tailored to the assessed and validated needs at Thyolo, Machinga, Lilongwe and Chitipa District Hospitals. The equipment which was shipped to Malawi in four (4) 40-foot containers is collectively worth more than K2.8 billion. Press Trust donated K144 million to finance the shipping and distribution of the equipment to the respective district hospitals. Part of this equipment, furniture and supplies is meant to equip the facilities which the Trust is constructing in those four (4) districts.



*Medical equipment donated to Chitipa District Health Office by Press Trust*



*Minister of Health, Hon Khumbize Kandodo Chiponda receiving the donation*

Trustees further donated critical equipment to conduct maxillofacial surgeries at the Queen Elizabeth Central Hospital in Blantyre, targeting 120 Malawians waiting for facial tumour surgeries that unfortunately could not take place because the hospital had no access to surgical equipment for such operations. Trustees donated equipment worth K8.5 million to enable doctors conduct surgical facial procedures on patients. The proliferation of motor bikes in the country has contributed to the increased incidences of accidents which sadly lead to serious facial deformations of patients.



*A graphic on the usage of maxillofacial equipment*



### ***Improving access to primary health care***

Helping to improve access to primary health care services in the country remains dear to Trustees as most of our fellow citizens live in rural areas where most services are non-existent. Accordingly, Trustees have to-date donated a total of K151 million to the people of Milamba Village in TA Mazengera's area in Lilongwe District where the Trust is funding the establishment of a new health centre. The nearest health facility from the area is 26 kilometres away at Nkhoma in a difficult mountainous terrain. The new health facility is expected to be functional in 2023 once all the equipment, furniture and supplies are delivered.

The people of Sawuzawana in TA Mbwatalika's area in Lilongwe District have received a donation of a new health centre worth over K100 million. Press Trust partnered with Japanese Tobacco International (JTI) to help expand a village clinic into a fully-fledged health centre providing both out-patient and maternity services. Before the expansion, the facility was mainly being used as a base for mobile clinics for under five children and expectant mothers in the area. However, reliable access to public health services in the area is at a return distance of over 30 kilometers at Chitedze Health Centre. As such, the expansion of the facility into a health centre which will be completed in 2023 will serve a population of over 20,000 with easier access to primary health care services. JTI has robust social corporate responsibilities and has since built two (2) staff houses for the health workers, another two (2) staff houses for the teachers at a school next to the health facility. The projects by Press Trust and JTI are further complemented by Government itself which has built four (4) classrooms with funding from the World Bank. The investment by JTI, the Trust and indeed the Government made at Sauzawana showcases a viable model and the results of an integrated approach to rural development.

In its continued quest to support more communities with development work, Press Trust has donated a total of K78 million to construct two (2) staff houses at Njale Health Centre in TA Thomasi's area in Thyolo District. The staff houses will make it possible for the health centre to start operating in 2023 as all necessary infrastructure is now available. The health centre buildings were funded by the community mainly through the constituency development fund and Trustees were extremely impressed with the work and did not want the buildings to become white elephants because of lack of houses for health workers, hence the donation.

### ***HIV/ AIDS & TB Management***

Press Trust started working with the Lighthouse Trust way back in 2001 when it donated medical equipment to the Lighthouse in Lilongwe. It is therefore not surprising that Press Trust agreed to help the Lighthouse Trust to establish a centre of excellence for HIV/TB care and management in the Northern Region. The Trust has since donated K100 million as catalytic funding aimed at roofing and rehabilitating a large complex which will house the Lighthouse within Mzuzu Central Hospital. The Lighthouse Trust will then use the funding from Press Trust to unlock further resources, mainly from the Centres for Disease Control of the USA, for equipping, furnishing and running the facility. Indeed, the Lighthouse Trust has been at the centre of national response to HIV/AIDS through its services in testing, treatment, care and management of HIV/TB patients in Malawi.

### ***Promotion of safe motherhood***

Promotion of safe motherhood remains dear to Press Trust and Trustees are looking forward to a time when no mother in our country will be at risk of dying during child birth because of lack of necessary health facilities. In furtherance of that goal, Press Trust has donated K130 million towards safe motherhood during the period under review.

The Trust has to-date donated a total of K190 million to the people of Ligowe in Neno District which has been used to finance the construction, equipping and furnishing of a 24-bed maternal waiting home at Ligowe Hospital. This donation is meant to encourage expectant mothers to come to the hospital early for close monitoring as they wait for their due date for child birth. It is therefore expected to reduce risky incidences of giving birth at home without medical supervision.

Press Trust completed the construction and equipping of a 15-bed maternity wing at Malembo Health Centre in TA Khongoni's area in Lilongwe District where the Trust has so far invested a total of K161 million in the new



magnificent facility. The fully equipped and furnished maternity wing comprises family planning facilities, both pre-natal and post-natal wards, delivery suites and supporting external sanitary facilities. The maternity wing was completed and handed over to Government in February 2023 and is fully operational, benefitting mothers and children in Lilongwe rural.



*Maternity Wing at Malembo Health Centre in TA Khongoni, Lilongwe District*

### **Promotion of safe motherhood: Medical Equipment**

Furthermore, Trustees donated a total of K33 million towards the purchase of medical equipment for safe motherhood delivered through the Mother's Day Fun Run organized by the Nation Publications Ltd (NPL) with guidance from the Ministry of Health. Out of that donation, K10 million worth of equipment was donated to Mulanje District Health Office in 2021, while K23 million was donated to Dowa District Hospital in 2022. The Trust has partnered NPL on annual basis since the inception of the Fun Run 15 years ago.

### **Operation Smile**

Operation Smile is an international medical charity striving to improve the health and lives of people born with a cleft lip, cleft palate, and other facial deformations. Operation Smile also builds the capacity of local health workers to sustain the surgical operations beyond the help from international expert. The operation smile initiative is in its 14th year of conducting life-changing surgeries for the citizenry. In total, Operation Smile has performed surgeries on over 2,538 people and has trained about 1,513 healthcare workers in Malawi. Press Trust donated K23 million towards the surgical missions during the past two (2) years. Since inception of Operation Smile in Malawi, the Trust has donated a total of over K114 million towards the annual surgeries.



*Surgical operations in progress at Kamuzu Central Hospital in Lilongwe*



*Before and after surgery*



List of projects financed in health sector in FY2021-FY2023

No	PROJECT	DISTRICT	DESCRIPTION	AMOUNT (K'000)	TOTAL (K'000)	YEAR
1	Lighthouse	National	Roofing of lighthouse building for the Northern Region	41,598	343,817	2022
2	Malembo Health Centre	Lilongwe	Construction of Maternity Wing	5,000		
3	Milamba Health Center	Lilongwe	Construction of OPD	96,504		
4	Mother's Day Donations	Mulanje	Donation of medical equipment	10,000		
5	Njale Health Centre Project	Thyolo	Construction of staff houses	3,676		
6	Ntaja Health Centre Project	Machinga	Upgrade of health center to rural community hospital	88,686		
7	Sawuzawana Health Center		Construction of OPD	-9,034		
8	Ligowe Health Center		Construction of waiting shelter for pregnant women	32		
9	Nthalire Health Centre Project	Chitipa	Upgrade of health center to rural community hospital	99,105		
10	Queen Elizabeth Central Hospital	National	Donation of medical equipment	8,250		
1	COVID 19 Response	National	Construction of medical isolation centers	7,630	689,955	2023
2	Embangweni Mission Hospital	Mzimba	Donation of medical equipment	20,000		
3	Ligowe Health Center	Neno	Construction of waiting shelter for pregnant women	116,000		
4	Malembo Health Center	Lilongwe	Construction of maternity wing	9,000		
5	Ministry of Health - Project CURE	Lilongwe, Thyolo, Machinga, Chitipa	Donation of medical equipment	144,825		
6	Mothers Day Donations	Dowa	Donation of medical equipment	23,500		
7	Ntaja Health Center	Machinga	Upgrade of health center to rural community hospital	163,000		
8	Nthalire Health Center	Chitipa	Upgrade of health center to rural community hospital	183,000		
9	Operation Smile	National	Provision of medical care	23,000		
<b>Total - (2022 - 2023)</b>				<b>1,033,772</b>	<b>1,033,772</b>	

## GOOD GOVERNANCE

Over the period under review, the Trust donated a total of K190 million towards the rehabilitation of the Zomba High Court. The court is housed in the old Parliament Building in Zomba, which has since been designated a national monument. However, the building is dilapidated and needs careful rehabilitation to modernise the court rooms and equip them with appropriate technology to enable users have remote access to justice. The rehabilitation works are expected to be completed in 2024 and the court will continue serving the people mainly

from Zomba, Blantyre, Machinga, Mangochi, Balaka, and Ntcheu Districts.



*Zomba High Court building*

## **VOCATIONAL TRAINING**

The Trust continues to support vocational training in the country and during the past two (2) years, the Trust donated K34 million to the Malawi Police Service to help it construct classrooms for vocational training and capacity building at its headquarters in Lilongwe. The classrooms are meant to benefit both the police community and civilians alike gain practical vocational skills in their chosen field.

## **DISASTER RELIEF**

Over the past two (2) years, the country has suffered the full adverse impact of climate change with frequent and devastating cyclones and severe drought in some parts of the country. Press Trust always stands ready to support national response efforts whenever disasters are declared as such by Government. During the reporting period, the Trust donated relief items worth over K170 million. Out of that amount, the Trust used over K60 million in 2022 to procure 182 metric tonnes of maize flour which was distributed through the Department of Disaster Management Affairs to the people severely affected by the devastating impact of Cyclone Ana in Nsanje, Balaka, Mulanje, Mangochi, Chikwawa, Ntcheu and Mwanza.

In 2023, the Trust responded to the devastation of Cyclone Freddy by donating relief food items worth over K110 million comprising 6.25 tonnes of beans, 30 tonnes of corn-soya blend, and 60 tonnes of maize flour to the affected people in Phalombe District. Cyclone Freddy was probably the most ferocious in the history of the country.



*Delivery of food items to Cyclone Freddy survivors in Phalombe*

Subsequent to year end, the Trust has made a further donation of K50 million to help build houses and relocate some of the people whose entire villages were swept away during Cyclone Freddy in Chiradzulu District. Government has relocated the people at Mikolongwe in Chiradzulu. In addition, Trustees have also donated K7 million to help rehabilitate the water supply system damaged by Cyclone Freddy at Chitokolo village in TA Nkhulambe's area in Phalombe District. The Trust remains committed to help in supporting the long-term efforts of rebuilding of infrastructure damaged by cyclones in the recent past.



*Exposed and damaged water reticulation system at Chitokolo village in Phalombe*

## SPORTS AND CULTURE

### Culture

Culture has a unique way of communicating values, beliefs and customs of humanity. It is also a powerful means of fostering group identity and solidarity. As a nation, it is important that we preserve and appreciate our cultural heritage as Malawians. Press Trust has therefore continued supporting this sector as one way of preserving culture and passing it on to future generations.

### ZAKWATHU CULTURAL PROGRAMMES

The Trust has supported cultural programmes mainly through the media. On radio, Press Trust sponsors the Zakwathu Programme on Zodiak Broadcasting Station, a programme that helps to preserve culture through songs from the country's diverse tribes. On television, Press Trust sponsors Zakwathu Programme on Malawi Broadcasting Corporation in which various cultural dances are showcased. During these programmes, the audience countrywide is informed of the Trust's activities including ways on how they can apply for support. Wrap around messaging such as the importance of literacy and numeracy in education, the significance of the adoption of good hygiene practices and conservation of the natural environment are an important part of the programming. The programmes have indeed proved to be a good means of raising public awareness on the activities of the Trust as they enjoy the memory of their traditional roots.

The Trust donated a total of K74 million towards the sponsorship of the Zakwathu Programmes during the period under review.



*The Trust seeks to preserve culture through promotion of such dances*

### Sports

Trustees recognise that sports remain the source of economic livelihood for thousands of Malawians. Indeed, when our nation was honoured to host the Region Five (5) international games, Press Trust pledged its full support and donated close to K60 million to help the country successfully stage the games. At the end of the games, Trustees were particularly happy that Malawi won 44 medals, proof that the support was not in vain.



*Team Malawi receiving its medals*

## **ENVIRONMENTAL CONSERVATION**

### ***Reafforestation***

Press Trust promotes the sustainable use of natural resources in order to preserve the environment, mitigate the adverse effects of climate change and sustain life on earth. The Trust has remained an active partner of the Government and like-minded institutions to restore the environment, mainly through reafforestation initiatives. Press Trust has long partnered with the Malawi defence Force (MDF) in a reafforestation drive. During the period under review, the Trust donated K5 million worth of seedlings to the MDF for the reafforestation of its forest reserves at Kamuzu Barracks.

In order to help increase the survival rate, Press Trust provided tree seedlings to eight (8) public Teacher Training Colleges (TTCs), who have introduced a mandatory practicum for reafforestation clubs at their institutions and out-grower services to neighbouring villages. Student teachers are assessed on their performance in caring for the trees in the institutional woodlots and capacity building and support that they provide to demonstration outreach villages. Trustees donated a total of K18 million towards this support.



*Tree planting in progress at Chiradzulu TTC*

## Mini Power Generation

Press Trust has always supported research and innovation in this country. The innovation by Mr. Colerd Nkosi of a mini hydro-electricity grid at Kasangazi in Inkosi Kampingo Sibandes's area in Mzimba District fascinated many in the country in 2022. Kasangazi mini hydro-electricity grid is located about 5 Kilometres west of the Chikangawa – Mzuzu road and supplies 28 houses and Kasangazi Primary School. The main generating equipment for the system is a maize mill motor which has been reversed to operate as a generator, providing up to 240 volts and approximately 400 watts. The grid comprised substandard wooden poles, with substandard cables for transmission and distribution covering about 4 kilometres with one (1) single phase distribution board mounted at the innovator's house. Obviously, the system was not safe and the intervention by Press Trust, United Nations Development Programme (UNDP) and others was meant to upgrade the system to meet minimum safety standards expected by the Malawi Energy Regulatory Authority (MERA).

The donation of K50 million by Press Trust has been used to construct a purpose-built power control house at Kasangazi while a similar donation by UNDP is being used to upgrade the generation capacity, and the transmission and distribution network. The upgrading of the whole network is expected to be completed towards the end of 2023. The mini electricity grid has helped the communities to reduce their use of fossil fuels, increased their access to lighting, and helped increase contact time between students and teachers at Kasangazi Primary School which will obviously lead to improved learning outcomes. The Trust will continue working with the innovator to explore areas of potential where such simple but effective technology can be replicated.



*Mr. Colored Nkosi debriefing guests on the mini-grid innovation*

## SCIENTIFIC RESEARCH

### Overview

Technological advancement is key to national development. For technological advancement to materialise, there ought to be well-coordinated research systems in place. This is why the Trust has supported nascent research programmes with a view to promoting innovation and growth.

Press Trust has always been keen to fund research activities in the following areas: research into poverty cycles, skills transfer, and support institutions conducting research with an immediate impact on the people of Malawi.



The research on the prevention and treatment of oesophageal cancer which was previously funded by the Trust is one such example of what the Trust would like to encourage and support.

### **National Schools' Science Fair**

The National Schools Science Fair (NSSF) is a competition that brings together secondary schools from across the country to Kamuzu Academy with the overarching objective of promoting a scientific culture in secondary schools. Besides promoting a scientific culture among students, the Fair also aims at unearthing new innovations that would help create jobs and add wealth to the country.

During the Science Fair, schools exhibit various scientific innovations which are then assessed by independent judges. Winning schools are rewarded mainly through monetary prizes. In 2022, Trustees resolved to help protect the rights of the young innovators by patenting the innovations. Press Trust is working with the Malawi University of Science and Technology (MUST) to scientifically package the exhibitions and have them registered for patents. The Trust donated K20.9 million over the past two (2) years towards the hosting of the science fair and thereafter, patenting of the exhibitions. So far, Press Trust has invested a total of K61 million to the National Schools Science Fair since it started in 2009.



*Some of the participants at the Fair displaying their innovation*

### **PARTNERSHIPS**

Trustees are sincerely grateful for partners that have contributed significantly to the attainment of impactful development results that the Trust has achieved during the period under review. The Trust is thankful to Project C.U.R.E. of the USA for the partnership in the supply of critical medical equipment. Through the partnership, the Trust has solicited medical equipment that will be donated to Thyolo, Machinga, Lilongwe and Chitipa District Health Offices. The equipment is estimated at K2.8 billion.

The Trust is also greatly indebted to Government through the Ministry of Finance which worked with the Malawi Revenue Authority (MRA) to grant a waiver on Value Added Tax (VAT) for almost all development projects being implemented by the Trust. This measure has allowed the Trust to expand its development outreach to communities with extra resources of up to K500 million.



Trustees would like to sincerely thank Standard Bank PLC for donating K180 million during the past two (2) years in collaboration with the Trust: K72 million granted towards the funding of the merit scholarships for 67 secondary school students; and K108 million being the contribution made on the construction of a 64-bed hostel at Lilongwe Girls Secondary School.

The Trust sincerely appreciates the continued relationship with Kansai Plascon Limited for offering discounts on paint products of up to 45% of the market price. The development projects funded by the Trust have greatly benefited from the generous donation made by Kansai Plascon. Similarly, the Trust is indebted to MACSTEEL Ltd for a 15% discount on the market price for steel and roofing materials used in all development projects funded by the Trust.

The Trust will continue engaging players in the private sector and the development partners to leverage its catalytic resources and efficiencies in implementing social development projects, especially in the infrastructure space. Trustees sincerely believe that collaboration is the sure way of realising impactful social investments while providing partners an opportunity to concentrate on their core business.

### **IMPACT OF SOCIAL DEVELOPMENT PROJECTS**

The investments made by the Trust in education and health have social and economic returns for the people of Malawi as they directly contribute to their literacy, numeracy, and well-being, enabling the benefiting population to participate meaningfully in their own development and that of the economy.

Most notably, over 50% of the Trust's social investments were mainly made in infrastructure development, therefore contributing to the increase in the trade volume in the construction industry in terms of trading in construction materials as well as services, including direct employment of construction workers. The Trust has made it a point that wherever projects are being implemented, people from the surrounding communities should be given the first opportunity to be employed on the construction site. This is done to ensure that they not only benefit from the infrastructure but also earn economic livelihood from their labour during implementation phase of the respective projects.

The upgrading of health facilities into rural hospitals at Ntaja in Machinga and Nthalire in Chitipa worth over K1.2 billion are a big boost for improved health outcomes for generations to come. The expanded infrastructure has completely transformed health care service delivery in those two (2) areas with clear targets of reducing maternal and morbidity rates, and helping save resources through constant referral of patients to district health facilities.

The completion of a maternity wing at Malembo Health Centre in Lilongwe and a maternal waiting home at Ligowe Community Hospital in Neno is a clear testament by Trustees of their continued support for safe motherhood in this country. It remains tragic to continue losing our mothers during child birth and the goal is to reduce maternal deaths to zero wherever possible. The projects funded together with Project CURE and Nation Publications Ltd on sourcing and procurement of medical equipment are meant to precisely address the challenges with safe motherhood but also to capacitate health facilities with modern tools for diagnosis of diseases and management of patients.

The Trust has constructed and furnished several classrooms at primary and secondary level across the country which are helping to improve access and the quality of learning in those schools. Some schools have already started recording positive outcome indicators regarding enrolment, pupil: classroom ratio, pupil: desk ratios, passing percentages, pupil retention and transition into secondary or tertiary institutions as appropriate. The merit scholarships with enhanced entitlements as well as tertiary education loans are meant to keep students in school and motivate them to continue working hard.

The Trust will continue investing in social development projects that benefit the people of Malawi across the country to catalyse national development and help the country achieve its development aspirations espoused in the Malawi Agenda 2063.



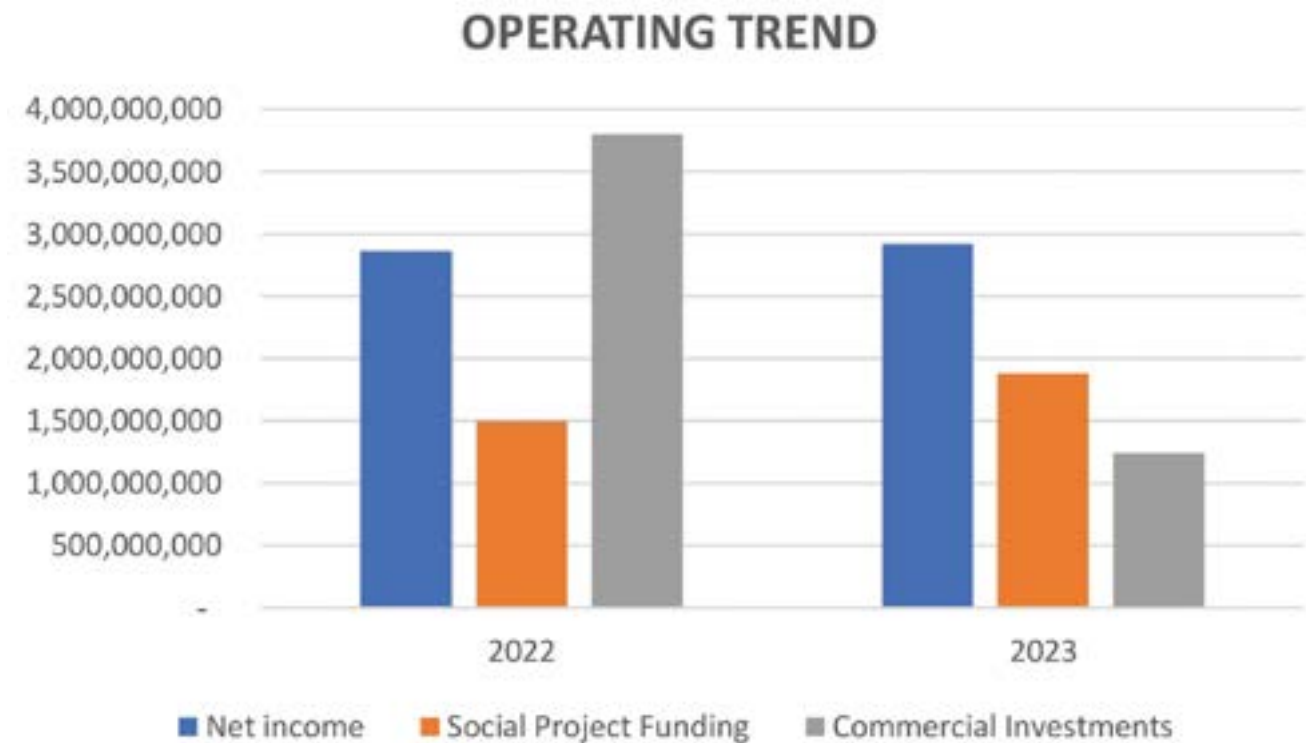
Before and after classroom construction at Balabanthi primary school in Nkhota-kota

### FINANCIAL RESULTS

As detailed in the consolidated financial statements of the Press Trust Group for the year ended 31st March 2023, the Trust is pleased to report that 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 K534.045 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 K42.925 billion in 2022 to a Group comprehensive surplus of K25.403 billion in 2023. This performance in comprehensive income for the Group was mainly due to reduced net unrealised fair value gains registered on listed investments when compared to prior year.

It is pleasing to also note that during the period under review, the net worth of the Trust Fund increased by K68.58 billion, representing an average of 36.3% growth year on year from K94.39 billion in April 2021 to K162.966 billion as at 31st March 2023. This was largely driven by significant net unrealised capital gains recorded on listed equity investments.

The graph below shows the relationship of net income, project funding and investments during the past two (2) years.



## HUMAN CAPITAL DEVELOPMENT

### *Staffing*

The Trust maintains a lean structure of a total of 14 members of staff. During the period under review, the Projects Manager left the Trust, having served for about twelve (12) years. During her time, the Projects Manager contributed significantly towards the implementation of social development programmes and the Trust is sincerely grateful for her noble service which she rendered to the people of Malawi. The Trust has since recruited Mr. Kondwani Msiska as Projects Officer to mainly help with supervision of infrastructure projects.

Press Trust undertook a functional review which resulted in the creation of a procurement function, and streamlining of departmental activities in operations, finance and administration. In addition, the Trust has also established an internship programme which has already seen the recruitment of interns who are helping in various functions of the Trust.



#### **BOTTOM ROW**

(From left to right): Johannes Kumpata, Luke Kauka,  
Chimwemwe Malowa, Yanjanani Tambala

#### **MIDDLE ROW**

(From left to right): Elias Malion, Thokozani Moffat, Sherry Dukes,  
Simeon Zuze, Cecilia Chisale, Ruth Banda

#### **TOP ROW**

(From left to right): Margaret Chimwala, Chikondi Maleta,  
Kondwani Msiska, Gibson Ngalamila, Yobu Kadzako

## Training

Training and development of staff is key to any successful organisation and this continues to play an important role in the overall strategic plan of the Trust. If people with the right attitude are recruited, training becomes a lot easier. As such, the Trust continued with its training program vigorously during the period under review. In total, the Trust invested K68.39 million in staff training and capacity building which allowed members of staff to attend both long-term and short-term programmes relevant to their roles. It is extremely pleasing to report that two (2) members of staff completed their long-term training in development economics, and procurement and supply respectively. The Finance Officer is pursuing ACCA studies which he plans to complete by the end of 2023. The overall objective of the Trust's staff training and development is to allow for efficient delivery of services and also to provide for effective succession planning.

## OUTLOOK FOR THE YEAR 2024

The short-term outlook for the year to March 2024 remains highly uncertain and it is appropriate to exercise caution. Supported by a strong financial base, the Trust will remain focused on its growth-oriented objectives and prudent financial management practices in order to continue delivering long-term sustainable returns. As explained by the Chairperson, the amendments to the enabling legislation in 2023 have given the Trust renewed impetus to judiciously implement its mandate of growing the trust fund and supporting socio-economic development efforts of our nation. Constraints on production and provision of services as posed by foreign exchange challenges, high interest rates and the impact of inflation on costs will continue to impact all aspects of the Trust's work, especially the escalating costs of implementing social development projects.

Lastly, I would like to express my profound appreciation to the Trustees, Management, and Staff of Press Trust for steadfastly achieving the progress reported during the period under review. I look forward to many more productive years ahead as we continue supporting socio-economic development efforts of our nation. I would also like to thank our partners and stakeholders for their unwavering support during the period under review. I look forward to more impactful partnerships as we deliver for humanity.



**GIBSON NGALAMILA**  
**EXECUTIVE SECRETARY**

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# DETAILED LIST OF PROJECTS

## PROJECTS FUNDED IN THE EDUCATION SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
1	Mzuzu University	National	Purchase of laboratory 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	Contribution 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



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
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
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	191,000,000	282,512
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





No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
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
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	554,942,000	850,399
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	143,800,000	198,345
58	Dowa Secondary School	Dowa	Construction of Girls' hostel	February 17, 2017	65,530,000	90,386
59	Mpiri Secondary School	Machinga	Construction of teacher's house	February 17, 2017	67,259,000	92,771



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
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	214,000,000	295,172
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 classrooms	October 25, 2018	62,824,000	86,654
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 rehabilitation of ICT department	November 9, 2018	30,000,000	41,040
68	Stop Early Marriages Project	Ntchisi	Provision of bursaries to vulnerable girls	August 1, 2019	88,741,000	120,572
69	M'buka Primary School	Lilongwe City	Construction of school blocks	November 29, 2019	268,497,000	367,301
70	Engucwini Primary School	Mzimba	Construction of school blocks	November 29, 2019	103,160,000	141,122
71	Balabanthi Primary School	Nkhotakota	Construction of school blocks	November 29, 2019	100,354,000	137,283
72	Chinyaza Primary School	Zomba Rural	Construction of school blocks	November 29, 2019	189,102,000	258,689
73	Tertiary Education Fund	National	Provision of loans to needy university students	August 4, 2020	162,750,000	221,128
74	Lilongwe Girls Secondary School	National	Construction of hostel	March 19, 2021	52,297,000	71,056
75	Chiyola CDSS	Rumphi	Construction of School Blocks	August 13, 2021	176,000,000	239,130
76	Girls Education Trust	Mangochi	Donation of school supplies	March 1, 2022	1,300,000	1,591
<b>TOTAL FUNDING</b>					<b>3,631,845,535</b>	<b>10,391,095</b>





## PROJECTS FUNDED IN THE HEALTH SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
77	Chikwawa District Hospital	Chikwawa	Bilharzia research	November 1997	87,456	5,716
78	Nkhotakota District Hospital	Nkhotakota	Construction of guardian shelter	April 1998	603,120	24,617
79	Nambiti Health Centre	Phalombe	Construction of a health centre	October 1998	5,140,000	209,796
80	Chitipa District Hospital	Chitipa	Construction of guardian shelter	December 1998	400,000	16,327
81	Kamuzu College of Nursing	National	Purchase of a bus	May 1999	11,417,000	260,662
82	College of Medicine	National	Purchase of library books	May 1999	4,500,000	104,651
83	Santhe Health Centre	Kasungu	Construction of a health centre	June 1999	4,109,093	95,560
84	Kameme/Kapenda Health Centre	Chitipa	Purchase of an ambulance	June 2000	1,629,000	34,367
85	St Peters Hospital	Likoma	Construction of a paediatrics	August 2000	3,184,304	67,179
86	Lighthouse Project	Lilongwe	Purchase of medical equipment	August 2000	5,508,000	116,203
87	Nkhoma School of Nursing	Lilongwe	Purchase of vehicles	November 2000	520,000	10,970
88	Tikwere Development Foundation	Ntchisi	Electricity supply	November 2001	4,100,000	52,097
89	Chapananga Health Centre	Chikwawa	Roof maintenance	November 2001	100,000	1,271
90	Beit Trust CURE International hospital	Blantyre	Purchase of medical equipment	December 3, 2003	5,000,000	55,066
91	Kalembo Health Centre	Balaka	Construction of a maternity unit	March 24, 2004	9,000,000	82,645
92	Likuni Hospital	Lilongwe	Construction of guardian shelter	March 24, 2004	1,500,000	13,774
93	Chizolowondo Health Centre	Dowa	Construction of a health centre	March 24, 2004	26,523,668	243,560
94	Malawi College of Health Sciences	National	Purchase of computers & teaching materials	April 27, 2004	2,581,852	23,708
95	Nkhamenya Community Hospital	Kasungu	Purchase of a maize huller & maize mill	July 2, 2004	785,000	7,208
96	College of Medicine	National	Support for a conference on library information	October 25, 2004	1,000,000	9,183
97	Kasina Health Centre	Dedza	Purchase of an ambulance	February 23, 2005	2,445,960	21,607



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
98	Phokera Health Centre	Nsanje	Construction of a health centre	February 23, 2005	30,390,600	268,468
99	Nambilanje Health Centre-MJ	Mulanje	Construction of a health centre	September 2, 2005	38,600,600	340,995
100	Malukula Health Centre-Mangochi	Mangochi	Construction of a health centre	September 2, 2005	46,380,000	409,717
101	Social Islamic Development	Salima	Construction of mobile clinic blocks	September 2, 2005	4,509,960	39,841
102	Mphuka Health Centre	Thyolo	Construction of a health centre	November 23, 2005	47,590,000	420,406
103	Lura Health Centre	Rumphi	Construction of a health centre	February 3, 2006	34,654,000	257,268
104	Malawi Blood Transfusion Service	National	Purchase of laboratory equipment	June 16, 2006	12,150,641	90,205
105	Chilumba Rural Hospital	Karonga	Construction of a maternity unit	September 29, 2006	15,443,171	114,649
106	Kalimanjira Health Centre	Ntcheu	Construction of a health centre	October 4, 2007	70,000,000	501,074
107	Manolo Health Centre	Mzimba	Construction of a health centre	October 4, 2007	86,682,000	620,487
108	Mzambazi Rural Hospital	Mzimba	Electricity supply	October 4, 2007	3,694,388	26,445
109	Umoyo Trust	Blantyre	Publication of a medical handbook	October 4, 2007	3,000,000	21,475
110	Kasungu District Hospital	Kasungu	Purchase of furniture & equipment	March 26, 2008	5,510,000	39,245
111	St Gabriel Hospital	Lilongwe	Purchase of mortuary equipment	March 26, 2008	2,954,000	21,040
112	Zomba Central Hospital	Zomba	Purchase of medical equipment	October 10, 2008	580,000	4,131
113	Beit Trust CURE International hospital	Blantyre	Construction of a rehabilitation wing	December 17, 2008	14,000,000	99,715
114	Cancer Research Programme	National	Purchase of stents for oesophageal cancer patients	December 17, 2008	11,400,000	81,197
115	Nurses Council	National	Launch of website & policy documents	March 20, 2009	300,000	2,134
116	Ekwendeni Mission Hospital	Mzimba	Purchase of furniture & medical equipment	June 26, 2009	15,858,445	112,791
117	Dedza District Hospital	Dedza	Purchase of hospital beds	October 23, 2009	500,000	3,556
118	Kasungu District Hospital	Kasungu	Construction of guardian Shelter	October 23, 2009	12,317,000	87,603
119	Katete Community Hospital	Mzimba	Purchase of ambulance	October 23, 2009	5,519,000	39,253



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
120	Usisya Rural Hospital	Nkhata Bay	Construction of male & female wards	October 23, 2009	17,855,330	126,994
121	Kabudula Community Hospital	Lilongwe	Construction of antenatal ward	March 1, 2010	29,522,000	195,899
122	Karonga District Hospital	Karonga	Purchase of medical equipment	July 1, 2010	525,710	3,488
123	Kamuzu Barracks Hospital	Lilongwe	Construction of a medical laboratory	December 14, 2010	21,063,000	139,768
124	Police Headquarters Clinic	Lilongwe	Purchase of hospital furniture & equipment	December 14, 2010	10,000,000	66,357
125	Mlambe Hospital	Blantyre	Purchase of an X-Ray machine	March 31, 2011	16,022,550	106,250
126	Milepa Health Centre	Chiradzulu	Construction of wards, laboratory & pharmacy	April 1, 2011	99,544,197	660,107
127	Thyolo District Hospital	Thyolo	Purchase of medical equipment	July 8, 2011	1,841,000	12,208
128	Nkhotakota District Hospital	Nkhotakota	Purchase of medical equipment	April, 2012	4,526,000	27,281
129	Operation smile	National	Contribution towards surgical operations	November 1, 2012	114,080,500	163,990
130	Rumphi District Hospital	Rumphi	Purchase of medical equipment	August 2, 2013	4,730,000	14,359
131	Hospital Ambulances	Phalombe, Nsanje, Mangochi, Ntchisi, Rumphi	Purchase of hospital ambulances	July 5, 2014	84,020,000	205,277
132	Matapila Health Centre	Lilongwe	Upgrading of health centre into a rural hospital	September 26, 2014	76,432,000	186,738
133	Mangochi District Hospital	Mangochi	Purchase of medical equipment	September 26, 2014	7,310,000	17,860
134	Kamuzu Central Hospital	National	Purchase of medical equipment	November 18, 2014	2,110,000	5,155
135	Bwaila Rotary Club	National	Contribution towards medical camp	August 3, 2015	100,000	229
136	Chisamba Dispensary	Salima	Construction of dispensary	August 3, 2015	183,748,000	419,899
137	Mchinji District Hospital	Mchinji	Purchase of medical equipment	August 3, 2015	3,000,000	6,856
138	Mzambazi Rural Hospital	Mzimba	Purchase of water pump and water tank	February 5, 2016	1,500,000	2,199
139	Mjini Health Centre	Dedza	Construction of maternity wing	August 3, 2015	120,158,000	274,584



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
140	Nyungwe Health Centre	Karonga	Construction of maternity wing	August 3, 2015	118,182,000	270,069
141	Northern Region Police Dispensary	Mzuzu	Construction of dispensary	August 3, 2015	89,905,682	205,452
142	Mzimba District Hospital	Mzimba	Purchase of medical equipment	July 22, 2016	4,900,000	7,185
143	Think Pink	National	Contribution towards cancer campaign	July 22, 2016	1,094,000	1,604
144	Medical Council of Malawi	National	Contribution towards hosting of annual AGM	July 22, 2016	600,000	880
145	Chatinkha Maternal Care Support	National	Purchase of medical equipment	July 22, 2016	3,353,000	4,916
146	MANASO	National	Contribution towards annual red ribbon Gala	February 17, 2017	250,000	345
147	Queen Elizabeth Central Hospital	Blantyre	Purchase of medical equipment	July 21, 2017	10,170,000	14,028
148	St Peters Hospital	Likoma	Donation of medical equipment	October 25, 2017	29,529,250	40,730
149	St Montfort Hospital	Chikwawa	Donation of Ambulance	August 9, 2018	27,084,000	37,357
150	Nambuma Hospital	Dowa	Donation of ambulance	August 9, 2018	27,084,000	37,357
151	Malembo Health Centre	Lilongwe Rural	Construction of maternity wing	August 9, 2018	161,000,000	222,069
152	Lulanga Health Centre	Mangochi	Donation of ambulance	August 9, 2018	27,084,000	37,357
153	Embangweni Hospital	Mzimba	Donation of an ambulance	August 9, 2018	47,084,000	64,943
154	Nsipe Health Centre	Ntcheu	Donation of ambulance	August 9, 2018	27,343,000	37,714
155	Ntchisi District Hospital	Ntchisi	Purchase of medical equipment	August 9, 2018	6,723,800	9,274
156	Ntcheu and Likoma District Hospitals	Ntcheu and Likoma	Purchase of medical equipment	August 1, 2019	11,500,000	15,862
157	Nthalire Health Centre	Chitipa	Expansion of the health facility	November 29, 2019	382,105,000	522,715
158	Ntaja Health Centre	Machinga	Expansion of the health facility	November 29, 2019	334,186,000	457,163
159	Manjawira Health Centre	Ntcheu	Construction of an OPD	November 29, 2019	65,000,000	88,919
160	Njale Health Centre	Thyolo	Construction of staff houses	November 29, 2019	67,176,000	91,896
161	Sauzawana Health Centre (JTI Partnership)	Lilongwe Rural	Construction of an Outpatient Department	December 11, 2020	90,966,000	123,595



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
162	Milamba Health Post	Lilongwe Rural	Construction of an Outpatient Department	December 11, 2020	151,004,000	205,168
163	Mzuzu Lighthouse Project	National	Establishment of centre of excellence for TB/HIV Care	December 11, 2020	99,598,000	135,323
164	Ligowe Health Centre	Neno	Construction of a guardian shelter	December 11, 2020	177,602,000	241,307
165	Mulanje District Hospital (Mothers Fun Run)	Mulanje	Purchase of Medical Equipment	August 13, 2021	10,000,000	13,587
166	Ministry of Health - Project CURE	Lilongwe, Thyolo, Machinga, Chitipa	Donation of medical equipment	July 28, 2022	144,825,000	177,264
167	Dowa District Hospital - Mother's Day Donations	Dowa	Donation of medical equipment	July 28, 2022	23,500,000	22,904
<b>TOTAL</b>					<b>3,489,105,277</b>	<b>10,780,349</b>

## PROJECTS FUNDED IN THE SOCIAL WELFARE SECTOR

168	Malawi Union for the Blind	Blantyre		November 1997	838,000	54,771
169	Nkhatabay Water project	Nkhata Bay	Supply of piped water	January 1998	457,296	18,665
170	Malawi Against Polio	National	Manufacture of mobility aids & appliances	March 1998	1,072,000	43,755
71	Cheshire Homes (Malawi)	Lilongwe	Construction of a therapy complex	November 1997	900,000	58,824
172	Malawi Council for the Handicapped	Blantyre	Purchase of weaving looms for Bangwe Weaving Factory	May 1998	1,885,506	76,959
173	Malawi Against Polio	National	Manufacture of mobility aids & appliances	December 1998	2,000,000	81,633
174	Sue Ryder Foundation	Blantyre	Purchase of a utility vehicle	May 1999	2,000,000	46,512
175	Evangelical Lutheran Development Programme	Dedza, Thyolo, Zomba, Dowa, Mzimba, Karonga	Sinking of boreholes	June 1999	1,250,000	29,070
176	Mchinji Mission Orphanage	Mchinji	Purchase of a maize mill	June 1999	780,000	18,140
177	Rumphi Piped Water Project	Rumphi	Supply of piped water	June 1999	5,460,000	126,977



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
178	Malawi Council for the Youth	National	Purchase of bicycles & megaphones	October 1999	1,000,000	22,831
479	City Assemblies	Blantyre, Lilongwe, Zomba	Construction of flea markets	March 2000	122,662,547	2,587,817
180	Kondanani Caring Hands	Blantyre	Purchase of a house for orphans	August 2000	4,000,000	84,388
181	Chingale Piped Water Project	Zomba	Supply of piped water	October 2000	7,000,000	147,679
182	Samaritan Trust	Blantyre	Purchase of vocational training equipment	January 2001	2,125,000	27,001
183	Malawi Against Polio	National	Manufacture of mobility aids & appliances	May 2001	6,000,000	76,239
184	CELOM	Zomba	Purchase of a maize mill	July 2001	180,000	2,287
185	Chilanga School for the Blind	Kasungu	Electricity supply	May 2002	100,000	1,429
186	Malawi Police Service HIV Awareness Campaign	Lilongwe	HIV/AIDS Awareness Campaign	July 8, 2002	100,000	1,429
187	Chididi Orphan Care Committee	Neno	Purchase of a maize mill	November 2002	500,000	10,638
188	Vessel Edmund Rhoades	Nkhata Bay	Repair & maintenance of a water vessel	August 2002	3,000,000	42,857
189	Malawi Against Physical Disabilities (MAP)	National	Manufacture of mobility aids & appliances	December 3, 2003	6,000,000	66,079
190	Malawi Council for the Handicapped	Lilongwe	Purchase of equipment & training materials	April 27, 2004	4,481,465	41,152
191	Interdenominational Pastoral Care Centre	Lilongwe	Construction of walk way	April 27, 2004	381,443	3,503
192	Malawi Union for the Blind	Blantyre	Contribution towards a conference	April 27, 2004	191,932	1,762
193	Ministry of Hope Crisis Nursery	Lilongwe	Purchase cooking items for the orphanage	April 27, 2004	92,456	849
194	Malawi Union for the Blind	Blantyre	Production of braille information	July 2, 2004	815,000	7,484
195	Malawi Council for the Handicapped	Blantyre	Provision of working capital for Bangwe Weaving Factory	November 18, 2004	4,733,253	43,464
196	Feed The Children (Malawi)	Blantyre	Purchase of vocational training materials & resettlement kits	July 14 2005	6,272,766	55,413
197	Muloza Piped Water Scheme	Mulanje	Supply of piped water	February 3, 2006	11,381,700	84,497





No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
198	Samaritan Trust	Blantyre	Purchase of resettlement kits	February 3, 2006	265,000	1,967
199	City Assemblies	Blantyre, Lilongwe, Mzuzu	Construction of flea markets	September 29, 2006	123,985,997	920,460
200	Ministry of Disabilities & the Elderly	National	Purchase of blankets for the elderly	September 29, 2006	500,000	3,712
201	Mngwere Piped Water Scheme-Dedza	Dedza	Supply of piped water	September 29, 2006	32,136,788	238,580
202	Kondanani Caring Hands	Blantyre	Construction of a house for children	July 27 2007	13,272,874	95,010
203	Tikoliwe Gravity-fed Water Supply Scheme	Mchinji	Supply of piped water	June 26 2008	34,314,804	244,407
204	Nsiyaludzu School of the Blind	Balaka	Electricity supply	June 26 2008	198,000	1,410
205	Partnership with UNDP	National	Financing SMEs	July 1, 2010	15,102,000	100,212
206	Rotary Anns	Lilongwe, Mangochi	Contribution towards an initiative to support grandmothers	July 22, 2016	500,000	733
207	Malawi Union for the Blind	National	Purchase of braille embosser and braille paper	February 17, 2017	6,640,000.00	9,159
208	Chirimba Police Unit	Blantyre City	Construction of staff houses	October 25, 2017	55,130,000	76,041
209	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
210	High Court of Malawi, Zomba Registry	National	Rehabilitation of the Zomba High Court Registry	August 13, 2021	190,000,000	258,152
211	Ministry of Foreign Affairs - SADC Summit	National	Support for Malawi participation in SADC	August 13, 2021	10,000,000	12,240
212	Police Headquarters - Vocational Training school	National	Construction of a vocational training school for skilling up spouses of police officers 'community	March 31, 2023	34,278,000	33,409
<b>TOTAL</b>					<b>542,065,826.73</b>	<b>5,948,098</b>

## PROJECTS FUNDED IN THE HOUSING SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
213	Malawi Army	National	Construction of houses for officers and men	November 1997	4,000,000	261,438
214	Village Housing Scheme	Ntcheu, Zomba, Machinga, Chiradzulu	Construction low cost village houses	July 8, 2002	6,000,000	85,714
<b>TOTAL</b>					<b>10,000,000</b>	<b>347,152</b>

## PROJECTS FUNDED IN THE SCIENTIFIC RESEARCH SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
215	Malawi Industrial Research	National	Funding for research programmes	November 1997	1,544,000	100,915
216	Department of Mines	National	Exhibition of mineral resources found in Malawi	June 2000	1,740,000	36,709
217	National Schools Science Fair	National	Helping Kamuzu Academy host the Fair	June 26, 2009	60,164,000	91,504
218	COSECSA	National	Contribution towards hosting of Scientific Conference	February 5, 2016	2,099,000	3,078
219	Dzaleka Secondary School	National	Support towards testing of locally made life jacket	March 9, 2018	220,000	303
<b>TOTAL</b>					<b>65,767,000</b>	<b>232,510</b>

## PROJECTS FUNDED IN THE ENVIRONMENTAL CONSERVATION SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
220	Michiru Nature Sanctuary/ WESM	Blantyre	Construction of houses for patrol men	July 14, 2005	13,347,834	117,914
221	Department of Forestry	Dowa, Blantyre	Provision of tree seedlings for the National Forestry Season	October 4, 2007	5,000,000	35,791
222	Department of Forestry	Mwanza & Ntcheu	Provision of tree seedlings for the National Forestry Season	March 26, 2008	7,000,000	49,858
223	Department of Forestry	Balaka & Chikwawa	Provision of tree seedlings for the National Forestry Season	March 26, 2009	9,000,000	64,011



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
224	Department of Forestry	Salima, Thyolo & Phalombe	Provision of tree seedlings for the National Forestry Season	April 9, 2010	9,000,000	59,721
225	Department of Forestry	Nkhotakota, Lilongwe	Provision of tree seedlings for the National	October 1, 2011	9,500,000	62,997
226	Department of Forestry	Ntchisi, Nkhata Bay, Lilongwe	Provision of tree seedlings for the National Forestry Season	November 2, 2012	11,900,000	71,730
227	Department of Forestry	Chiradzulu, Zomba	Provision of tree seedlings for the National Forestry Season	November 8, 2013	11,500,000	34,912
228	Department of Forestry	Kasungu, Lilongwe	Provision of tree seedlings for the National Forestry Season	September 26, 2014	11,500,000	28,097
229	Lilongwe Wildlife Trust	National	Contribution towards national campaign against illegal wildlife trade	September 26, 2014	1,500,000	3,665
230	Department of Forestry	Nsanje, Dedza	Provision of tree seedlings for the National Forestry Season	November 16, 2015	13,676,000	31,252
231	Department of Forestry	National	Support towards afforestation programme	December 11, 2020	5,000,000	6,793
232	Malawi Defence Force	National	Support towards afforestation programme	August 1, 2019	7,955,000	10,882
233	Department of Forestry	National	Support towards afforestation programme	December 11, 2020	22,560,000	30,652
234	Department of Forestry	National	Support towards afforestation programme		18,000,000	24,457
235	Department of Forestry	National	Support towards afforestation programme	June 30, 2021	5,000,000	6,793
236	Kasangazi Mini Electricity Grid	Mzimba	Support towards generation of clean energy from a mini-hydroelectric grid	November 1, 2021	50,000,000	61,200
<b>TOTAL</b>					<b>211,438,834</b>	<b>700,726</b>

**PROJECTS FUNDED IN THE SPORTS AND CULTURE SECTOR**

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
237	Ministry of Education, Sports and Culture	National	Sports development programme	August 1999	45,000,000	1,027,397
238	Amateur Athletics Association of Malawi	National	Hosting the SADC Cross Country Championships	March 2001	1,900,000	24,142
239	Late Dr Banda's Mausoleum	Lilongwe	Contribution towards initial design costs	May 9, 2001	3,461,336	43,981
240	Cultural Museum Centre Karonga	Karonga	Shipping the remains of the dinosaur from USA	July 8, 2002	1,200,000	17,143
241	Malawi Army	National	Contribution towards centenary celebrations	October 4, 2002	375,000	7,979
242	Lilongwe Sisters Netball Club	Lilongwe	Purchase of netball uniform	February 5, 2004	150,000	1,377
243	Amateur Athletics Association of Malawi	National	Sponsorship of athletes	March 24, 2004	418,394	3,842
244	SADC Parliamentary Researchers Workshop	Lilongwe	Contribution towards hosting the workshop	March 24, 2004	230,463	2,116
245	Museums of Malawi	National	Erection of shelters over open air exhibits	March 24, 2004	1,000,000	9,183
246	Late Dr Banda's Mausoleum	Lilongwe	Contribution towards erecting a fence	March 24, 2004	749,383	6,881
247	Malawi Law Society	Blantyre	Contribution towards the annual conference	November 18, 2004	280,500	2,576
248	Malawi Institute of Education	Zomba	Construction of an educational museum	February 23, 2005	9,370,792	82,781
249	Football Association of Malawi	National	Sponsorship of the FAM Cup	July 14, 2005	6,000,000	53,004
250	National Women's Football	National	Participation in the COSAFA Tournament	November 23, 2005	1,422,200	12,564
251	Ministry of Agriculture/ECAM	National	Contribution towards a workshop on food security	September 29, 2006	3,159,000	23,452
252	Hockey Association of Malawi	National	Purchase of hockey equipment	September 29, 2006	5,131,712	38,097
253	National Assembly	National	Contribution towards hosting a SADC conference	October 10, 2008	500,000	3,561



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
254	Chewa Royal Establishment	National	Contribution towards Kulamba Traditional Ceremony	October 10, 2008	500,000	3,561
255	Malawi Television	National	Coverage of Kulamba Traditional Ceremony	October 10, 2008	198,000	1,410
256	Mulhakho wa Alhomwe	National	Contribution towards a traditional ceremony	October 10, 2008	750,000	5,342
257	Ministry of Sports & Youth Development	National	Sponsorship for the Flames	December 17, 2008	11,256,000	80,171
258	Malawi Television	National	Awards & trophies for 'Our People Our Pride'	January 14, 2010	1,534,375	10,182
259	National Assembly	National	Helping the National Assembly host an international conference	March 1, 2010	200,000	1,327
260	Mulhako wa Alhomwe	National	Contribution towards cultural activities	March 1, 2010	250,000	1,659
261	Late Dr Aleke Banda	National	Publication & distribution of his biography	July 1, 2010	1,900,000	12,608
262	Malawi Government	National	Hosting 46th & 47th Anniversary Celebrations	July 1, 2010	1,000,000	6,636
263	National Public Events	National	Contribution towards Independence celebrations	July 1, 2010	500,000	3,318
264	Malawi Television	National	Awards & trophies for 'Our People Our Pride'	October 1, 2010	4,441,000	29,469
265	Miss Malawi 2010	National	Promoting the cultural component in the beauty pageant	December 14, 2010	270,000	1,792
266	National Public Events	National	Contribution towards Independence celebrations	July 8, 2011	1,200,000	7,958
267	Women Judges Association of Malawi	National	Helping the Association to officially launch its activities	March 30, 2012	500,000	3,014
268	Zakwathu Cultural Programme	National	Promotion of cultural heritage on television and radio	April, 2012	188,741,859	322,107
269	Economics Association of Malawi	National	Contribution towards annual economic conference	August, 2012	6,538,000	39,409



No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
270	Board of Architects and Quantity Surveyors	National	Contribution towards annual conference	October, 2012	100,000	606
271	Malawi Law society	National	Contribution towards regional legal conference	August 2, 2013	500,000	1,518
272	Malawi National Assembly	National	Contribution towards a sports festival in Zambia	August 2, 2013	500,000	1,518
273	Public Service Reforms Commission	National	Publication of the report of the Commission	November 18, 2014	2,000,000	4,886
274	Economics Association of Malawi	National	Contribution towards annual economic conference	August 3, 2015	2,000,000	4,570
275	MBC Innovations Awards	National	Contribution towards the MBC Innovations annual awards	November 27, 2015	4,401,000	10,057
276	MITC	National	Contribution towards hosting of Malawi Investment Forum	May 26, 2015	1,000,000	2,285
277	Media Institute of Southern Africa	National	Contribution towards publishing of strategic plan	July 22, 2016	1,302,000	1,909
278	Economics Association of Malawi	National	Contribution towards annual economic conference	October 21, 2016	4,045,000	5,931
279	Ministry of Industry & Trade	National	Contribution towards launch of Buy Malawi Strategy	July 22, 2016	2,000,000	2,933
280	MBC Innovations Awards	National	Contribution towards the MBC Innovations annual awards	October 21, 2016	5,000,000	7,331
281	Regional 5 Sports Games	National	Contribution towards the hosting of Region 5 Games	December, 2022	58,800,000	71,971
<b>TOTAL</b>					<b>381,776,015</b>	<b>2,005,554</b>



## PROJECTS FUNDED IN THE DISASTER RELIEF SECTOR

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
282	Karonga Drought Disaster	Karonga	Provision of relief items	August 1, 1997	500,000	32,680
283	Phalombe Floods Disaster	Phalombe	Provision of relief items for flood victims	February 1998	300,000	12,245
284	Nkhotakota Floods Disaster	Nkhotakota	Provision of relief items for flood victims	January 1998	400,000	16,327
285	Karonga Floods Disaster	Karonga	Provision of relief items for flood victims	January 1998	300,000	12,245
286	Lower Shire Floods disaster	Chikwawa, Nsanje	Provision of relief items for flood victims	December 1, 1999	1,105,897	25,249
287	Machinga Floods disaster	Machinga	Provision of relief items for flood victims	February 1998	500,000	20,408
288	1999 floods disasters	Nkhata Bay, Nsanje, Mchinji, Zomba	Provision of relief items for flood victims	May 1999	6,500,000	148,402
289	Year 2001 flood disasters	Machinga, Mangochi, Salima & Mchinji	Provision of relief items for flood victims	April 2001	7,000,000	88,945
290	Winter Cropping	Dowa, Lilongwe, Mangochi, Ntcheu, Karonga, Salima & Nkhata Bay	Purchase of farm inputs & relief items	July 8, 2002	5,000,000	71,429
291	Disaster Relief Fund	National	Emergency fund	February 3, 2006	3,100,000	23,014
292	Karonga Earthquake	Karonga	Provision of relief items	January 1, 2010	1,500,000	9,954
293	Karonga Floods Disaster	Karonga	Provision of relief items	April 1, 2011	1,000,000	6,631
294	Disaster Relief Fund	National	Emergency fund	March 30, 2012	5,000,000	30,139
295	National Flood Disaster	National	Purchase of relief items	April 5, 2013	3,400,000	10,322
296	Northern Region Flood Disaster	Mzimba, Nkhatabay, Karonga	Provision of relief items for flood victims	July 22, 2016	2,880,000	4,223
297	COVID-19 National Response	National	Rehabilitation of Isolation Centres and provision of essential medical equipment	April 17, 2020	200,000,000	271,739

No	PROJECT NAME	DISTRICT	PROJECT DESCRIPTION	DATE APPROVED	AMOUNTS APPROVED K	\$ Value
298	Disaster Relief Fund	National	Contribution towards national disaster management	August 1, 2019	10,000,000	13,680
299	Disaster Relief Fund	National	Contribution towards national disaster management - Cyclone Ana	September 28, 2022	60,000,000	73,260
300	Disaster Relief Fund	National	Contribution towards national disaster management - Cyclone Fredy	March 31, 2023	110,000,000	107,212
<b>TOTAL</b>					<b>418,485,897</b>	<b>978,103</b>



Learners interact in the newly built Lilongwe Girls Secondary School hostel





# CORPORATE GOVERNANCE STATEMENT

## CODES AND REGULATIONS

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

The principal governance rules that apply to the Trust are set out in the Press Trust Reconstruction Act (PTRA) as amended in 2023. 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

### Composition

In terms of the PTRA, the Trust has a unitary board structure and the Board of Trustees comprises seven (7) independent, non-executive Trustees. For the reporting period covering two (2) years from 1st April 2021 – 31st March 2023, there were no changes on the board.

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 three (3) Trustees served diligently and fully embraced their role as chairpersons of the Trust during the reporting period: Trustee Audrey Mwala from October 2020 to 2nd November 2021; then Trustee Symon Msefula from November 2021 to July 2022; and finally Trustee Prof. Moses Maliro from August 2022 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.

### Roles and diversity

The roles of the chairperson of the board of Trustees and the chief executive/ executive secretary are separate and as indicated above, the chairpersons are independent, non-executive Trustees. Trustees recognise that the board needs to have diversity in experience, skills, gender, age, and qualifications, in order to positively impact the quality of governance and decision making. The board continues to engage itself in conversations on diversity and inclusion, mainly focusing on compliance with the Gender Equality Act. Competencies of Trustees demonstrating diversity on the board are provided on pages 9 to 12 of this report.

### Reforms

As part of the reforms, matters relating to criteria for appointment of Trustees, conflicts of interest, consent to act, taking of oath of office, and absence from board meetings have been codified into the amendments which were enacted by Parliament in April 2023 and became law in June 2023. Trustees are of the firm belief that these new governance provisions in the law are a true testament to the commitment by the board to remain ahead of developments in corporate governance and practice.

### Meetings

The Board of Trustees normally meets quarterly but additional meetings are held on need basis. The legal reforms in the new amended PTRA have also provided for virtual attendance of meetings by Trustees. 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 two (2) year period under review, the Board of Trustees met ten (10) times and the participation by Trustees was as follows:

Name of Trustee	From 1 <sup>st</sup> April to 31 <sup>st</sup> March		
	2022	2023	Total
Prof. Moses Maliro	3	6	9/10
Eng. Wilson Chirwa	3	6	9/10
Ms. Linda M Phiri	3	7	10/10
Mrs. Audrey Mwala	2	7	9/10
Mr. Symon Msefula	3	7	10/10
Mr. Stephen Matenje, SC	2	6	8/10
Hon. Sosten Gwengwe, MP	2	4	6/10

### 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 chairperson, sit in two (2) committees.



Learners at Chikunkha



*Press Trust Merit Scholarship beneficiaries at Stella Maris Secondary School*

### 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 members indicated in the table below. The committee met (7) times during the period under review and the participation of members was as follows:

Name of Trustee	From 1 <sup>st</sup> April to 31 <sup>st</sup> March		
	2022	2023	Total
Ms. Linda M Phiri	3	3	6/7
Prof. Moses Maliro	3	2	5/7
Mr Stephen Matenje, SC	3	4	7/7
Hon. Sosten Gwengwe, MP	2		2/7
Mrs. Audrey Mwala*	1	2	3/7
Mr. Symon Msefula*		2	2/7
Eng. Wilson Chirwa*		2	2/7

*\*Trustees Msefula, Maliro and Mwala served as Chairperson of the Trust during the period. Chairpersons do not participate in any committee.*

### 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 members indicated in the table below. The committee met seven (7) times during the period under review and the participation of members was as follows:

Name of Trustee	From 1 <sup>st</sup> April to 31 <sup>st</sup> March		
	2022	2023	Total
Mr. Stephen Matenje, SC	2	4	6/7
Ms. Linda M Phiri	2	3	5/7
Mr. Symon Msefula*	2	2	4/7
Eng. Wilson Chirwa	3	3	6/7
Hon. Sosten Gwengwe, MP	1		1/7

*\*Trustee Msefula served as Chairperson of the Trust during the period. Chairpersons do not participate in any committee.*

### 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 there from 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 members indicated in the table below. The committee met seven (7) times during the period under review and the participation of members was as follows:

Name of Trustee	From 1 <sup>st</sup> April to 31 <sup>st</sup> March		
	2022	2023	Total
Mr. Symon Msefula*	2	2	4/7
Eng. Wilson Chirwa	3	4	7/7
Ms. Linda M Phiri	1	2	3/7
Prof. Moses Maliro*	3	2	5/7
Hon. Sosten Gwengwe	2		2/7
Mrs. Audrey Mwala*		3	3/7

*\*Trustees Msefula, Maliro and Mwala served as Chairperson of the Trust during the period. 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.

## FRAUD CONTROL

The Trust has an established and well-publicised whistle-blowing hotline that enables employees and members of the public to raise evidence of irregular activity directly with an independent entity.

## 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.

## PERFORMANCE EVALUATION OF THE BOARD

At the end of every financial year, the Trust conducts a performance evaluation of the board, board committees and individual Trustees in order to ensure that the Trust is functioning effectively in implementing its core mandate and that it remains compliant with statutory requirements. The board benchmarks the effectiveness of its processes and procedures with other boards in order to identify areas of continuous improvement.

## 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**

# MACSTEEL®



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OUR  
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[steel@macsteelmw.com](mailto:steel@macsteelmw.com)

Exists to supply quality steel, wire, fencing, engineering and roofing products to the construction industry. Established in 1966, Macsteel Malawi is owned 50-50 by Press Corporation Ltd and Macsteel Group South Africa.

Macsteel Malawi is the largest and leading manufacturer of wire products and roofing sheets, and the biggest distributor of reinforcing steel in Malawi.

Amongst the big steel distribution projects recently supplied, is none other than 3,500 tons of steel for the magnificent EGENCO plant at Tedzani. At Macsteel, we take pride in our superior product quality, range and our efficient service delivery at all times.





Further Together

**CONSOLIDATED AND  
SEPARATE FINANCIAL  
STATEMENTS**

*For the year ended 31 March 2023*



# TRUSTEES' REPORT

*For the year ended 31 March 2023*

The Trustees have pleasure in submitting their report together with the audited consolidated and separate financial statements of Press Trust for the year ended 31 March 2023.

## INCORPORATION AND NATURE OF BUSINESS

The Trust was incorporated under the Trustees Incorporation Act on 5 March 1982. The Press Trust Reconstruction Act, 1995 PTRAs as amended in 2023, 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.

Press Trust has a 100% owned foreign subsidiary, Press Trust Overseas Limited. The subsidiary was incorporated to hold certain offshore investments for the Trust.

Press Trust also has a controlling interest of 93.7% in Press Agriculture Limited (PAL) group which is involved in the agriculture industry.

Details of investments in subsidiaries as of 31 March 2023 are shown in note 18 of the consolidated and separate financial statements.

The Group represents Press Trust and its subsidiaries Press Agriculture Group Limited and Press Trust Overseas Limited.

## FINANCIAL PERFORMANCE

The Group reported a consolidated deficit of **K534 million** (2022: surplus of K781 million) for the year ended 31 March 2023.

Details of the reserves of the Trust and the Group are shown in the consolidated and separate statements of changes in reserves on pages 79 - 80.

## BOARD OF TRUSTEES

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

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 Matenje SC	Member	Full year
Eng. Wilson Chirwa	Member	Full year
Mrs. Audrey Mwala	Member	Full year
Hon. Sosten Gwengwe, MP	Member	Full year



**REGISTERED OFFICE**

Press Trust  
Kang'ombe House  
Private Bag 359  
Capital City  
Lilongwe

**BANKERS**

CDH Investment Bank  
National Bank of Malawi plc  
Standard Bank plc

**ATTORNEYS**

Mvalo and Company

**INDEPENDENT AUDITORS**

The Trust's auditors, Grant Thornton, Chartered Accountants and Business Advisors (Malawi) have expressed their willingness to continue in office as auditors in respect of the Trust's 31 March 2024 consolidated and separate financial statements and a resolution proposing the reappointment will be tabled at the next Annual General Meeting.

  
\_\_\_\_\_  
**AUTHORISED TRUSTEE**  
\_\_\_\_\_  
**AUTHORISED TRUSTEE**

**Date: 27 July 2023**



# STATEMENT OF TRUSTEES' RESPONSIBILITIES

***For the year ended 31 March 2023***

The Trustees are responsible for the preparation and fair presentation of the consolidated and separate financial statements of Press Trust, comprising the consolidated and separate statements of financial position as at 31 March 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, changes in reserves and of cashflows for the year then ended, and notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the provisions 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 consolidated and separate statements of financial position of the Group.

In preparing the consolidated and separate 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 applicable accounting standards when preparing the consolidated and separate financial statements, subject to any material departures being disclosed and explained in the consolidated and separate financial statements; and
- Preparation of consolidated and separate financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business in the foreseeable future.

The Trustees accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to maintain adequate systems of internal control to prevent and detect fraud and other irregularities.

Nothing has come to the attention of the Trustees to indicate that the Group will not remain a going concern for at least the next twelve months from the date of these financial statements.

The Trustees are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and of its operating results as at 31 March 2023 and for the year then ended.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with International Financial Reporting Standards and the provisions of the Trustees Incorporation Act and Press Trust Reconstruction Act (PTRA).

## **Approval of the consolidated and separate financial statements**

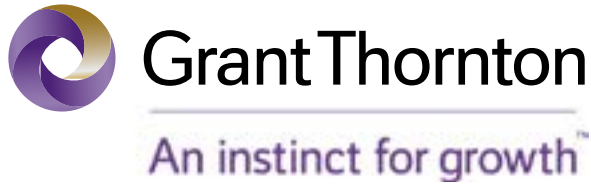
The consolidated and separate financial statements of Press Trust were approved by the Board of Trustees on **27<sup>th</sup> July 2023** and were signed on their behalf by:



AUTHORISED TRUSTEE



AUTHORISED TRUSTEE



## INDEPENDENT AUDITOR'S REPORT TO THE REGISTERED TRUSTEES OF PRESS TRUST

We have audited the consolidated financial statements of Press Trust and its subsidiaries, Press Trust Overseas Limited and Press Agriculture Limited (“the Group”) and separate financial statements of Press Trust as set out on pages 77 to 135 which comprise the consolidated and separate statements of financial position as at 31 March 2023, and the 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 notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Press Trust as at 31 March 2023, and of its consolidated and separate financial performances and its consolidated and separate cash flows for the year ended in accordance with the International Financial Reporting Standards and the provisions of Trustees Incorporation Act and Press Trust Reconstruction Act (PTRA).

### 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 Press Trust and its subsidiaries in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA code. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 period. 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.

**Grant Thornton  
Malawi**  
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Business Advisors**  
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G. Tembo

#### Chartered Accountants and Business Advisors

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Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of listed and unlisted equity investments</b></p> <p><i>Refer to note 3.1 Financial instruments, note 16 Listed equity investments and note 17 unlisted equity investments.</i></p> <p>The Group holds financial instruments in the form of listed and unlisted equity investments, and these are carried at fair value through other comprehensive income.</p> <p>We considered the valuation of these investments to be a key audit matter in our audit of the consolidated and separate financial statements due to the significance of the account balance in the consolidated and separate statements of financial position.</p>	<p>We performed the following procedures to address the key audit matter:</p> <ul style="list-style-type: none"> <li>• Reviewed the nature of investments the Trust is mandated to invest in as prescribed in Press Trust Reconstruction Act;</li> <li>• Reviewed the fair value measurement of listed and unlisted investment and determined the appropriateness of the valuation techniques and inputs for fair value measurements as determined by the Board of Trustees;</li> <li>• Reviewed the observable market value data that is used to estimate the fair values of listed and unlisted investments;</li> <li>• Reviewed and ascertained that listed and unlisted investments classified in category 1 of the fair value hierarchy in IFRS 13 have available market as prescribed by management and where level 1 inputs are not available the Trustees have established the appropriate techniques and inputs to the model;</li> <li>• Assess classification of the financial instruments to ensure compliance with the International Financial Reporting Standard 9: Financial Instruments.</li> </ul>

### Other information

The Trustees are responsible for the other information. The other information comprises of the Trustees' Report and Statement of Trustees' Responsibilities. 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, 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 the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the provisions of the Trustees Incorporation Act and Press Trust Reconstruction Act (PTRA), and for such internal control as the Trustees determine is necessary to enable the preparation of the 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 Trustees either intend to liquidate the Group and/or the Trust 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 judgment 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 and the Trust's internal control.
- 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 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 and the Trust'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 and/or the Trust 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 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 and separate 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 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.

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 period 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



**Auditor's responsibilities for the audit of the consolidated and separate financial statements (*continued*)**

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Grant Thornton**

**Joel Mwenelupembe**  
Chartered Accountant (Malawi)  
**Partner**  
Lilongwe, Malawi

**Date: 8 August 2023**




# CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

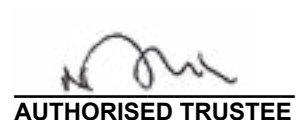
For the year ended 31 March 2023

In thousands of Malawi Kwacha

	Notes	SEPARATE		CONSOLIDATED	
		2023	2022	2023	2022
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	1 544 995	913 321	14 167 825	14 077 174
Right-of-use assets	15	86 932	111 770	86 932	111 770
Listed equity investments	16	147 560 527	123 918 471	150 346 845	126 288 562
Unlisted equity investments	17	3 668 147	3 038 996	3 668 267	3 039 116
Standing crops	21	-	-	324 211	352 319
Investments in subsidiaries	18	2 784 745	2 376 245	-	-
Investments in Government Securities	20	1 389 737	1 330 458	1 389 737	1 330 458
Investment in oil/gas	19	966 394	-	966 394	-
Loans due from Press Agriculture Limited	8	6 040 828	6 034 489	-	-
Provision against loans due from - Press Agriculture Limited	8	(6 040 828)	(6 034 489)	-	-
<b>Total non-current assets</b>		<b>158 001 477</b>	<b>131 689 261</b>	<b>170 950 211</b>	<b>145 199 399</b>
<b>Current assets</b>					
Growing crops	21	-	-	1 410 499	1 046 895
Inventories	22	-	-	433 869	177 188
Receivables and prepayments	23	242 010	86 583	413 308	268 087
Current portion of 5 Year Treasury Notes	20	16 918	16 918	16 918	16 918
Tax recoverable	31	-	-	237 753	133 818
Funds held by brokers	24	-	-	340	311
Cash and cash equivalents	24	3 708 071	4 255 018	3 718 022	4 390 571
<b>Total current assets</b>		<b>3 966 999</b>	<b>4 358 519</b>	<b>6 230 709</b>	<b>6 033 788</b>
<b>TOTAL ASSETS</b>		<b>161 968 476</b>	<b>136 047 780</b>	<b>177 180 920</b>	<b>151 233 187</b>
<b>RESERVES AND LIABILITIES RESERVES</b>					
<b>Non distributable reserves</b>					
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 reserve on foreign investments		2 589 203	2 180 703	-	-
Property revaluation reserve		938 590	443 055	17 758 741	17 202 238
<b>Total non-distributable reserves</b>		<b>149 303 334</b>	<b>123 975 027</b>	<b>170 405 740</b>	<b>145 007 310</b>
General fund		10 812 241	9 732 252	(6 554 386)	(6 114 776)
Equity attributable to owners of the parent		-	-	163 851 354	138 892 534
Non-controlling interest		-	-	(885 245)	(794 909)
<b>Total reserves</b>		<b>160 115 575</b>	<b>133 707 279</b>	<b>162 966 109</b>	<b>138 097 625</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Long term sublease fees	25	-	-	925 927	1 005 194
Deferred tax liabilities	26	-	-	868 733	933 800
Long term lease liabilities	29	81 654	107 329	81 654	107 329
Long-term borrowings	27	-	-	-	3 577 092
<b>Total non-current liabilities</b>		<b>81 654</b>	<b>107 329</b>	<b>1 876 314</b>	<b>5 623 415</b>
<b>Current liabilities</b>					
Project funding	11	1 510 833	2 047 821	1 510 833	2 047 821
Current portion of sublease fees	25	-	-	81 970	81 970
Current portion of lease liabilities	29	25 676	22 428	25 676	22 428
Deferred income		9 443	15 915	9 443	15 915
Current portion of long-term borrowings	27	-	-	6 692 985	3 094 285
Provisions	28	-	-	175 608	169 468
Trade and other payables	30	225 295	147 008	3 434 104	1 756 743
Tax payable	31	-	-	407 878	323 517
<b>Total current liabilities</b>		<b>1 771 247</b>	<b>2 233 172</b>	<b>12 338 497</b>	<b>7 512 147</b>
<b>TOTAL LIABILITIES</b>		<b>1 852 901</b>	<b>2 340 501</b>	<b>14 214 811</b>	<b>13 135 562</b>
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>161 968 476</b>	<b>136 047 780</b>	<b>177 180 920</b>	<b>151 233 187</b>

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

  
AUTHORISED TRUSTEE

  
AUTHORISED TRUSTEE



## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

In thousands of Malawi Kwacha

	Notes	SEPARATE		CONSOLIDATED	
		2023	2022	2023	2022
<b>INCOME</b>					
Turnover		-	-	2 388 335	2 264 892
Cost of sales		-	-	(1 877 695)	(1 592 311)
<b>Gross profit</b>		-	-	510 640	672 581
Dividend income	5	2 956 494	2 630 001	2 956 494	2 630 001
Interest income	6	916 562	543 862	916 562	543 862
Donations/grants		33 896	106 683	33 896	106 683
Other income	7	30 196	16 653	838 391	921 881
<b>Total income</b>		3 937 148	3 297 199	5 255 983	4 875 008
<b>OPERATING EXPENDITURE</b>					
Administration expenditure	32	(997 728)	(670 004)	(2 558 875)	(1 966 811)
Exchange gains/(loss)	7	5 674	7 992	(664)	7 040
<b>EXCESS OF INCOME OVER OPERATING EXPENDITURE</b>		2 945 094	2 635 187	2 696 444	2 915 237
Net increase in impairment of loan receivables		(6 339)	(952)	-	-
Interest expense	6	-	-	(1 287 363)	(788 113)
Finance costs-lease liabilities	29	(15,422)	(18 259)	(15 422)	(18 259)
Recovery of staff and other receivables	10	(2 473)	453	(2 473)	452
Realised gain on sale of equity investments	9	-	248 738	-	251 941
<b>Surplus before charitable expenditure</b>		2 920 860	2 865 167	1 391 186	2 361 258
<b>CHARITABLE EXPENDITURE</b>					
Project funding and donations	11	(1 593 390)	(1 259 224)	(1 593 390)	(1 259 224)
Project related expenses	12	(294 105)	(247 673)	(294 105)	(247 673)
Completed/discontinued projects over provision	11	46 624	-	46 624	-
<b>Total charitable expenditure</b>		(1 840 871)	(1 506 897)	(1 840 871)	(1 506 897)
<b>Surplus/(deficit) before income tax</b>		1 079 989	1 358 270	(449 685)	854 361
Income tax expense	13	-	-	(84 360)	(73 069)
<b>SURPLUS/ (DEFICIT) FOR THE YEAR TRANSFERRED TO GENERAL FUND</b>		1 079 989	1 358 270	(534 045)	781 292
<b>OTHER COMPREHENSIVE INCOME</b>					
Revaluation surplus		495 535	-	495 535	-
Deferred tax	26	-	-	65 067	65 067
Fair value gain on financial assets	16,17,18	24 222 355	42 766 399	24 231 510	42 770 625
Exchange differences on translating foreign operation	18	610 417	89 754	610 417	89 754
<b>Total other comprehensive income</b>		25 328 307	42 856 153	25 402 529	42 925 446
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		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)
<b>Total</b>		26 408 296	44 214 423	24 868 484	43 706 738





# CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN RESERVES

For the year ended 31 March 2023

In thousands of Malawi Kwacha

## SEPARATE

	Fair value reserve on listed investments	Fair value reserve on unlisted investments	Fair value reserve on foreign investments	Property revaluation	General fund	Total
For the year ended 31 March 2023						
Balance as at 1 April 2022	118 762 219	2 589 050	2 180 703	443 055	9 732 252	133 707 279
<b>Total comprehensive income for the year</b>						
Surplus for the year	-	-	-	-	1 079 989	1 079 989
<b>Other comprehensive income</b>						
Fair value adjustment (Note 16, 17 and 18)	23 642 056	782 216	(201 917)	-	-	24 222 355
Translation gain (Note 18)	-	-	610 417	-	-	610 417
Revaluation surplus	-	-	-	495 535	-	495 535
<b>Total other comprehensive income</b>	23 642 056	782 216	408 500	495 535	-	25 328 307
<b>Total comprehensive income for the year</b>	23 642 056	782 216	408 500	495 535	1 079 989	26 408 296
<b>Balance as at 31 March 2023</b>	142 404 275	3 371 266	2 589 203	938 590	10 812 241	160 115 575
For the year ended 31 March 2022						
Balance as at 1 April 2021	77 075 154	3 485 753	2 016 511	443 055	6 472 383	89 492 856
Total comprehensive income for the year	-	-	-	-	1 358 270	1 358 270
Surplus for the year	-	-	-	-	-	-
Other comprehensive income						
Realised gain on sale of equity investments	(466 593)	(1 435 006)	-	-	1 901 599	-
Fair value adjustment (Note 16, 17 and 18)	42 153 658	538 303	74 438	-	-	42 766 399
Translation gain (Note 18)	-	-	89 754	-	-	89 754
<b>Total other comprehensive income for the year</b>	41 687 065	(896 703)	164 192	-	1 901 599	42 856 153
Total comprehensive income	41 687 065	(896 703)	164 192	-	3 259 869	44 214 423
<b>Balance as at 31 March 2022</b>	118 762 219	2 589 050	2 180 703	443 055	9 732 252	133 707 279



## CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN RESERVES (CONTINUED) For the year ended 31 March 2023

In thousands of Malawi Kwacha

### CONSOLIDATED

	Fair value reserve on listed investments	Fair value reserve on unlisted investments	Property revaluation reserve	General fund	Equity holder of parent	Attributable Non- controlling interest	Total
<b>For the year ended 31 March 2023</b>							
Balance as at 1 April 2022	123 781 016	4 024 056	17 202 238	(6 114 776)	138 892 534	(794 909)	138 097 625
<b>Total comprehensive income for the year</b>							
Deficit for the year	-	-	-	(439 610)	(439 610)	(94 435)	(534 045)
<b>Other comprehensive income</b>							
Deferred tax	-	-	60 968	-	60 968	4 099	65 067
Translation gain (Note 18)	610 417	-	-	-	610 417	-	610 417
Fair value surplus (Note 16 and 17)	23 449 294	782 216	-	-	24 231 510	-	24 231 510
Revaluation reserve	-	-	495 535	-	495 535	-	495 535
<b>Total other comprehensive income</b>	24 059 711	782 216	556 503	-	25 398 430	4 099	25 402 529
<b>Total comprehensive income for the year</b>	24 059 711	782 216	556 503	(439 610)	24 958 820	(90 336)	24 868 484
<b>Balance as at 31 March 2023</b>	147 840 727	4 806 272	17 758 741	(6 554 386)	163 851 354	(885 245)	162 966 109
<b>For the year ended 31 March 2022</b>							
Balance as at 1 April 2021	81 458 940	3 485 753	17 137 171	(6 932 153)	95 149 711	(758 824)	94 390 887
<b>Total comprehensive income for the year</b>							
Surplus for the year	-	-	-	817 377	817 377	(36 085)	781 292
<b>Other comprehensive income</b>							
Deferred tax	-	-	65 067	-	65 067	-	65 067
Translation gain (Note 18)	89,754	-	-	-	89,754	-	89 754
Fair value surplus (Note 16 and 17)	42 232 322	538,303	-	-	42 770 625	-	42 770 625
<b>Total other comprehensive income</b>	42 322 076	538,303	65 067	-	42 925 446	-	42 925 446
<b>Total comprehensive income for the year</b>	42 322 076	538,303	65 067	817 377	43 742 823	(36 085)	43 706 738
<b>Balance as at 31 March 2022</b>	123 781 016	4 024 056	17 202 238	(6 114 776)	138 892 534	(794 909)	138 097 625



## STATEMENTS OF CASH FLOWS

For the year ended 31 March 2023

In thousands of Malawi Kwacha

	Notes	SEPARATE		CONSOLIDATED	
		2023	2022	2023	2022
<b>Cashflows from operating activities</b>					
<b>Surplus before charitable expenditure</b>		2 920 860	2 865 167	1 391 186	2 361 258
Adjustments for:					
- Depreciation of property, plant and equipment	14	88 216	82 510	629 238	728 336
- Depreciation of right-of-use assets	15	24 838	24 838	24 838	24 838
- Gain on reassessment on timber		-	-	-	(350 387)
- Amortisation of standing crops	21	-	-	28 108	24 555
- Dividends receivable	5	(2 956 494)	(2 630 001)	(2 956 494)	(2 630 001)
- Interest receivable	6	(916 562)	(543 862)	(916 562)	(543 862)
- Interest payable	6	-	-	1 287 363	788 113
- Finance cost	29	15 422	18 259	15 422	18 259
- (Profit)/loss on disposal of plant and equipment	7	(1 136)	(15 464)	(1 136)	(15 464)
- Profit on disposal of standing crop		-	-	-	(97 285)
- Profit on disposal of equity investments	9	-	(248 738)	-	(251 940)
Impairment of loan receivables and trade receivables	8	6 339	952	43 979	357
Unrealised exchange gain on foreign currency loan		42 913	(951)	44 914	-
Project related disbursements	12	(294 105)	(247 673)	(294 105)	(247 673)
Project Funding and donations disbursements	11	(2 083 754)	(820 157)	(2 083 754)	(820 157)
<b>Cash flows used in operating activities before working capital changes</b>		(3 153 463)	(1 515 120)	(2 787 003)	(1 011 053)
Movement in inventories		-	-	(256 681)	67 962
Movement in growing crops		-	-	(363 604)	(294 228)
Movement in taxation recoverable		-	-	(103 935)	(77 549)
Movement in receivables and prepayments		(63 970)	(9 310)	(145 221)	7 293
Movement in accounts payable and provisions		71 815	(7 927)	1 653 002	(822 396)
<b>Net cashflows used in operating activities</b>		(3 145 618)	(1 532 357)	(2 003 442)	(2 129 971)
<b>Cashflows from investing activities</b>					
Purchase of property, plant and equipment	14	(249 462)	(136 701)	(249 462)	(167 119)
Purchase of equity investments	16,17	-	(566 539)	-	(566 539)
Investment in gas/oil	19	(1 015 848)	-	(1 015 848)	-
Purchase of 5 years Treasury note	20	-	(1 300 165)	-	(1 300 165)
Proceeds on disposal of equity investments		153 065	2 444 513	153 065	2 456 693
Proceeds on disposal of plant and equipment		26 444	20 170	26 444	20 170
Proceeds on disposal of standing crops		-	-	-	97 285
Interest received	6	857 284	496 650	857 284	496 650
Interest paid	6	-	-	-	(788 113)
Dividend received	5	2 865 037	2 630 001	2 865 037	2 630 001
<b>Net cash flows generated from investing activities</b>		2 636 520	3 587 929	2 636 520	2 878 863
<b>Cash flows from financing activities</b>					
Interest paid	29	(15 422)	(18 259)	(15 422)	(18 259)
Loan received	27	-	-	61 938	2 598 325
Loan repaid	27	-	-	(1 329 687)	(1 951 491)
Accrued interest	27	-	-	-	771 807
Repayment of lease liabilities	29	(22 427)	(19 591)	(22 427)	(19 591)
<b>Net cash flows (used in)/ generated from financing activities</b>		(37 849)	(37 850)	(1 305 598)	1 380 791
<b>Net change in cash and cash equivalents</b>		(546 947)	2 017 722	(672 520)	2 129 683
<b>Cash and cash equivalents at beginning of the year</b>		4 255 018	2 237 296	4 390 882	2 261 199
<b>Cash and cash equivalents at the end of the year</b>	24	3 708 071	4 255 018	3 718 362	4 390 882
Cash and cash equivalents comprise of:					
Bank balances and cash	24	3 708 071	4 255 018	3 718 022	4 390 571
Funds held by brokers		-	-	340	311
<b>Total cash and cash equivalents</b>	24	3 708 071	4 255 018	3 718 362	4 390 882



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

**For the year ended 31 March 2023**

## 1. Reporting entity

### 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 (PTRA) as amended in 2023, 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 14 (2022: 14) 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 set up Press Farming and Chemical Company Limited which 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 holds 50% of the Company and the other 50% is held by Agriculture Trading and Financing Company Limited.

In the same year, the Trust also set up Farm Management Company Limited which 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 holds 50% of the Company and the other 50% is held by Exagris Africa Limited.

As of 31 March 2023, the operations of Press Farming and Chemical Company Limited and Farm Management Company Limited had not yet commenced.

The two companies were formed by Press Trust as part of reforms in Press Agriculture Limited (PAL) to streamline importation of chemical inputs and commercial management of plant and machinery. However, the reforms were not implemented due to cash flow challenges. The dormant companies are part of the restructuring in PAL and will probably be closed and deregistered.

### 1.2 Nature of Press Agriculture Limited (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, 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 and other crops which commenced in April 2007.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

## 1. Reporting entity (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

## 1.3 Going concern

The Group reported a deficit of K534 million (2022: surplus of K781 million) and the Trust realised a surplus of K1 080 million (2022: K1 358 million) during the year ended 31 March 2023 and, as at the reporting date, the Group had net current liabilities of K6 108 million (2022: K1 478 million) and the Trust had net current assets of K2 196 million (2022: K2 125 million). The Group had accumulated deficit of K6 554 million (2022: K6 115 million) and the Trust had accumulated surplus of K10 812 million (2022: K9 732 million).

The Trustees are aware of the financial challenges the Group is facing, through its subsidiary, Press Agriculture Limited (PAL). Management has also set up plans which includes the restructuring of PAL's operations through the identification of joint venture partners focusing on the growth of high value crops, cost reduction, intensifying internal controls. On 25 April 2019, Press Trust "the ultimate parent company" resolved that the debt owed by PAL be converted into equity as ordinary shares as one way of restructuring the balance sheet of PAL. The total amount of K16 189 million that has been converted into equity has been presented as funds awaiting capitalizations in the books of PAL.

However, Trustees believe that the Trust and the Group are a going concern, despite the challenges faced by its subsidiary and that the consolidated and separate financial statements have been prepared on that basis.

## 1.4 Distribution of the Trust's Income

Clause 3(b) 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."

During the year, 50% of the Trust's income amounted to K920 million. For the current year, K1 841 million was distributed representing 63% of the annual net income.

## 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:-

- the purchase of or an interest upon security of any shares, stocks, funds or securities quoted on any recognized 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 reorganization of the Press Corporation Limited or any of its subsidiaries may be owned directly by the Trustees;
- 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:



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

## 1. Reporting entity (continued)

### 1.5 Limitations on Investments (Continued)

- 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. Basis of preparation

### 2.1 Statement of compliance and basis of measurements

The Group's financial statements have been prepared on an accruals basis under the historical cost convention except for land and properties which are carried at revaluation basis and investments that are carried at fair value through other comprehensive income.

The financial statements of the Group and the Trust are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the provisions of Trustees Incorporation Act and Press Trust Reconstruction Act (PTRA).

### 2.2 Functional and presentation currency

These financial statements are presented in Malawi Kwacha, which is the Group's functional currency and presentation currency. All information in Malawi Kwacha has been rounded to the nearest thousand unless otherwise stated.

### 2.3 Basis of consolidation

The Groups financial statements consolidates those of the parent company and all of its subsidiaries as of 31 March 2023. All subsidiaries have a reporting date of 31 March 2023.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

*For the year ended 31 March 2023*

### 2. Basis of preparation (Continued)

#### 2.4 Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period end exchange rates are recognized in profit or loss.

#### Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the Malawi kwacha are translated into Malawi kwacha upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

#### 2.5 New standards adopted as at 1 April 2022

Standards and amendments that have become effective for the first time from 1 January 2022 are as follows:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 Rent Related Concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Property, plant and equipment: Proceeds Before Intended Use (Amendments to IAS 16)
- Onerous Contracts – cost of fulfilling a contract (Amendments to IAS 37)
- Annual Improvements:
  - Subsidiary as a First time Adopter (Amendments to IFRS 1)
  - Fees in the '10 per cent' Test for Derecognition of Liabilities (Amendments to IFRS 9)
  - Lease Incentives (Amendments for IFRS 16)
  - Taxation in Fair Value Measurements (Amendments to IAS 41)

These amendments do not have a significant impact on these consolidated and separate financial statements and therefore the disclosures have not been made.

Standards and amendments that are not yet effective and have not been adopted early by the Group are as follows:

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts (Amendments to IFRS 17 and IFRS 4)
- References to the Conceptual Framework
- Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Classifications of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax Related to Assets and Liabilities Arising from Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

*For the year ended 31 March 2023*

## 2. Basis of preparation (Continued)

### 2.6 Use of judgements and estimates

In preparing these consolidated and separate financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements and estimates made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated and separate financial statements is included in the following notes:

Note 14 – Useful lives of property, plant and equipment.

Note 16 - Listed equity investments

Note 17 - Unlisted equity investments

## 3. Significant accounting policies

The principal accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements.

### 3.1 Financial instruments

#### Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortised cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.





# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

*For the year ended 31 March 2023*

## 3. Significant accounting policies (Continued)

### 3.1 Financial instruments (continued)

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### Subsequent measurement of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

##### Financial assets at fair value through profit or loss (FVTPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in XY Ltd and listed equity securities at FVOCI. The fair value was determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

##### Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cashflows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

##### Amortized 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.1 Financial instruments (continued)

##### Amortized cost and effective interest method (continued)

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.

##### 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.1 Financial instruments (continued)

##### 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.

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 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.

##### 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).
- 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;

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.1 Financial instruments (continued)

##### Foreign exchange gains and losses (continued)

- 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

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognised for the second category (ie Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

##### 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.

##### 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.1 Financial instruments (continued)

##### Measurement and recognition of expected credit losses (continued)

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 IFRS 16 Leases.

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 (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.2 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.

##### Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially measured at fair value, and where applicable adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

## 3. Significant accounting policies (Continued)

### 3.2 Financial liabilities and equity (continued)

#### Classification and measurement of financial liabilities (continued)

All interest related charges and if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### 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.

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.

### 3.3 Property, plant and equipment

#### Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

Land and buildings are revalued periodically and are measured at the revalued amounts less any accumulated depreciation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that would be determined using fair values at the reporting date. Any revaluation surplus is recognized in other comprehensive income and credited to the revaluation reserve in equity. On disposal of the assets, the appropriate portion of the revaluation reserve is transferred to the general fund.

#### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.3 Property, plant and equipment (continued)

##### Depreciation (continued)

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	-	20-50 years
Furniture and equipment	-	3-10 years
Motor vehicles	-	4-5 years
Leasehold 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

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### 3.4 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.

#### 3.5 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.





## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.5 Taxation (continued)

##### Deferred tax (continued)

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.

#### 3.6 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.

#### 3.7 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

*For the year ended 31 March 2023*

### 3. Significant accounting policies (Continued)

#### 3.7 Biological assets (continued)

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
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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 are capitalised as current assets.

#### 3.8 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.

#### 3.9 Revenue

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).



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.9 Revenue (continued)

The Group has the following types of revenue:

##### 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

##### 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.

##### 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.

##### Seed sales

The Group recognizes revenue from the sale of seeds in line with the five-step approach.

##### Sublease/rental income

The Group recognizes revenue from the sublease/rentals in line with the five-step approach.

#### 3.10 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.

#### 3.11 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.

#### 3.12 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.13 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;
- 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 statements 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

### 3. Significant accounting policies (Continued)

#### 3.13 Leases (continued)

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.

The right-of-use assets are presented as a separate line in the consolidated and separate statements 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.

#### 3.14 Administration expenditure

Administration expenses are recognized on accrual basis.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

*For the year ended 31 March 2023*

## 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.

#### 4.2 Key sources of estimation uncertainty (continued)

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 3.1.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

	<b>SEPARATE</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>5. Dividend income</b>				
Listed equity investments	2 251 178	2 329 274	2 521 178	2 329 274
Unlisted equity investments	435 316	300 727	435 316	300 727
	<u>2 956 494</u>	<u>2 630 001</u>	<u>2 956 494</u>	<u>2 630 001</u>
<b>6. Interest</b>				
<b>Interest income</b>				
Staff loans	4 396	3 534	4 396	3 534
Interest on short term deposits	912 166	540 328	912 166	540 328
Total interest income	<u>916 562</u>	<u>543 862</u>	<u>916 562</u>	<u>543 862</u>
<b>Interest expense</b>				
Interest on borrowings	-	-	1 287 363	788 113
	<u>-</u>	<u>-</u>	<u>1 287 363</u>	<u>788 113</u>
<b>7. Other income</b>				
Sundry income	29 060	1 189	837 255	906 417
Profit/loss on disposal of property, plant equipment	1 136	15 464	1 136	15 464
	<u>30 196</u>	<u>16 653</u>	<u>838 391</u>	<u>921 881</u>
Exchange gains	5 674	7 992	(644)	7 040
	<u>35 870</u>	<u>24 645</u>	<u>837 747</u>	<u>928,921</u>
<b>8. Loans due from Press Agriculture Limited</b>				
Balance as at 1 April	6 034 489	6 033 537	-	-
Increase in impairment	6 339	952	-	-
	<u>6 040 828</u>	<u>6 034 489</u>	<u>-</u>	<u>-</u>
Impairment on loans	(6 040 828)	(6 034 489)	-	-
Balance as at 31 March	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Maturity profile</b>				
The loan is past due	6 040 828	6 034 489	-	-
	<u>6 040 828</u>	<u>6 034 489</u>	<u>-</u>	<u>-</u>
<b>Movement in Impairment on loans</b>				
Balance as at 1 April	6 034 489	6 033 537	-	-
Increase in impairment	6 339	952	-	-
Balance as at 31 March	<u>6 040 828</u>	<u>6 034 489</u>	<u>-</u>	<u>-</u>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 8. Loans due from Press Agriculture Limited (Continued)

The Press Agriculture Limited (PAL) loans were denominated in United States Dollars and bore interest at 1.5% above LIBOR and was 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.

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. In the financial year 2020, the Trust resolved that the debt owed by Press Agriculture Limited be converted to equity as ordinary shares.

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>9. Realized gain on sale of equity investments</b>				
Listed and unlisted equity investments	-	248 738	-	251 941
	-	248 738	-	251 941

In the year ended 31 March 2022, the Trust disposed its entire holdings in Kang'ombe Investments Limited, MPICO Plc and NITL Plc. The shares were disposed of at a total fair value of MK2 248 million. The funds were channeled to other investments.

### 10. Surplus before charitable expenditure

Surplus before charitable expenditure is arrived at after taking into the account the following:

Staff costs	393 394	325 670	951 797	661 683
Depreciation	88 216	82 510	629 238	728 336
Trustees' expenses and fees	166 025	51 888	201 389	66 895
Auditor's remuneration – current year	25 209	20 600	66 108	71 697
Legal fees	-	1 283	57 171	126 883
Impairment of receivables	2 473	(453)	2 473	(452)





## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 11. Project funding and donations

For the year ended 31 March 2023

SEPARATE AND CONSOLIDATED

	Balance as at 1 April <u>2022</u>	<u>Disbursements</u>	Approvals <u>accrued</u>	Completed (overprovision/ underprovision)	Balance as at 31 March <u>2023</u>
Balabanthi Junior Primary	83 643	83 727	15 000	-	14 916
Chikunkha Primary School	9 499	15 522	8 000	-	1 977
Chirimba Police Unit	4 324	-	-	-	4 324
Chinyaza Primary School	153 527	85 074	35 000	-	103 453
Chisamba Dispensary Salima	12 832	123	-	-	12 709
Chiyola CDSS	76 000	126 217	100 000	-	49 783
COVID-19 Response Fund	56 217	62 301	7 630	-	1 546
Department of Forestry	8 206	4 575	-	-	3 631
Disaster Relief Fund	10 368	112 849	110 000	-	7 519
Dowa Secondary School	1 010	-	-	-	1 010
Embangweni Mission Hospital	-	-	20 000	-	20 000
Engucwini Primary School	86 325	89 684	15 000	-	11 641
Girls Education Trust	269	1	-	(268)	-
High Court of Malawi – Zomba	100 000	1 136	90 000	-	188 864
Hospital Equipment/Ambulances	29	-	-	-	29
Kamuzu Academy					
- National Science Fair	290	5 562	20 000	-	14 728
Kasangazi Mini Electricity					
Grid Project	50 000	44 510	-	-	5 490
Light House - Mzuzu	97 635	91 265	-	-	6 370
Ligowe Health Centre	61 484	87 129	116 000	-	90 355
Lilongwe Girls Secondary School	51 180	52 296	1 117	-	1
Malembo Health Centre LL	53 398	52 896	9 000	-	9 502
Manjawira Health Centre OPD	65 000	179	-	-	64 821
Mathandani CDSS	13 402	12 355	-	(1 047)	-
M'buka Primary School	168 488	9 204	100 000	-	259 284
Milamba Health Post	150 995	93 831	-	-	57 164
Min of Education	37 521	36 281	50 000	-	51 240
Ministry of Health	-	121 454	152 250	-	30 796
Mother's Day Donations	4 162	20 947	23 500	-	6 715
Mpiri Secondary School	8 938	-	-	-	8 938
Msauzawana Dispensary	90 947	50 824	-	-	40 123
Mulanje Vocational and Rehabilitation Centre	9 580	2 384	-	(7 198)	2
Nalikule College of Education	3 806	-	-	(3 806)	-
Njale Health Centre	66 784	52 685	-	-	14 099
Njini Health Centre	11 645	-	-	-	11 645
Nsamba Primary School	1 289	-	-	-	1 289
Ntaja Health Centre	170 896	220 829	163 000	-	113 067



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 11. Project funding and donations (continued)

For the year ended 31 March 2023

SEPARATE AND CONSOLIDATED

	Balance as at 1 April <u>2022</u>	Disbursements	Approvals accrued	Completed (overprovision/ underprovision)	Balance as at 31 March <u>2023</u>
Nthalire Health Centre	196 165	246 387	183 000	-	132 778
Operation Smile	-	20 000	23 000	-	3 000
Police Dispensary					
Northern Region	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	-	-
Projects Promotional Activities	6 136	52 216	50 000	-	3 920
Put a Child on a Desk Programme	64 394	-	-	-	64 394
Queen Elizabeth Central Hospital	755	729	-	(27)	1
Region 5 Games (African Union Sports Council)	-	58 800	58 800	-	-
Stop Child Marriages (STOM)/DCA	-	21	22	-	1
Tertiary Education Fund	1	-	62 451	-	62 452
University of Blantyre Synod	2 982	-	-	-	2 982
	<u>2 047 821</u>	<u>2 083 754</u>	<u>1 593 390</u>	<u>(46 624)</u>	<u>1 510 833</u>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 11. Project funding and donations (continued)

For the year ended 31 March 2022

	SEPARATE AND CONSOLIDATED			
	Balance as at 1 April 2021	Disbursements	Approvals accrued	Balance as at 31 March 2022
Balabanthi Junior Primary School	79 000	1 711	6 354	83 643
Chikunkha Primary School	74 442	64 943	-	9 499
Chirimba Police Unit	22 713	18 389	-	4 324
Chinyaza Primary School	40 000	575	114 102	153 527
Chisamba Dispensary Salima	55 222	42 390	-	12 832
Chiyola CDSS	-	-	76 000	76 000
COVID-19 Response Fund	94 802	38 585	-	56 217
Department of Forestry	22 561	19 355	5 000	8 206
Disaster Relief Fund	10 887	60 519	60 000	10 368
Dowa Secondary School	1 052	42	-	1 010
Engucwini Primary School	82 000	1 835	6 160	86 325
Girls Education Trust	-	1 031	1 300	269
High Court of Malawi - Zomba Registry	-	-	100 000	100 000
Hospital Equipment/Ambulances Donations	29	-	-	29
Kamuzu Academy - National Science Fair	3 507	4 122	905	290
Kasangazi Mini Electricity Grid	-	-	50 000	50 000
Light House - Mzuzu	57 920	1 883	41 598	97 635
Ligowe Health Centre	61 570	118	32	61 484
Lilongwe Girls Secondary School	51 180	-	-	51 180
Malembo Health Centre	122 947	74 549	5 000	53 398
Manjawira Health Centre OPD	65 000	-	-	65 000
Mathandani CDSS	13 402	-	-	13 402
M'buka Primary School	81 000	9	87 497	168 488
Milamba Health Post	54 500	9	96 504	150 995
Min of Education	27	45 006	82 500	37 521
Ministry of Foreign Affairs-SADC Summit	-	10 000	10 000	-
Mother's Day Donations	2 646	8 484	10 000	4 162
Mpiri Secondary School	10 631	1 693	-	8 938
Msauzawana Dispensary	100,000	19	(9 034)	90 947
Mulanje Vocational and Rehabilitation Centre	55 865	46 285	-	9 580
Nalikule College of Education	4 103	297	-	3 806
Njale Health Centre	63 389	281	3 676	66 784
Njini Health Centre	16 082	4 437	-	11 645
Nsamba Primary School	1 353	64	-	1 289
Ntaja Health Centre	82 500	290	88 686	170 896
Nthalire Health Centre	100 000	2 940	99 105	196 165
Police Dispensary Northern Region	72 720	15 021	-	57 699
Press Trust - Standard Bank				
Merit Scholarship Scheme	54 461	175 692	121 232	-
Projects Promotional Activities	31 154	49 212	24 194	6 136
Put a Child on a Desk Programme	15 239	845	50 000	64 394
Queen Elizabeth Central Hospital	-	7 495	8 250	755
Stop Child Marriages (STOM)/DCA – Ntchisi	-	69 863	69 863	-
Tertiary Education Fund	-	50 299	50 300	1
University of Blantyre Synod	4 850	1 869	-	2 981
	<u>1 608 754</u>	<u>820 15</u>	<u>1 259 224</u>	<u>2 047 821</u>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

	SEPARATE		CONSOLIDATED	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>12. Project related expenses</b>				
Staff costs	174 119	153 321	174 119	153 321
Training and subscriptions	11 516	4 161	11 516	4 161
Motor vehicle expenses	63 225	51 345	63 225	51 345
Printing and stationery	1 397	4 225	1 397	4 225
Office expenses	23 573	18 528	23 573	18 528
Projects investigations	14 943	9 272	14 943	9 272
Communication expenses	<u>5 332</u>	<u>6 821</u>	<u>5 332</u>	<u>6 821</u>
Total project related expenses	<u>294 105</u>	<u>247 673</u>	<u>294 105</u>	<u>247 673</u>
<b>13. Income tax expense</b>				
Taxation charge	-	-	84 360	73 381
Deferred tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>(312)</u>
	<u>-</u>	<u>-</u>	<u>84 360</u>	<u>73 069</u>

The Group has losses carried forward for taxation purposes of approximately **K8.0 billion** (2022: MK10.6 billion) subject to confirmation by Malawi Revenue Authority.

### Deferred tax

No deferred tax asset has been recognized in respect of the above-mentioned tax losses as this will only be recognized where there is likelihood that the Group will be profitable to utilize the losses in the near future.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 14. Property, plant and equipment

<u>SEPARATE</u>	<u>Freehold Land &amp; Buildings</u>	<u>Buildings - WIP</u>	<u>Furniture &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<b>2023</b>					
<b>Cost or Valuation</b>					
<b>At beginning of the year</b>	630 998	34 757	142 235	403 935	1 211 925
Transfer from WIP	34 757	(34 757)	-	-	-
Revaluation surplus	495 536	-	-	-	495 536
Reversal on revaluation	(8 206)	-	-	-	(8 206)
Additions during the year	1 444	-	22 767	225 251	249 462
Disposals during the year	-	-	(21 593)	(132 839)	(154 432)
<b>At end of the year</b>	<b>1 154 529</b>	<b>-</b>	<b>143 409</b>	<b>496 347</b>	<b>1 794 285</b>
<b>Accumulated depreciation</b>					
At beginning of the year	5 700	-	75 483	217 421	298 604
Charge for the year	2 506	-	17 326	68 384	88 216
Elimination on revaluation	(8 206)	-	-	-	(8 206)
Released on disposal	-	-	(19 433)	(109 891)	(129 324)
<b>At end of the year</b>	<b>-</b>	<b>-</b>	<b>73 376</b>	<b>175 914</b>	<b>249 290</b>
<b>Carrying amount</b>					
At end of the year	1 154 529	-	70 033	320 433	1 544 995
<b>2022</b>					
<b>Cost or Valuation</b>					
At beginning of the year	630 998	7 736	125 529	347 052	1 111 315
Additions during the year	-	27 021	18 797	90 883	136 701
Disposals during the year	-	-	(2 091)	(34 000)	(36 091)
<b>At end of the year</b>	<b>630 998</b>	<b>34 757</b>	<b>142 235</b>	<b>403 935</b>	<b>1 211 925</b>
<b>Accumulated depreciation</b>					
At beginning of the year	3 800	-	59 266	184 412	247 478
Charge for the year	1 900	-	17 178	63 432	82 510
Released on disposals	-	-	(961)	(30 423)	(31 384)
<b>At end of the year</b>	<b>5 700</b>	<b>-</b>	<b>75 483</b>	<b>217 421</b>	<b>298 604</b>
<b>Carrying amount</b>					
At end of the year	625 298	34 757	66 752	186 514	913 321

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 (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 14. Property, plant and equipment (continued)

<b>CONSOLIDATED</b>	<b>Freehold Land &amp; Buildings</b>	<b>Leasehold Land &amp; Buildings</b>	<b>Buildings - WIP</b>	<b>Furniture &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>2023</b>						
<b>Cost or Valuation</b>						
At beginning of the year	630 998	13 560 282	34 757	477 154	975 662	15 678 853
Transfer from WIP	34 757	-	(34 757)	-	-	-
Additions for the year	1 444	-	-	22 766	225 251	249 461
Reversal on revaluation	(8 206)	-	-	-	-	(8 206)
Revaluation surplus	495 536	-	-	-	-	495 536
Disposals for the year	-	-	-	(21 593)	(132 839)	(154 432)
<b>At end of the year</b>	<b>1 154 529</b>	<b>13 560 282</b>	<b>-</b>	<b>478 327</b>	<b>1 068 074</b>	<b>16 261 212</b>
<b>Accumulated depreciation</b>						
At beginning of the year	5 700	514 498	-	355 827	725 654	1 601 679
Charge for the year	2 506	535 495	-	21 267	69 970	629 238
Elimination on revaluation	(8 206)	-	-	-	-	(8 206)
Released on disposals	-	-	-	(19 433)	(109 891)	(129 324)
<b>At end of the year</b>	<b>-</b>	<b>1 049 993</b>	<b>-</b>	<b>357 661</b>	<b>685 733</b>	<b>2 093 387</b>
<b>Carrying amount</b>						
At end of the year	1 154 529	12 510 289	-	120 666	382 341	14 167 825
<b>2022</b>						
<b>Cost or Valuation</b>						
At beginning of the year	630 998	13 560 282	7 736	389 138	903 179	15 491 333
Additions for the year	-	-	27 021	33 613	106 483	167 117
Revaluation surplus	-	-	-	56 494	-	56 494
Disposals for the year	-	-	-	(2 091)	(34 000)	(36 091)
<b>At end of the year</b>	<b>630 998</b>	<b>13 560 282</b>	<b>34 757</b>	<b>477 154</b>	<b>975 662</b>	<b>15 678 853</b>
<b>Accumulated depreciation</b>						
At beginning of the year	3 800	-	-	302 638	598 289	904 727
Charge for the year	1 900	514 498	-	54 150	157 788	728 336
Released on disposals	-	-	-	(961)	(30 423)	(31 384)
At end of the year	5 700	514 498	-	355 827	725 654	1 601 679
<b>Carrying amount</b>						
<b>At end of the year</b>	<b>625 298</b>	<b>13 045 784</b>	<b>34 757</b>	<b>121 327</b>	<b>250 008</b>	<b>14 077 174</b>

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 (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 14. Property, plant and equipment (continued)

#### The fair value measurement of the Group's property

The Group's 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 land and buildings as at 31 March 2023 have been based on land and buildings revaluation done on 31 March 2021 and 31 March 2023 for Press Agriculture Limited and Press Trust respectively. 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 (for Press Agriculture Limited) and TG Msonda BSc L MRICS MSIM Chartered Valuation Surveyor (for Press Trust).

The open market value, also known as fair value in accounting methodology, is the best price at which the property might reasonably be expected to be sold assuming that it were offered for sale and advertised in an appropriate fashion and for a reasonable period. It is assumed that there are no circumstances necessitating a quick sale and that there is no special purchaser who by virtue of his particular circumstances would pay in excess of the value as otherwise determined.

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

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 land and buildings, and other property and information about fair value hierarchy as at 31 March 2023 are as follows;

<b><u>SEPARATE</u></b>	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Fair value 2023</u></b>	<b><u>Fair value 2022</u></b>
Land and buildings	-	-	1 154 529	1 154 529	660 055
<b><u>CONSOLIDATED</u></b>					
Land and buildings	-	-	-	13 664 818	13 671 082

There were no transfers between levels during the year.

### 15. Right-of-use assets

#### **SEPARATE AND CONSOLIDATED**

<b>Cost</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
At the beginning of the year	186 893	186 893
At the end of the year	186 893	186 893
<b>Accumulated depreciation</b>		
At the beginning of the year	75 123	50 285
Charge for the year	24 838	24 838
At the end of the year	99 961	75 123
<b>Carrying amount</b>	86 932	111 770

The Group leases office building for an average lease term of 6 years. The maturity analysis of lease liabilities is presented in note 29.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 16. Listed equity investments

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
At the beginning of the year	123 918 471	81 683 786	126 288 562	83 894 522
Additions during the year	-	566 539	-	566 539
Fair value surplus taken to other comprehensive income (pages 79 and 80)	23 642 056	42 153 658	24 059 711	42 322 076
Effect of average/closing rate use on PTOL			(1 428)	(84)
Disposals during the year	-	(485 512)	-	(494 491)
At the end of the year	<u>147 560 527</u>	<u>123 918 471</u>	<u>150 346 845</u>	<u>126 288 562</u>
<b><u>Analysed as follows:</u></b>				
Held by Press Trust	147 560 527	123 918 471	147 560 527	123 918 471
Held by Press Trust Overseas Limited	-	-	2 786 318	2 370 091
Total	<u>147 560 527</u>	<u>123 918 471</u>	<u>150 346 845</u>	<u>126 288 562</u>

Investments in listed companies are measured at fair value through other comprehensive income and accounted for in accordance with accounting policy 3.1.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.

The investments held by the Trust are listed on the Malawi Stock Exchange.





## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 16. Listed equity investments (Continued)

	Nominal value per share	Number of shares 2023	Holding % 2023	Number of shares 2022	Holding % 2022	Share price 2023	Share price 2022	Share Valuation 2023	Share Valuation 2022	Dividend income 2023	Dividend income 2022
<b>Malawi Investments</b>											
Press Corporation Plc	1 tambala	56 662 203	46.45	56 662 203	46.45	2 181 30	1 900.00	123 597 263	107 658 186	1 983 177	1 756 528
Standard Bank (Malawi) Plc	1 Kwacha	5 441 594	2.32	5 441 594	2.32	2 200 60	1 400.00	11 974 772	7 618 232	231 866	340 863
Blantyre Hotels Plc	25 tambala	220 864 920	26.3	220 864 920	26.3	10 96	11.01	2 420 680	2 431 723	-	-
National Bank of Malawi Plc	1 Kwacha	4 269 708	0.91	4 269 708	0.91	1 766 29	948.01	7 541 543	4 047 726	265 235	182 957
National Investment Trust Plc	2 tambala	-	-	-	-	-	-	-	-	-	6 713
MPICO Plc	5 tambala	-	-	-	-	-	-	-	-	-	1 313
ICON Properties Plc	5 tambala	170 418 000	2.55	170 418 000	2.55	11 89	12.69	2 026 269	2 162 604	40 900	40 900
								147 560 527	123 918 471	2 521 178	2 329 274

All listed equity investments are traded on the Malawi Stock Exchange.

### Investments held by Press Trust Overseas Limited

	Number of shares 2023	Number of shares 2022	Share price 2023 USD	Share price 2022 USD	Valuation 2023	Valuation 2022	Dividend income 2023	Dividend income 2022
Dominium Global Fund	213 994	213 994	12.1619	2 757 518	2 676 697	2 253 727	-	-
Imara African Opportunities Fund	12 163	12 163	11.71	142 377	109 621	116 364	-	-
				2 709 168	2 899 895	2 370 091	-	-

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 17. Unlisted equity investments

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
At the beginning of the year	3 038 996	4 210 955	3 039 116	4 211 075
Fair value surplus taken to other comprehensive income	782 216	538 303	782 216	538 303
Disposals during the year	<u>(153 065)</u>	<u>(1 710 262)</u>	<u>(153 065)</u>	<u>(1 710 262)</u>
At the end of the year	<u>3 668 147</u>	<u>3 038 996</u>	<u>3 668 267</u>	<u>3 039 116</u>

Listed and unlisted investments are measured at fair value through other comprehensive income 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 3.1 to these consolidated and separate financial statements.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

## 17. Unlisted equity investments (SEPARATE) (Continued)

	Nominal value per share	Number of shares 2023	Number of shares 2022	Shareholding % 2023	Shareholding % 2022	Trustees' valuation 2023	Trustees' valuation 2022	Dividend income 2023	Dividend income 2022
<b>Malawi investments</b>									
Kang'ombe Investments Limited	1 Tambala	-	-	-	-	-	-	-	37 493
Continental Holdings Limited	1 Kwacha	22 125 243	22 125 243	14.40%	14.40%	3 253 239	2 461 291	435 316	261 070
Press Agriculture Limited	1 Kwacha	8 636 512	8 636 512	93.70%	93.70%	-	-	-	-
Bridgepath Capital Limited	1 Kwacha	20 000 000	20 000 000	21.65%	21.65%	41 151	31 947	-	2 164
CDH Investment Bank (Preference shares)	1 Kwacha	-	5 220 090	-	-	-	153 065	-	-
Mwaiwathu Private Hospital Limited	21.6 Kwacha	3 779 991	3 779 991	22.97%	22.97%	373 757	392 693	-	-
						<u>3 668 147</u>	<u>3 038 996</u>	<u>435 316</u>	<u>300 727</u>

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

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 (CONTINUED)****For the year ended 31 March 2023***In thousands of Malawi Kwacha***17. Unlisted equity investments (CONSOLIDATED) (Continued)**

	Nominal value per share	Number of shares 2023	Number of shares 2022	Shareholding		Trustees' valuation 2023	Trustees' valuation 2022	Dividend income 2023	Dividend income 2022
				% 2023	% 2022				
<b>Malawi investments</b>									
Kang'ombe Investments Limited	1 Tambala	-	-	-	-	-	-	-	37 493
Continental Holdings Limited	1 Kwacha	22 125 243	22 125 243	14.40%	14.40%	3 253 239	2 461 291	435 316	261 070
Bridgepath Capital	1 Kwacha	20 000 00	20 000 000	21.65%	21.65%	41 151	31 947	-	2 164
CDH Investment (Preference shares)	1 Kwacha	-	5 220 090	-	-	-	153 065	-	-
Mwaiwathu Private Hospital Limited	21.6 Kwacha	3 779 991	3 779 991	22.97%	22.97%	373 757	392 693	-	-
Auction Holdings Limited	1 Kwacha	120 000	120 000	2.00%	2.00%	120	120	-	-
						<b>3 668 267</b>	<b>3 039 116</b>	<b>435 316</b>	<b>300 727</b>

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.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 18. Investments in subsidiaries

#### Press Trust Overseas Limited

	<b>SEPARATE</b>	
	<b>2023</b>	<b>2022</b>
At the beginning of the year	2 376 245	2 212 053
Fair value adjustment	(201 917)	74 438
Translation gain	610 417	89 754
Balance at the end of the year	<u>2 784 745</u>	<u>2 376 245</u>

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.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.

	<b>SEPARATE</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>19. Investments in Oil/Gas</b>				
At the beginning of the year	-	-	-	-
Additions	1 015 848	-	1 015 848	-
Translation gain/loss	(49 454)	-	(49 454)	-
Balance at the end of the year	<u>966 394</u>	<u>-</u>	<u>966 394</u>	<u>-</u>

The Trust has invested US\$928,807 of the required US\$1.02 million in two oil/gas wells in Senegal, through Fortesa International Inc. This investment will entitle the Trust to 5% net revenues of the two wells. Drilling activities are planned to commence during the 2023/2024 financial year.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.

	<b>SEPARATE</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>20. Investments in Government securities</b>				
At the beginning of the year	1 347 376	-	1 347 376	-
Additions during the year	-	1 300 165	-	1 300 165
Accrued interest	272 216	150 305	272 216	150 305
Interest received	(212 937)	(103 094)	(212 937)	(103 094)
At the end of the year	<u>1 406 655</u>	<u>1 347 376</u>	<u>1 406 655</u>	<u>1 347 376</u>
Analyzed as follows:				
Current portion	16 918	16 918	16 918	16 918
Non-current portion	<u>1 389 737</u>	<u>1 330 458</u>	<u>1 389 737</u>	<u>1 330 458</u>
Total	<u>1 406 655</u>	<u>1 347 376</u>	<u>1 406 655</u>	<u>1 347 376</u>

The Group invested K1.3 billion into a 5-year Treasury Note with 20.25% yield, which will mature on 2 September 2026 with a face value of K1.703 billion.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 21. Standing and growing crops

	<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>
<b>Standing crops</b>		
<b>Cost</b>		
At the beginning of the year	352 319	356 323
Write offs/Disposals	-	(97 285)
Reassessment	-	93 287
At the end of the year	<u>352 319</u>	<u>352 319</u>
<b>Amortization</b>		
At the beginning of the year	-	329 318
Elimination on reassessment	-	(256 588)
Charge for the year	28 108	24 555
Write offs/Disposals	-	(97 285)
At the end of the year	<u>28 108</u>	<u>-</u>
Carrying amount	<u>324 211</u>	<u>352 319</u>
<b>Growing crops</b>	<u>1 410 499</u>	<u>1 046 895</u>

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 3.7.

Other crops comprise seed maize, soya beans, ground nuts, commercial maize and paprika. Growing crops are carried at fair value in line with accounting policy on note 3.7.

#### 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 2023 are analysed as follows:

	Level 1	Level 2	Level 3	Fair Value	
	2023	2023	2023	2023	2022
<b>Standing crops</b>					
Other growing crops	-	-	1 410 499	1 410 499	1 046 895
Total standing crops at fair value	<u>-</u>	<u>-</u>	<u>1 734 710</u>	<u>1 734 710</u>	<u>1 399 214</u>

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 35.

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

The company's finance department is responsible for performing the valuation of fair value measurements included in the consolidated and separate 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 2023 and that prices for the transactions were from observable current transactions.

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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>22. Inventories</b>				
Consumable stores	-	-	433 614	175 782
Farm crops	-	-	255	1 406
	<u>-</u>	<u>-</u>	<u>433 869</u>	<u>177 188</u>

### 23. Receivables and prepayments

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Dividends receivable	91 457	-	91 457	-
Trade receivables	-	-	-	154 687
Prepayments and other receivables	154 055	87 612	581 193	223 428
Less: Expected credit losses on trade receivables	-	-	(255 840)	(108 999)
Impairment on staff loan and other receivables	(3 502)	(1 029)	(3 502)	(1 029)
Total receivables and prepayments	<u>242 010</u>	<u>86 583</u>	<u>413 308</u>	<u>268 087</u>

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 and other 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.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.

### 24. Cash and cash equivalents

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Short-term bank deposits	3 694 139	4 187 419	3 694 139	4 187 419
Current accounts	13 444	67 196	23 395	202 749
Foreign currency accounts	438	353	438	353
Cash on hand	50	50	50	50
Bank balances and cash	<u>3 708 071</u>	<u>4 255 018</u>	<u>3 718 022</u>	<u>4 390 571</u>
Funds held by brokers	-	-	340	311
Total cash and cash equivalents	<u>3 708 071</u>	<u>4 255 018</u>	<u>3 718 362</u>	<u>4 390 882</u>

#### Short-term deposits

Bank balances earned interest between **5% and 17%** during the year (2022: between 4% and 15%).

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 25. Sublease fees

	<b>CONSOLIDATED</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
At the beginning of the year	1 087 164	1 166 432
Amounts released to income	<u>(79 267)</u>	<u>(79 268)</u>
At the end of the year	<u>1 007 897</u>	<u>1 087 164</u>
The deferred sublease fees are to be leased to income as follows:		
Within one year	81 970	81 970
After one year	<u>925 927</u>	<u>1 005 194</u>
Total deferred sublease fees	<u>1 007 897</u>	<u>1 087 164</u>

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.

### 26. Deferred tax liabilities

	<b>CONSOLIDATED</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
At the beginning of the year	933 800	999 180
Other comprehensive income	(65 067)	(65,067)
Recognised in profit and loss	-	<u>(313)</u>
At the end of the year	<u>868 733</u>	<u>933 800</u>

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 (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 27. Long-term borrowings

#### CONSOLIDATED

31 March 2023

	<u>Export Development Fund</u>	<u>Limbe Leaf Tobacco</u>	<u>Total</u>
At the beginning of the year	6 550 215	121 162	6 671 377
Loans advanced	61 938	-	61 938
Accrued interest	1 287 357	-	1 287 357
Repayments	<u>(1 329 687)</u>	<u>-</u>	<u>(1 329 687)</u>
At the end of the year	<u>6 569 823</u>	<u>121 162</u>	<u>6 692 985</u>
Total borrowings (classified as short term)			<u>6 692 985</u>

31 March 2022

	<u>Export Development Fund</u>	<u>Limbe Leaf Tobacco</u>	<u>Total</u>
At the beginning of the year	5 131 574	121 162	5 252 736
Loans advanced	2 598 325	-	2 598 325
Accrued interest	771 807	-	771 807
Repayments	<u>(1 951 491)</u>	<u>-</u>	<u>(1 951 491)</u>
At the end of the year	<u>6 550 215</u>	<u>121 162</u>	<u>6 671 377</u>
Long term portion			3 577 092
Current term portion			<u>3 094 285</u>
Total borrowings			<u>6 671 377</u>

#### 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 installments 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 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. The values of these estates as at the approved date were K 121 million, K 123 million, K 278 million and K 278 million respectively. 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.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 27. Long-term borrowings (Continued)

#### b) Export Development Fund (EDF)

The amount of global facility approved to General Farming Limited is K7,000,000,000 breaking down into the following facilities;

##### **K1.7 billion 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 2021/2022 growing season to be sold locally and across the borders. 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 and as at 31st March 2023 the interest rate had moved to 23%.

##### **K2.5 billion 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 and as at 31st March 2023 the interest rate had moved to 23%. K1.72 billion Medium term facility 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 and as at 31st March 2023 the interest rate had moved to 23%.

##### **K1.55 billion Working capital facility**

The purpose of the facility was 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. The facility has been fully liquidated as at 31st March 2023.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 28. Provisions

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
At the beginning of the year	-	-	169 468	160 324
Additions for the year	-	-	6 140	9 144
At the end of the year	-	-	<u>175 608</u>	<u>169 468</u>

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

### 29. Lease liabilities

Current portion	25 676	22 428	25 676	22 428
Non-current portion	81 654	107 329	81 654	107 329
At the end of the year	<u>107 330</u>	<u>129 757</u>	<u>107 330</u>	<u>129 757</u>

#### SEPARATE AND CONSOLIDATED

	<u>2023</u>	<u>2022</u>
<b>Movement in lease liabilities details are as below:</b>		
At the beginning of the year	129 757	149 348
Interest on lease liability	15 422	18 259
Principal repayment	(22 427)	(19 591)
Interest repayment	(15 422)	(18 259)
	<u>107 330</u>	<u>129 757</u>
<b>Maturity analysis</b>		
Year 1	25 676	22 428
Year 2	29 394	25 675
Year 3	52 260	29 394
Year 4	-	52 260
Year 5	-	-
Year 6	-	-
	<u>107 330</u>	<u>129 757</u>

### 30. Trade and other payables

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables	3 201	879	254 932	142 692
Accruals and other payables	<u>222 094</u>	<u>146,129</u>	<u>3 179 172</u>	<u>1 614 051</u>
	<u>225 295</u>	<u>147 008</u>	<u>3 434 104</u>	<u>1 756 743</u>

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.

Information about the Group financial risk management and financial assets classification and fair value measurement is included in notes 35 and 36 respectively.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 31. Tax recoverable and tax payable

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Tax recoverable</b>				
Opening balance	-	-	133 818	56 269
Withholding tax claimable	-	-	103 935	77 549
Closing balance	-	-	<u>237 753</u>	<u>133 818</u>
<b>Tax payable</b>				
Opening balance	-	-	323 518	250 137
Charge for the year	-	-	84 360	73 381
Closing balance	-	-	<u>407 878</u>	<u>323 518</u>

### 32. Administration expenditure

	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Amortization	-	-	28 108	-
Auditors' remuneration	25 209	20 600	66 108	71 697
Advertising expense	3 470	3 373	3 470	3 373
Allowance for impairment of receivables	-	-	43 979	(159 595)
Board expenses	166 025	51 888	201 389	66 895
Bank charges	2 196	1 161	10 032	9 271
Consultancy expenses	57 771	3 666	-	3 667
Depreciation expenses	77 703	71 778	618 724	807 036
Guest house expenses	29 484	21 799	29 484	21 799
Internal audit fees	17 866	14 009	17 866	14 009
Interest charges	52	-	42 137	-
Legal fees	-	1 283	57 171	126 883
Motor vehicle insurance costs	14 830	11 062	14 830	11 062
Motor vehicles expenses	27 436	16 616	99 710	85 253
Office expenses	91 712	56 623	207 673	133 273
Office/land rent	3 635	3 635	33 804	4 055
Postage and telephones expenses	9 820	12 173	11 294	17 773
Printing and stationery expenses	6 336	8 881	6 336	8 881
Staff costs	393 394	325 670	951 797	661 683
Staff training expenses	21 334	29 368	21 934	29 368
Sundry expenses	-	2 160	17 900	21 666
Travel and accommodation expenses	47 740	14 259	75 129	28 762
Whistle-blowing expenses	1 715	-	-	-
Total administration expenditure	<u>997 728</u>	<u>670 004</u>	<u>2 558 875</u>	<u>1 966 811</u>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 33. Capital commitments

	<u>SEPARATE</u>		<u>CONSOLIDATED</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Approved and contracted for	-	17 504	-	17 504

The capital commitments comprising of buildings work in progress, plant and equipment assets is expenditure to be funded from internal resources.

### 34. 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.

<b>Name of related party</b>	<b>Nature of consolidation</b>
Press Agriculture Limited	Subsidiary
Press Farming Limited	Subsidiary
General Farming Limited	Subsidiary
Farm Management Company Limited	Subsidiary
Press Farming and Chemical Company Limited	Subsidiary
Press Corporation Limited	Associate
Kang'ombe Investments Limited	Associate
Mwaiwathu Private Hospital Limited	Associate
Blantyre Hotels Limited	Associate
Bridgepath Capital Limited	Associate

Total emoluments of the management staff during the year amounted to **K234 million** (2022: K161 million).

Total loans due from management as at 31 March 2023 was **K29million** (2022: K8 million) as disclosed in in note 21.

Transactions with its subsidiaries, Press Trust Overseas Limited and Press Agriculture Limited, have been disclosed in notes 16, 17 and 18.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 35. Financial risk management

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

- Capital risk;
- Credit risk;
- Liquidity risk.
- Market 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 consolidated and separate financial statements.

The Board of Trustees is responsible for the overall risk management approach and for approving the risk management strategies and principles.

#### 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 1.5).

#### 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.

The carrying amount of financial assets represents the maximum exposure to credit risk and is summarized below in thousands of Malawi Kwacha:

	<b>SEPARATE</b>		<b>CONSOLIDATED</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
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
Investment in government securities	1 406 655	1 347 376	1 406 655	1 347 376
Investment in Oil/Gas	966 394	-	966 394	-
Receivables	242 010	86 583	413 308	268 087
Funds held by brokers	-	-	340	311
Cash and cash equivalents	3 708 071	4 255 018	3 718 022	4 390 571
<b>Total</b>	<b>157 551 804</b>	<b>132 646 444</b>	<b>160 519 831</b>	<b>135 334 023</b>

#### Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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.

The following table shows the undiscounted cash flow of the Group's financial liabilities, based on the remaining period at year end to the contractual maturity date. Balances due within 12 months approximates their carrying balances as the impact of discounting is not significant.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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In thousands of Malawi Kwacha

### 35. Financial risk management (Continued)

#### Liquidity risk management (Continued)

<b>SEPARATE</b>	<b>Up to 6 months</b>	<b>6 to 12 Months</b>	<b>Over 1 Year</b>	<b>Total</b>	<b>Carrying Value</b>
<b>31 March 2023</b>					
<b>Assets</b>					
Receivables and prepayments	121 005	121 005	-	242 010	242 010
Bank balances and cash	3 708 071	-	-	3 708 071	3 708 071
Investment in Oil/Gas	-	-	966 394	966 394	966 394
Investment in government securities	-	16 918	1 389 737	1 406 655	1 406 655
Listed investments	-	-	147 560 527	147 560 527	147 560 527
Unlisted investments	-	-	3 668 147	3 668 147	3 668 147
<b>Total financial assets</b>	<b>3 829 076</b>	<b>137 923</b>	<b>153 584 805</b>	<b>157 551 804</b>	<b>157 551 804</b>
<b>Liabilities</b>					
Trade and other payables	112 647	112 648	-	225 295	225 295
<b>Total liabilities</b>	<b>112 647</b>	<b>112 648</b>	<b>-</b>	<b>225 295</b>	<b>225 295</b>
<b>Gap</b>	<b>3 716 429</b>	<b>25 275</b>	<b>153 584 805</b>	<b>157 326 509</b>	<b>157 326 509</b>
<b>Cumulative Gap</b>	<b>3 716 429</b>	<b>3 741 704</b>	<b>157 326 509</b>	<b>-</b>	<b>-</b>
<b>SEPARATE</b>	<b>Up to 6 months</b>	<b>6 to 12 Months</b>	<b>Over 1 Year</b>	<b>Total</b>	<b>Carrying Value</b>
<b>31 March 2022</b>					
<b>Assets</b>					
Receivables and prepayments	43 291	43 292	-	86 583	86 583
Bank balances and cash	2 127 509	2 127 509	-	4 255 018	4 255 018
Investment in government securities	-	16 918	1 330 458	1 347 376	1 347 376
Listed investments	-	-	123 918 471	123 918 471	123 918 471
Unlisted investments	-	-	3 038 996	3 038 996	3 038 996
<b>Total financial assets</b>	<b>2 170 800</b>	<b>2 187 719</b>	<b>128 287 925</b>	<b>132 646 444</b>	<b>132 646 444</b>
<b>Liabilities</b>					
Trade and other payables	73 504	73 504	-	147 008	147 008
<b>Total liabilities</b>	<b>73 504</b>	<b>73 504</b>	<b>-</b>	<b>147 008</b>	<b>147 008</b>
<b>Gap</b>	<b>2 097 296</b>	<b>2 114 215</b>	<b>128 287 925</b>	<b>132 499 436</b>	<b>132 499 436</b>
<b>Cumulative Gap</b>	<b>2 097 296</b>	<b>4 211 511</b>	<b>132 499 436</b>	<b>-</b>	<b>-</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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### 35. Financial risk management (Continued)

#### Liquidity risk management (Continued)

<b>CONSOLIDATED</b> <b>31 March 2023</b>	<b>Up to</b> <b>6 months</b>	<b>6 to 12</b> <b>Months</b>	<b>Over</b> <b>1 Year</b>	<b>Total</b>	<b>Carrying</b> <b>Value</b>
<b>Assets</b>					
Receivables and prepayments	121 005	121 005	171 298	413 308	413 308
Bank balances and cash	3 718 022	-	-	3 718 022	3 718 022
Investment in Oil/Gas	-	-	966 394	966 394	966 394
Investment in government securities	-	16 918	1 389 737	1 406 655	1 406 655
Funds held by brokers	-	-	340	340	340
Listed investments	-	-	150 346 845	150 346 845	150 346 845
Unlisted investments	-	-	3 668 267	3 668 267	3 668 267
<b>Total financial assets</b>	<b>3 839 027</b>	<b>137 923</b>	<b>156 542 881</b>	<b>160 519 831</b>	<b>160 522 831</b>
<b>Liabilities</b>					
Trade and other payables	1 695 608	112 646	1 625 850	3 434 104	3 434 104
Borrowings	-	4 153 502	2 539 483	6 692 985	6 692 985
<b>Total liabilities</b>	<b>1 695 608</b>	<b>4 266 148</b>	<b>4 165 333</b>	<b>10 127 089</b>	<b>10 127 089</b>
<b>Gap</b>	<b>2 143 419</b>	<b>(4 128 225)</b>	<b>152 377 548</b>	<b>150 395 742</b>	<b>150 395 742</b>
<b>Cumulative Gap</b>	<b>2 143 419</b>	<b>(1 984 806)</b>	<b>150 498 650</b>	<b>-</b>	<b>-</b>

<b>CONSOLIDATED</b> <b>31 March 2022</b>	<b>Up to</b> <b>6 months</b>	<b>6 to 12</b> <b>Months</b>	<b>Over</b> <b>1 Year</b>	<b>Total</b>	<b>Carrying</b> <b>Value</b>
<b>Assets</b>					
Receivables and prepayments	134 043	134 044	-	268 087	268 087
Bank balances and cash	2 195 285	2 195 286	-	4 390 571	4 390 571
Funds held by brokers	-	-	311	311	311
Investment in government securities	-	16 918	1 330 458	1 347 376	1 347 376
Listed investments	-	-	126 288 562	126 288 562	126 288 562
Unlisted investments	-	-	3 039 116	3 039 116	3 039 116
<b>Total financial assets</b>	<b>2 329 328</b>	<b>2 346 248</b>	<b>130 658 447</b>	<b>135 334 023</b>	<b>135 334 023</b>
<b>Liabilities</b>					
Trade and other payables	878 369	878 374	-	1 756 743	1 756 743
Borrowings	-	3 094 285	3 577 092	6 671 377	6 671 377
<b>Total liabilities</b>	<b>878 369</b>	<b>3 972 659</b>	<b>3 577 092</b>	<b>8 428 120</b>	<b>8 428 120</b>
<b>Gap</b>	<b>1 450 959</b>	<b>(1 626 411)</b>	<b>127 081 355</b>	<b>126 905 903</b>	<b>126 905 903</b>
<b>Cumulative Gap</b>	<b>1 450 959</b>	<b>(175 452)</b>	<b>126 905 903</b>	<b>-</b>	<b>-</b>





## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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### 35. Financial risk management (Continued)

#### Market risk management (Continued)

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control exposures within acceptable parameters, while optimising the return on risk. Overall responsibility for managing market risk rests with the Directors. Management is responsible for the development of detailed risk management policies (subject to review by the Directors) and for the day to day implementation of those policies. The Group policy is to only hedge open positions on hard currencies. Due to the volatility in currencies, hedging is either not available or prohibitively expensive. In such circumstances, the focus is to obtain local funding in local currency.

#### 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.

The tables below indicate all interest-bearing financial borrowings and all interest-bearing financial assets (excluding other receivables and trade and other payables) at fixed and variable rates:

<b>SEPARATE</b> <b>31 March 2023</b>	<b>Up to</b> <b>6 months</b>	<b>6 to 12</b> <b>Months</b>	<b>Over</b> <b>1 Year</b>	<b>Total</b>	<b>Carrying</b> <b>Value</b>
<b>Assets</b>					
Bank balances and cash	3 708 071	-	-	3 708 071	3 708 071
Investment in government securities	-	16 918	1 389 737	1 406 655	1 406 655
<b>Total financial assets</b>	<b>3 708 071</b>	<b>16 918</b>	<b>1 389 737</b>	<b>5 114 726</b>	<b>5 114 726</b>
<b>Liabilities</b>					
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap</b>	<b>3 708 071</b>	<b>16 918</b>	<b>1 389 737</b>	<b>5 114 726</b>	<b>5 114 726</b>
<b>Cumulative Gap</b>	<b>3 708 071</b>	<b>3 724 989</b>	<b>5 114 726</b>	<b>-</b>	<b>-</b>

<b>SEPARATE</b> <b>31 March 2022</b>	<b>Up to</b> <b>6 months</b>	<b>6 to 12</b> <b>Months</b>	<b>Over</b> <b>1 Year</b>	<b>Total</b>	<b>Carrying</b> <b>Value</b>
<b>Assets</b>					
Bank balances and cash	2 127 509	2 127 509	-	4 255 018	4 255 018
Investment in government securities	-	16 918	1 330 458	1 347 376	1 347 376
<b>Total financial assets</b>	<b>2 127 509</b>	<b>2 144 427</b>	<b>1 330 458</b>	<b>5 602 394</b>	<b>5 602 394</b>
<b>Liabilities</b>					
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Gap</b>	<b>2 127 509</b>	<b>2 144 427</b>	<b>1 330 458</b>	<b>5 602 394</b>	<b>5 602 394</b>
<b>Cumulative Gap</b>	<b>2 127 509</b>	<b>4 271 936</b>	<b>5 602 394</b>	<b>-</b>	<b>-</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

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### 35. Financial risk management (Continued)

#### Market risk management (Continued)

#### Interest rate risk management (Continued)

<b>CONSOLIDATED</b>	<b>Up to 6 months</b>	<b>6 to 12 Months</b>	<b>Over 1 Year</b>	<b>Total</b>	<b>Carrying Value</b>
<b>31 March 2023</b>					
<b>Assets</b>					
Bank balances and cash	3 718 022	-	-	3 718 022	3 718 022
Investment in government securities	-	16 918	1 389 737	1 406 655	1 406 655
<b>Total financial assets</b>	<b>3 718 022</b>	<b>16 918</b>	<b>1 389 737</b>	<b>5 124 677</b>	<b>5 124 677</b>
<b>Liabilities</b>					
Borrowings	-	4 153 502	2 433 575	6 587 077	6 587 077
<b>Total liabilities</b>	<b>-</b>	<b>4 153 502</b>	<b>2 433 575</b>	<b>6 587 077</b>	<b>6 587 077</b>
<b>Gap</b>	<b>3 718 022</b>	<b>(4 136 584)</b>	<b>(1 043 838)</b>	<b>(1 462 400)</b>	<b>(1 462 400)</b>
<b>Cumulative Gap</b>	<b>3 718 022</b>	<b>(418 562)</b>	<b>(1 462 400)</b>	<b>-</b>	<b>-</b>
<b>31 March 2022</b>					
<b>Assets</b>					
Bank balances and cash	2 195 285	2 195 286	-	4 390 571	4 390 571
Investment in government securities	-	16 918	1 330 458	1 347 376	1 347 376
<b>Total financial assets</b>	<b>2 195 285</b>	<b>2 212 204</b>	<b>1 330 458</b>	<b>5 737 947</b>	<b>5 737 947</b>
<b>Liabilities</b>					
Borrowings	-	3 094 285	3 577 092	6 671 377	6 671 377
<b>Total liabilities</b>	<b>-</b>	<b>3 094 285</b>	<b>3 577 092</b>	<b>6 671 377</b>	<b>6 671 377</b>
<b>Gap</b>	<b>2 195 285</b>	<b>(882 081)</b>	<b>(2 246 634)</b>	<b>(933 430)</b>	<b>(933 430)</b>
<b>Cumulative Gap</b>	<b>2 195 285</b>	<b>1 313 2014</b>	<b>933 430)</b>	<b>-</b>	<b>-</b>

#### Interest rate sensitivity analysis

The following table illustrates sensitivity of profit to a reasonably possible change in interest rates of +/- 5% (2022: +/- 5%). These changes are considered reasonable based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	<b>Profit for the year</b>	
	<b>+5%</b>	<b>-5%</b>
<b>31 March 2023</b>	334 649	(334 649)

If interest rates go up, the parent company Press Trust will be able to bail out the group.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 35. Financial risk management (Continued)

#### Market risk management (Continued)

##### Foreign currency risk management

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Management has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency.

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.

The Group has a foreign subsidiary, Press Trust Oversees Limited and investment in oil and Gas with Fortessa.

The table below indicates assets that are denominated in foreign currency as at year end:

	<u>SEPARATE</u>	<u>CONSOLIDATED</u>
Cash and cash equivalents (USD)	241	4 615
Investment in subsidiary (USD)	2 709 168	-
Investment in oil and Gas (USD)	928 562	928 562

##### Foreign currency rate sensitivity analysis

The following table illustrates the sensitivity of profit in relating to the Group's financial assets and the USD/MWK exchange rate 'all other things being equal'. It assumes a +/- 10% change of the USD/MWK exchange rate for the year ended at 31 December 2022. This percentage has been determined based on the average market volatility in exchange rates and the devaluation of the Malawi Kwacha against the major currencies of the world of 25% which happened in May 2022. The sensitivity analysis is based on the Group's financial assets that are denominated in foreign currency held at the reporting date and effects from changes in currency exchange rates.

	<b>Profit for the year</b>	
	+10%	-10%
<b>31 March 2023</b>		
Cash and cash equivalents (USD)	24 815	(24 815)
Investment in subsidiary (USD)	278 631	(278 631)
Investment in oil and Gas (USD)	95 500	(95 500)

The Trust and the Group do not have liabilities denominated in foreign currency as at 31 March 2023. The Trust and the Group stand to gain from any devaluation of the Malawi Kwacha against the United States Dollar. Looking at the economy in Malawi and the history, the Kwacha is more likely to devalue than to gain.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 36. Classification of financial instruments and fair value measurements

Classification of financial instruments

The Group carries its financial instruments as fair value through other comprehensive income (listed and unlisted equity investments) and others at amortised cost (receivables, payables, borrowings and cash).

Below is a table showing financial instruments by category:

	Carrying amount	Amortised cost	Fair value Through OCI	Total
<b>SEPARATE</b>				
<b>31 March 2023</b>				
<b>Assets</b>				
Listed equity investments	147 560 527	-	147 560 527	147 560 527
Unlisted equity investments	3 668 147	-	3 668 147	3 668 147
Investment in government securities	1 406 655	1 406 655	-	1 406 655
Investment in Oil/Gas	966 394	966 394	-	966 394
Receivables and prepayments	242 010	242 010	-	242 010
Cash and cash equivalents	3 708 071	3 708 071	-	3 708 071
<b>Total</b>	<b>157 551 804</b>	<b>6 323 130</b>	<b>151 228 674</b>	<b>157 551 804</b>
<b>Liabilities</b>				
Trade and other payables	225 295	225 295	-	225 295
<b>Total</b>	<b>225 295</b>	<b>225 295</b>	<b>-</b>	<b>225 295</b>
<b>SEPARATE</b>				
<b>31 March 2022</b>				
<b>Assets</b>				
Listed equity investments	123 918 471	-	123 918 471	123 918 471
Unlisted equity investments	3 038 996	-	3 038 996	3 038 996
Investment in government securities	1 347 376	1 347 376	-	1 347 376
Receivables and prepayments	86 583	86 583	-	86 583
Cash and cash equivalents	4 255 018	4 255 018	-	4 255 018
<b>Total</b>	<b>132 646 444</b>	<b>5 688 977</b>	<b>126 957 467</b>	<b>132 646 444</b>
<b>Liabilities</b>				
Trade and other payables	147 008	147 008	-	147 008
<b>Total</b>	<b>147 008</b>	<b>147 008</b>	<b>-</b>	<b>147 008</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 36. Classification of financial instruments and fair value measurements (Continued)

#### Classification of financial instruments (Continued)

	<u>Carrying amount</u>	<u>Amortised cost</u>	<u>Fair value Through OCI</u>	<u>Total</u>
<b>CONSOLIDATED</b>				
<b>31 March 2023</b>				
<b>Assets</b>				
Receivables and prepayments	413 308	413 308	-	413 308
Bank balances and cash	3 718 022	3 718 022	-	3 718 022
Investment in Oil/Gas	966 394	966 394	-	966 394
Investment in government securities	1 406 655	1 406 655	-	1 406 655
Funds held by brokers	340	340	-	340
Listed investments	150 346 845	-	150 346 845	150 346 845
Unlisted investments	3 668 267	-	3 668 267	3 668 267
<b>Total</b>	<b>160 519 831</b>	<b>6 504 719</b>	<b>154 015 112</b>	<b>160 519 831</b>
<b>Liabilities</b>				
Trade and other payables	3 434 104	3 434 104	-	3 434 104
Borrowings	6 587 077	6 587 077	-	6 587 077
<b>Total</b>	<b>10 021 181</b>	<b>10 021 181</b>	<b>-</b>	<b>10 021 181</b>
<b>CONSOLIDATED</b>				
<b>31 March 2022</b>				
<b>Assets</b>				
Receivables and prepayments	268 087	268 087	-	268 087
Bank balances and cash	4 390 571	4 390 571	-	4 390 571
Funds held by brokers	311	311	-	311
Investment in government securities	1 347 376	1 347 376	-	1 347 376
Listed investments	126 288 562	-	126 288 562	126 288 562
Unlisted investments	3 039 116	-	3 039 116	3 039 116
<b>Total</b>	<b>135 334 023</b>	<b>6 006 345</b>	<b>129 327 678</b>	<b>135 334 023</b>
<b>Liabilities</b>				
Trade and other payables	1 756 743	1 756 743	-	1 756 743
Borrowings	6 671 377	6 671 377	-	6 671 377
<b>Total</b>	<b>8 428 120</b>	<b>8 428 120</b>	<b>-</b>	<b>8 428 120</b>

#### Fair value measurements

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

##### Level 1

Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity and debt investments classified as trading securities or available-for-sale.

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 36. Classification of financial instruments and fair value measurements (Continued)

#### Fair value measurements (Continued)

##### Level 2:

Inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

##### Level 3:

Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rate, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

#### Objective

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple over-the-counter derivatives such as interest rate swaps.



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 36. Classification of financial instruments and fair value measurements (Continued)

#### Fair value measurements (Continued)

Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values, depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets. The Group's valuation methodology for securities uses a discounted cash flow methodology and dividend discount methodology. The methodologies are often used by market participants to price similar securities.

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.

Fair value of listed investments is based on the values listed on the Malawi Stock exchange Market where they are listed.

Fair value of unlisted investments and investment in subsidiary is based on the recent results of the unlisted investments.

Fair value of land and buildings is based on the markets for similar assets as indicated by a third-party valuer.

	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>SEPARATE</b>					
<b>31 March 2023</b>					
<b>Financial assets</b>					
Listed equity investments	147 560 527	147 560 527	-	-	147 560 527
Unlisted equity investments	3 668 147	3 668 147	-	-	3 668 147
<b>Total financial assets</b>	<b>151 228 674</b>	<b>151 228 674</b>	<b>-</b>	<b>-</b>	<b>151 228 674</b>
<b>Other assets</b>					
Investment in subsidiary	2 784 745	2 784 745	-	-	2 784 745
<b>Total other assets</b>	<b>2 784 745</b>	<b>2 784 745</b>	<b>-</b>	<b>-</b>	<b>2 784 745</b>
<b>SEPARATE</b>					
<b>31 March 2022</b>					
<b>Financial assets</b>					
Listed equity investments	123 918 471	123 918 471	-	-	123 918 471
Unlisted equity investments	3 038 996	3 038 996	-	-	3 038 996
<b>Total financial assets</b>	<b>126 957 467</b>	<b>126 957 467</b>	<b>-</b>	<b>-</b>	<b>126 957 467</b>
<b>Other assets</b>					
Investment in subsidiary	2 376 245	2 376 245	-	-	2 376 245
<b>Total other assets</b>	<b>2 376 245</b>	<b>2 376 245</b>	<b>-</b>	<b>-</b>	<b>2 376 245</b>



## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

In thousands of Malawi Kwacha

### 36. Classification of financial instruments and fair value measurements (Continued)

#### Fair value measurements (Continued)

	<u>Carrying amount</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>CONSOLIDATED</b>					
<b>31 March 2023</b>					
<b>Financial assets</b>					
Listed equity investments	150 346 845	150 346 845	-	-	150 346 845
Unlisted equity investments	3 668 267	-	3 668 267	-	3 668 267
<b>Total financial assets</b>	<b>154 015 112</b>	<b>154 346 845</b>	<b>3 668 267</b>	<b>-</b>	<b>154 015 112</b>
<b>CONSOLIDATED</b>					
<b>31 March 2022</b>					
<b>Financial assets</b>					
Listed equity investments	126 288 562	126 288 562	-	-	126 288 562
Unlisted equity investments	3 039 116	-	3 039 116	-	3 039 116
<b>Total financial assets</b>	<b>129 327 678</b>	<b>126 288 562</b>	<b>3 039 116</b>	<b>-</b>	<b>129 327 678</b>

### 37. 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			Base lending rate
			2 months	3 months	6 months	
31 <sup>st</sup> March 2022	817.30	14.10%	4.25%	4.00%	4.00%	13.3%
31 <sup>st</sup> March 2023	1 023.00	14.10%	4.25%	4.00%	3.00%	12.2%
10 <sup>th</sup> July 2023	1 053.00	23.50%	4.50%	5.00%	5.50%	13.9%

Date	K/USD	National rate of inflation	Fixed deposit interest rates			Base lending rate
			2 months	3 months	6 months	
31 <sup>st</sup> March 2021	736.7058	9.80%	5.50%	5.25%	3.00%	12.2%
31 <sup>st</sup> March 2022	817.3026	14.10%	4.25%	4.00%	3.00%	12.2%
29 <sup>th</sup> July 2023	1 026.2494	23.5%	4.50%	5.00%	5.50%	13.9%

At the time of signing these financial statements the exchange rate for 1USD to MWK and the inflation rate were as follows:

Exchange rate	MK1 083.00
Inflation rate	27.7%

### 38. Contingent liabilities

There were no contingent liabilities as at the reporting date.





## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONTINUED)

**For the year ended 31 March 2023**

*In thousands of Malawi Kwacha*

### 39. Events after the reporting date

#### Listed equity investments

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

	<u>10 July 2023</u>	<u>31 March 2023</u>	<u># of shares</u>
	Kwacha per share	Kwacha per share	
Press Corporation Plc	2 181.26	2 181.30	56 662 203
Standard Bank Malawi Plc	2 350.02	2 200.60	5 441 594
Blantyre Hotels Plc	10.06	10.96	220 864 920
National Bank of Malawi Plc	2 050.00	1 766 .29	4 269 708
Icon Properties Plc	<u>18.99</u>	<u>11.89</u>	<u>170 418 000</u>

The share price movements have resulted in a net fair value gain of **K3.033 million** in the current year (2022: K18 999 million).

The net fair value gain have occurred as follows:

	<u>10 July 2023</u>
Press Corporation Plc	(2 266)
Standard Bank Malawi Plc	813 083
Blantyre Hotels Plc	(198 778)
National Bank of Malawi Plc	1 211 359
Icon Properties Plc	<u>1 209 968</u>
Total net fair value gain/(losses)	<u>3 033 366</u>

These do not have any adjusting effect on the current financial statements.

#### Amendment of the Press Trust Reconstruction Act

The Press Trust Reconstruction Act was amended effective 1 April 2023, and none of the changes affect the balances reported in the 31 March 2023 financial statements.

There are no events that have occurred, subsequent to the reporting date necessitating adjustment to or disclosure in these consolidated and separate financial statements other than those indicated above.

## NOTES

A series of horizontal dotted lines for writing notes, set against a background of a blurred outdoor scene with green foliage and a person in a colorful patterned shirt.



## **CONTACT INFORMATION**

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