

Telephone: + 265 1 770 700  
Facsimile: +265 1 773 071  
+265 1 776 125  
+265 1 774 138

All Communications should be addressed to:  
National Audit Office



In reply please quote No. ....

NATIONAL AUDIT OFFICE  
P.O. BOX 30045  
CAPITAL CITY  
LILONGWE 3  
MALAWI

## **AUDITOR GENERAL'S REPORT TO THE PRINCIPAL OF KUHES ON THE FINANCIAL STATEMENTS OF AFRICA CENTRE OF EXCELLENCE IN PUBLIC HEALTH AND HERBAL MEDICINE (ACEPHEM) FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

### **Opinion**

I have audited the accompanying Financial Statements of the Africa Centre of Excellence in Public Health and Herbal Medicine (ACEPHEM) for the year ended 30<sup>th</sup> June, 2021 comprising of Statement of Financial Position, Statement of Receipts and Payments and Notes to the Financial Statements for the period then ended as set out on pages 10 to 25.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the ACEPHEM Project as at 30<sup>th</sup> June, 2021 in accordance with the Donor terms of agreement and financial provisions.

### **Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the ACEPHEM Project and the Kamuzu University of Health Sciences in accordance with the International Standards of Supreme Audit Institutions 30 - *Code of ethics* (ISSAI 30) as promulgated by the International Organisation of Supreme Audit Institutions (INTOSAI), and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there is no need to communicate key audit matters in my report due the nature of the audited entity.

### **The ACEPHEM Project Management's Responsibility for the Project's Financial Statements**

The ACEPHEM Project Management is responsible for the preparation and fair presentation of the financial statements in accordance with Donor terms of agreement and financial provisions, and for such internal control as they determine is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Project's Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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 Project's Financial Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the 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 my 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

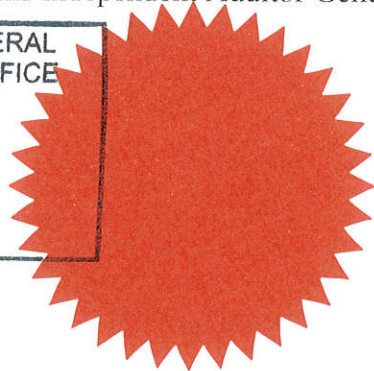
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

The engagement auditor on the audit resulting in this Independent Auditor General's report is:

Signature:  THE AUDITOR GENERAL  
NATIONAL AUDIT OFFICE  
31 JAN 2022  
P.O. BOX 30045  
LILONGWE 3



THOMAS K.B. MAKIWA  
ACTING AUDITOR GENERAL  
NATIONAL AUDIT OFFICE  
LILONGWE  
MALAWI

Date: 31<sup>ST</sup> JANUARY 2022



**UNIVERSITY OF MALAWI-COLLEGE OF MEDICINE  
AFRICA CENTRE OF EXCELLENCE IN PUBLIC HEALTH AND  
HERBAL MEDICINE (ACEPHEM)**

**PROJECT NUMBER : ACEH 048  
CREDIT NUMBER : IDA  
GRANT NUMBER : (P151847)**

**SECTOR : HEALTH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**Table of Contents**

Controlling Officer’s Report.....	3
Statement of Management Responsibilities.....	6
Auditor General’s report.....	7
Statement of Financial Position.....	11
Statement of Receipts and Payments.....	12
Designated Account Statement.....	14
Statement of Sources and Uses of Funds.....	15
Notes to the Financial Statements.....	15

## **Controlling Officer's Report For the year ended 30 June 2021**

### **1. Project Background and Description**

The African region is faced with a double burden of communicable and non-communicable diseases. Diseases such as malaria, tuberculosis, HIV and AIDS and neglected tropical diseases (NTD) as well as physical injuries, cardiovascular diseases and diabetes cause significant morbidity and mortality on the continent. Further, Africa is urbanizing quickly to the extent that the proportion of countries with 20% or more of their population living in urban areas is increasing. Urban areas are suffering from communicable diseases such as those related to water, sanitation and hygiene (WASH) as well as non-communicable diseases associated with smoking, alcohol, lack of physical activity, improper diets, stress, obesity and illicit drug use. Disparities between the wealthy and the poor contribute to the deteriorating health status of communities.

Natural products (e.g. herbs) are a source of many medicines even though there is increased prominence of synthetic medicines. The current drug of choice for malaria in Malawi, i.e. Artemisinin-combination drugs resulted from herbal medicine research. The growing antimicrobial resistance globally also calls for alternative effective therapies, some of which may have origins from herbs. While these herbal remedies may be used, often, the dosage and toxicity remain undetermined for many natural remedies. Heavy metal contamination for instance, is an important concern so is modern drug-herbal interactions that may negatively affect the health of users. In order to increase Malawi's capacity to train postgraduate students in public health and herbal medicine, Africa Centre of Excellence in Public Health and Herbal Medicine (ACEPHEM) was established.

The Africa Centre of Excellence in Public Health and Herbal Medicine (ACEPHEM) is a government of Malawi project that is being financed by World Bank through the IDA (International Development Association). The project's implementation start date is 26<sup>th</sup> May, 2016 and was declared effective on 30<sup>th</sup> September, 2016. The closing date of the project is 31<sup>st</sup> December, 2022.

### **2. Project Objectives**

The ACEPHEM aims are to:

1. Build education capacity through training at the MSc, MMED (Master in Medicine) and MPhil/PhD levels in Public Health and Herbal Medicine for Malawi and the Eastern and Southern Africa region. The Centre will establish basic and applied research programs for African scientists

in collaboration with relevant researchers from outside the region to engage in high-impact (research) projects in urban public health on the one hand and herbal medicine in collaboration with traditional healers on the other.

2. Develop the human capacity for herbal medicine in practice, research, identification and industrialization. Such human capacity development will further contribute to the training and education of themselves, others, engage in multi-disciplinary endeavours of teaching, learning and research and establish linkages or networks with colleagues in the region and elsewhere as well as rural communities from which many herbs are obtained
3. Engage sustainably with various stakeholders including the private sector and civil society.

### 3. Project Activities

The project engages in the following:

- Train MSc/MPhil/MMED students in urban public health/herbal medicine
- Train PhD students in fields that are relevant to public health (e.g. adolescent health, and herbal medicine)
- Conduct research in public health practice
- Build the capacity of partner research and academic institutions in urban, public health and herbal medicine
- Upgrade the center’s premises for office space, teaching and meeting venues
- Conduct short term training workshops, support publications in peer-reviewed journals,
- Implement faculty and student exchanges
- Network with traditional healers and industry to commercialize products with the potential for the market

### 4. Project Achievement

	Indicators		Year 4 (July 2020 to June 2021)		Cumulative (from July 2017 to June 2021)		
			Target	Actual	Target	Actual	% achieved
PDO	1. Regional students enrolled in ACEs: (i) Masters (No. of Female) (ii)	Masters (Total)	0	0	52	14	27%
		Masters (Female)	0	0	24	8	33%
		PhD (Total)	0	0	10	3	30%
		PhD (Female)	0	0	4	1	25%

ACEPHEM

PROJECT IDENTITY NUMBER-ACEII 048

INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –

GRANT NUMBER: P151847

	PhD (No. of female)	Short-term courses (Total)	52	1	208	212	102%
		Short-term courses (Female)	No target	1	No target	109	
	2. Students (national and regional) enrolled in ACEs: (i) Masters (No. of female) (ii) PhD (No. of female)	Masters (Total)	0	0	127	98	77%
		Masters (Female)	0	0	60	42	70%
		PhD (Total)	0	0	26	19	73%
		PhD (Female)	0	0	12	4	33%
		Short-term courses (Total)	126	71	504	1202	238%
		Short-term courses (Female)	No target	38	No target	550	
	3. MOUs on partnerships for collaboration in applied research and training entered into by the ACEs		2	0	11	12	109%
	4. Accredited education programs offered by the ACEs	Total	0	0	11	0	0%
		National	0	0	7	25	357%
		Regional	0	0	2	0	0%
		International	0	0	2	0	0%
		Short-term Courses	0	0	0	0	
	5. Direct Project Beneficiaries (of which female)	Total	128	71	667	1339	201%
		Female No.	1	38	No target	604	
		Female (%)	1%	54%	No target	45%	
Component 1	1. Faculty and PhD	Total	2	0	10	20	200%
		Female	1	0	4	8	200%



ACEPHEM  
 PROJECT IDENTITY NUMBER-ACEII 048  
 INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
 GRANT NUMBER: P151847

students exchanges to promote research and teaching (No. of female)							
2. Amount of externally generated revenue by the ACEs		360,000	4,785	900,000.00	904,785.00		101%
3. Internationally recognized research publications in disciplines supported by the ACE Program and with regional co-authors	Total	2	16	20	33		165%
	No. co-authored with regional collaborators.	0	6	9	19		211%

*Mac*

.....  
**Prof Mac Mallewa**  
**Acting Vice Chancellor**  
**Kamuzu University of Health Sciences**

Date *8 Feb 2022* .....

**Statement of Management Responsibilities  
For The Year Ended 30 June 2021**

The management of ACEPHEM is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the project as at the end of the financial year/period and of the operating results for that year.

The management is also required to ensure that the project keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the project and enable them to ensure that the financial statements comply with the financial agreements and statutes.

In preparing the financial statements the management accepts responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgment and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards when preparing the consolidated financial statements, subject to any material departures being disclosed and explained in the consolidated financial statements.

The management also accepts responsibility for taking such steps as are reasonably open to them to safeguard the assets of the project and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities

The management is of the opinion that the financial statements give a true and fair view of the financial affairs of the project and of its operating results.

The financial statements have been approved by the College of Medicine and are signed on its behalf by:



.....  
Prof. M. Mallewa  
**The Acting Vice Chancellor,  
Kamuzu University of Health Science (KUHeS)  
Science (KUHeS)**



.....  
Prof. A. Muula  
**ACEPHEM Director- Malawi  
Kamuzu University of Health**

Telephone: +265 1 770 700  
Facsimile: +265 1 773 071  
+265 1 776 125  
+265 1 774 138

All Communications should be addressed to:  
National Audit Office



In reply please quote No. ....

NATIONAL AUDIT OFFICE  
P.O. BOX 30045  
CAPITAL CITY  
LILONGWE 3  
MALAWI

**AUDITOR GENERAL'S REPORT TO THE PRINCIPAL OF KUHES ON THE FINANCIAL STATEMENTS OF AFRICA CENTRE OF EXCELLENCE IN PUBLIC HEALTH AND HERBAL MEDICINE (ACEPHEM) FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2021**

**Opinion**

I have audited the accompanying Financial Statements of the Africa Centre of Excellence in Public Health and Herbal Medicine (ACEPHEM) for the year ended 30<sup>th</sup> June, 2021 comprising of Statement of Financial Position, Statement of Receipts and Payments and Notes to the Financial Statements for the period then ended as set out on pages 10 to 25.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the ACEPHEM Project as at 30<sup>th</sup> June, 2021 in accordance with the Donor terms of agreement and financial provisions.

**Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the ACEPHEM Project and the Kamuzu University of Health Sciences in accordance with the International Standards of Supreme Audit Institutions 30 - *Code of ethics* (ISSAI 30) as promulgated by the International Organisation of Supreme Audit Institutions (INTOSAI), and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined that there is no need to communicate key audit matters in my report due the nature of the audited entity.

**The ACEPHEM Project Management's Responsibility for the Project's Financial Statements**

The ACEPHEM Project Management is responsible for the preparation and fair presentation of the financial statements in accordance with Donor terms of agreement and financial provisions, and for such internal control as they determine is necessary to enable the preparation of financial

statements that are free from material misstatement, whether due to fraud or error. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibilities for the Audit of the Project's Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) 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 Project's Financial Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the 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 my 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

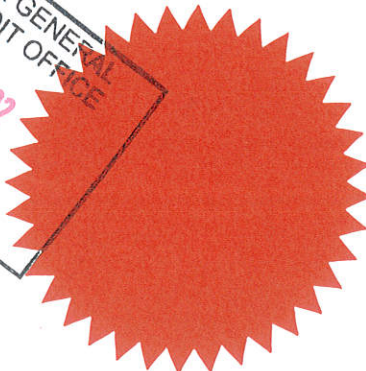
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes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

The engagement auditor on the audit resulting in this Independent Auditor General's report is:

Signature:.....

THOMAS K.B. MAKIWA  
ACTING AUDITOR GENERAL  
NATIONAL AUDIT OFFICE  
LILONGWE  
MALAWI

THE AUDITOR GENERAL  
NATIONAL AUDIT OFFICE  
31 JAN 2022  
P.O. BOX 30045  
LILONGWE 3



Date: 31ST JANUARY 2022

## **Notes to the Financial Statements For The Year Ended 30 June 2020**

### **1.0 Nature of Project**

Africa Centre of Excellence in Public Health and Herbal Medicine (ACEPHEM) is a government of Malawi project that is being financed by World Bank through the IDA. The project's implementation start date is 26<sup>th</sup> May, 2016 and was declared effective on 30<sup>th</sup> September, 2016. The closing date of the project is 4<sup>th</sup> October, 2021, and the application deadline is 31<sup>st</sup> December, 2022. The objects are: To build education capacity through training at the MSc, MMED (Master in Medicine) and MPhil/PhD levels in Public Health and Herbal Medicine for the Eastern and Southern Africa, to develop the human capacity for herbal medicine in practice, research, identification and industrialization and engage sustainably with various stakeholders including the private sector and civil society

### **2.0 Accounting Policies**

African Centre of Excellence for Public Health and Herbal Medicine (ACEPHEM) is using existing College of Medicine Accounting policies in the management of project funds. The guiding accounting policies are as hereunder;

#### **2.1 Basis of preparing the Accounts**

The Accounts have been prepared using the historical cost convention and on a cash basis. All receipts and expenses incurred in the period are reflected in the financial statements.

#### **2.2 Foreign Currency Translation**

Foreign currency translation for income and expenditure account items are converted using the actual exchange rate at the date of draw down. All local expenditures paid from the local accounts/currency are translated back to the US Dollar at the actual rate at which draw-down was converted at date of transfer from special account to local account. Where the expenditure cannot be fully met from the proceeds of a draw down and part of the expenditure should be met from the proceeds of the subsequent draw down, which may have come at a different rate, the conversion rate of the total expenditure from the local currency to the US dollar, is on First in First out (FIFO) basis. Thus, the preceding draw down should be exhausted, before the subsequent draw down. Current assets and special fund balances are translated using the rate at the closing date (Closing Rate Method). The closing exchange rate to one US Dollar was MK806.41 as at 30 JUNE 2021 and there was exchange gain or loss recognized during the year.

#### **2.4 Receipts**

These are stated at actual amounts drawn from the World Bank – Grant No. P151847 and IDA 56360 by way of Designated Account replenishment into the FMB Bank account and direct payments through FMB Local account.

**2.5 Interest Received**

Interest received from the two Designated Accounts and the Local account are recognized then credited into the account

**2.6 Taxation**

In accordance with financing agreements, all the project receipts are eligible to tax.

**2.7 Property, Plant and Equipment**

Capital expenditures are capitalized in the year they are incurred and provision for depreciation is made on all Non-Current Assets.

**2.8 Cash and cash equivalent**

Cash and cash equivalent comprises cash at hand and deposits with banks in local and foreign dominated currency.

**2.9 Financial risk management**

*2.9.1 Market risk*

*2.9.1.1 Foreign exchange risk*

The project operates wholly in Malawi; however its transactions are done in both Malawi Kwacha and United States dollars. The project receives its funding in United States dollars and the funds received are deposited in a US\$ dominated account, transfers to Malawi Kwacha are done only when fund are require for utilization. The project's presentation currency is United States dollars. The consequence of this is that the project does not have a significant exposure to foreign exchange risk.

*2.9.2 Cash flow and fair value interest rate*

As the project has no significant interest-bearing assets, the project's income and operating cash flows are substantially independent of changes in market interest rates.

*2.9.3 Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation to cause the other party to incur a financial loss. Financial assets, which potentially subject the project to credit risk, consist of principally of fixed and short notice bank depots. With regard to the bank deposit, the project manages this risk by placing bank deposits with high credit rating financial institutions. These are no independent financial positions, past experience and other factors as a selecting the financial institution.

**2.9.4 *Liquidity risk***

Liquidity risk is the risk that the project may not be able to meet its funding requirements. Liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. The project has received and committed sufficient cash resources from its donors to meet the budgeted costs of all project activities up to the end of the project.

**2.9.5 *Critical accounting estimates and judgments***

The project makes estimates and assumptions concerning the future. The resulting estimates will by definition rarely equal the related actual results. No significant estimates have been made in the current financial period.



ACEPHEM  
 PROJECT IDENTITY NUMBER-ACEII 048  
 INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA -  
 GRANT NUMBER: P151847

3. SCHEDULE OF NON CURRENT  
 ASSETS

ASSETS Property, Plant and Equipment	Land and Building	Motor Vehicle	Fixture and Fittings	Office Equipment	Computer	Total
Cost as at 01.07.2019	351,955,333	91,969,644	5,187,375	30,639,441	16,073,750	495,825,543
Additions in year 2020	-	-	-	3,428,899.98	-	3,428,900
At 30.06.2020	<u>351,955,333</u>	<u>91,969,644</u>	<u>5,187,375</u>	<u>34,068,341</u>	<u>16,073,750</u>	<u>499,254,443</u>
Cost as at 01.07.2020	351,955,333	91,969,644	5,187,375	34,068,341	16,073,750	499,254,443
Additions in year 2021	59,123,359	-	-	6,470,900.00	925,000.00	66,519,258.90
At 30.06.2021	<u>411,078,692</u>	<u>91,969,644</u>	<u>5,187,375</u>	<u>40,539,241</u>	<u>16,998,750</u>	<u>565,773,702</u>
30.06.2021	27,874,734	72,821,786	3,303,730	23,500,616	12,911,073	140,411,939
Closing balance as at 30/06/2021	<u>383,203,958</u>	<u>19,147,858</u>	<u>1,883,645</u>	<u>17,038,626</u>	<u>4,087,678</u>	<u>425,361,764</u>

ACEPHEM  
 PROJECT IDENTITY NUMBER-ACEII 048  
 INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA -  
 GRANT NUMBER: P151847

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.0 Bank and Cash balances

	NOTE	2021 MKW	2021 USD	2020 MKW	2020 USD
FCDA Account (Designated Account)	10	274,288,762	340,138	347,335,755	470,832
FMB Bank - Local Account		45,680,538	56,647	7,300,845	9,897
		<u>319,969,299</u>	<u>396,785</u>	<u>354,636,600</u>	<u>480,729</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.0 Other Income : ACE PHEM

Date	Details	2021 MKW	2021 USD	2020 MKW	2020 USD
7/1/2020	TRNF07.2020	7,126,569	9,223	1,618,200	2,198
8/20/2020	TRNF08.03	7,168,976	9,277	7,025,734	9,545
11/30/2020	TRNF11.2020	3,650,073	4,724	7,025,734	9,545
3/19/2021	IUCEA03.21	3,759,102	4,865	1,305,792	1,774
4/22/2021	RC0000000054	168,000	217	3,525,137	4,789
<b>Totals: Other Income :</b>		<u>21,872,720</u>	<u>28,306</u>	<u>20,500,598</u>	<u>27,850</u>

**ACEPHEM**  
**PROJECT IDENTITY NUMBER-ACEII 048**  
**INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –**  
**GRANT NUMBER: P151847**

**NOTES TO THE FINANCIAL STATEMENTS**  
**(CONTINUED)**

**6.0 Debtors Transactions : ACE PHEM**

<b>Date</b>	<b>Reference</b>	<b>Details</b>	<b>MKW</b>	<b>USD</b>
12/16/2019	JM-EM01	Ernest Mokiwa	1,088,475	1,350
3/13/2020	SC1	SAM CHIKUNI	85,244	106
6/1/2021	342741	FUEL REIMBURSEMENT	1,100,979	1,365
<b>Totals: Debtors</b>			<b>2,274,698</b>	<b>2821</b>

**7.0 Exchange Gain: ACEPHEM**

<b>Date</b>	<b>Reference</b>	<b>Details</b>	<b>MKW</b>
7/31/2020	ACE01/2020	EXCHANGE GAIN	2,551,535
8/25/2020	ACE02/2020	EXCHANGE GAIN	2,158,810
9/25/2020	ACE03/2020	EXCHANGE GAIN	2,107,329
10/25/2020	ACE04/2020	EXCHANGE GAIN	1,504,609
11/25/2020	ACE05	EXCHANGE GAIN	1,438,400
11/30/2020	ACE 024	EXCHANGE GAIN	39,640
12/25/2020	ACE06/2020	EXCHANGE GAIN	1,582,449
1/25/2021	ACE07/2021	EXCHANGE GAIN	530,153
2/25/2021	ACE08/2021	EXCHANGE GAIN	4,466,795
3/25/2021	ACE09/2021	EXCHANGE GAIN	1,744,184
4/25/2021	ACE10/2021	EXCHANGE GAIN	3,527,454
5/25/2021	ACE11/2021	EXCHANGE GAIN	1,832,323
6/25/2021	ACE12/2021	EXCHANGE GAIN	7,674,257
<b>Totals: Exchange Gain: ACEPHEM 2021</b>			<b>31,157,937</b>

**Note 8. Bank Interest**

<b>Date</b>	<b>Reference</b>	<b>Details</b>	<b>MKW</b>	<b>USD</b>
10/31/2020	INT07.2020	INTEREST RECEIVED	121,857.64	157.70
10/31/2020	INT08.2020	INTEREST RECEIVED	117,889.83	152.56
10/31/2020	TINT09.2020	INTEREST RECEIVED	103,472.30	133.90
10/31/2020	INT10.2020	INTEREST RECEIVED	68,844.93	89.09
10/31/2020	INT11.2020	INTEREST RECEIVED	64,892.73	83.98
10/31/2020	INT12.2020	INTEREST RECEIVED	95,532.68	123.63
10/31/2020	INT01.2021	INTEREST RECEIVED	131,109.07	169.67
10/31/2020	INT02.2021	INTEREST RECEIVED	117,566.25	152.14
10/31/2020	INT03.2021	INTEREST RECEIVED	119,647.06	154.84
10/31/2020	INT04.2021	INTEREST RECEIVED	117,727.59	152.35
10/31/2020	INT05.2021	INTEREST RECEIVED	113,929.31	147.44
10/31/2020	INT06.2021	INTEREST RECEIVED	106,985.78	138.45
<b>Totals: Interest received :</b>			<b>1,279,455</b>	<b>1,656</b>

**ACEPHEM**  
**PROJECT IDENTITY NUMBER-ACEII 048**  
**INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –**  
**GRANT NUMBER: P151847**

**9.0. FUNDS MOVEMENT IN THE DESIGNATED**  
**ACCOUNT - ACEPHEM FCDA**

		2021	2021
		MKW	USD
<b>Receipts</b>			
<b>0701/2020</b>	<b>Balance brought forward</b>	<b>(347,336,055)</b>	<b>(470,832)</b>
		-	
10/26/2020	IDA	(208,128,364)	(274,985)
12/18/2020	IDA	(286,569,276)	(371,333)
	<b>SUB-TOTAL</b>	<b>(494,697641)</b>	<b>(640,194)</b>
7/1/2020	IUCEA STIPENDS RECEIVED	(7,126,569)	(9,590)
8/20/2020	IUCEA STIPENDS RECEIVED	(7,168,976)	(9,585)
11/30/2020	IUCEA STIPENDS RECEIVED	(3,650,073)	(4,785)
3/19/2021	IUCEA STIPENDS RECEIVED	(3,759,102)	(4,785)
3/19/2021	IUCEA STIPENDS RECEIVED	(168,000)	(271)
	<b>SUB-TOTAL</b>	<b>(21,872,720))</b>	<b>(28,306)</b>
	<b>Total</b>	<b>(863,738,416)</b>	<b>(1,145,895)</b>
<b>Transfer to operating Account</b>			
8/6/2020	Transfer from 6438165 to 6439	22,658,307	30,500
9/4/2020	Transfer from 6438165 to 6439	37,478,960	50,000
10/9/2020	Transfer from 6438165 to 6439	22,635,906	30,000
10/29/2020	Transfer from 6438165 to 6439	83,216,155	110,000
11/18/2020	Transfer from 6438165 to 6439	37,974,055	50,000
12/9/2020	Transfer from 6438165 to 6439	24,078,225	31,580
12/15/2020	Transfer from 6438165 to 6439	22,962,669	30,000
1/22/2021	Transfer from 6438165 to 6439	32,019,900	41,458
2/24/2021	Transfer from 6438165 to 6439	41,422,704	52,903
5/11/2021	Transfer from 6438165 to 6439	35,955,000	45,000
6/30/2021	Transfer from 6438165 to 6439	47,555,204	59,000
	<b>Total</b>	<b>407,957,084</b>	<b>530,440</b>

**ACEPHEM**  
**PROJECT IDENTITY NUMBER-ACEII 048**  
**INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –**  
**GRANT NUMBER: P151847**

**10.0 WORLD BANK FUNDING FOR THE PERIOD**

		2021	2021	2020	2020
		MKW	USD	MKW	USD
<b>Receipts</b>					
0701/2020	Balance brought forward	362,168,174	468,686	7,245,483	9,843
10/26/2020	IDA / WORLD BANK FUNDS	208,128,364	269,341.26	137,097,725	186,249
12/18/2020	IDA / WORLD BANK FUNDS	286,569,276	370,852.52	176,786,462	240,166
01/18/2020	IDA / WORLD BANK FUNDS	-	-	662,978,720	900,664
		<u>494,697,641</u>	<u>640,194</u>	<u>976,862,907</u>	<u>1,327,080</u>
	TOTAL FOR THE YEAR				
	<b>Total</b>	<b>856,865,815</b>	<b>1,108,879</b>	<b>984,108,390</b>	<b>1,336,923</b>

ACEPHEM  
PROJECT IDENTITY NUMBER-ACEII 048  
INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
GRANT NUMBER: P151847

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.0 SCHEDULE OF CAPITAL AND  
GENERAL FUNDS

	2021	2,021	2,020	2,020
	MKW	USD	MKW	USD
<b>CAPITAL FUNDS</b>				
Net Non-Current Assets	425,361,764	527,479	440,937,119	597,714
Less: Revaluation	<u>8,200,635</u>	<u>10,169</u>	<u>8,200,635</u>	<u>11,116</u>
<b>Total</b>	<b><u>417,161,128</u></b>	<b><u>517,310</u></b>	<b><u>432,736,484</u></b>	<b><u>586,598</u></b>

	2021	2,021	2,020	2,020
	MKW	USD	MKW	USD
<b>GENERAL FUNDS</b>				
Surplus for the year	308,644,315	382,739	368,334,019	499,097.59
Cumulative surplus (Deficit)	<u>11,375,202</u>	<u>14,106</u>	<u>(10,658,387)</u>	<u>(14,249)</u>
<b>Total</b>	<b><u>320,019,518</u></b>	<b><u>396,845</u></b>	<b><u>357,675,632</u></b>	<b><u>484,849</u></b>

The revaluation amount is a prior year carried forward figure. The revaluation motor vehicles was carried out by Plant and vehicle Hire and Engineering Services and for the other Plant, Property (PVHES) and Equipment was done by Malawi University of Business and Applied Sciences (MUBAS).

The current year presentation is different from prior year in order to enhance a better presentation in accordance with International Accounting Standard (IAS 1). Current presentation has included capital funds, general funds, funds for specific purpose and revaluation reserve.

**12.0 FUNDS FOR SPECIFIC PURPOSES**

The Consortium for Advanced Research Training in Africa (CARTA) focuses on enhancing public health and population wellbeing in Africa through stimulating and supporting multidisciplinary research and related activities in its African partner institutions. CARTA was established in 2008 in response to a myriad of factors, including the high interest in the enhanced production and utilization of research knowledge for evidence-based decision-making; and the urgent need for building and retaining research capacity in Africa. The activities of CARTA are similar to those of ACEPHEM and hence it collaborated with ACEPHEM to assist it to achieve its goals. Therefore, CARTA assist ACEPHEM in form of special funds for specific activities i.e. in areas

**ACEPHEM**  
**PROJECT IDENTITY NUMBER-ACEII 048**  
**INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –**  
**GRANT NUMBER: P151847**

**13.0. TOTAL BANK CHARGES**

**ACCOUNT - ACEPHEM FCDA AND LOCAL**

			<b>2021</b>	<b>2021</b>
			<b>MKW</b>	<b>USD</b>
8/20/2020	CHRG08	BANK CHARGES	77,194.58	100
8/31/2020	CHRG082020	BANK CHARGES	147.31	0
9/30/2020	CHG092020	BANK CHARGES	12,903.12	17
10/13/2020	CHRG10.20	BANK CHARGES	56,122.04	73
10/31/2020	CHRG102020	BANK CHARGES	105,093.21	136
11/30/2020	CHARG112020	BANK CHARGES	25,003.00	32
12/30/2020	CHRG122020	BANK CHARGES	81,006.00	105
1/26/2021	CHRG01.2021	BANK CHARGES	60,929.16	79
1/30/2021	CHG012021	BANK CHARGES	16,222.96	21
2/28/2021	CHG022021	BANK CHARGES	5,952.75	8
3/31/2021	CHG032021	BANK CHARGES	21,000.00	27
4/30/2021	CHRG042021	BANK CHARGES	28,500.00	37
5/31/2021	CHRG052021	BANK CHARGES	31,000.00	40
6/22/2021	CHRG06.2021.	BANK CHARGES	38,925.18	50
6/30/2021	CHRG062021	BANK CHARGES	15,000.00	19
Totals: Bank Charges :			574,999.31	744.00

ACEPHEM  
PROJECT IDENTITY NUMBER-ACEII 048  
INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
GRANT NUMBER: P151847

STATEMENT OF FINANCIAL  
POSITION  
AS AT 30 JUNE 2021

	NOTE	2021 MKW	2021 USD	2020 MKW	2020 USD
<b>ASSETS</b>					
Property, Plant and Equipment	3	<u>425,361,764</u>	<u>527,479</u>	<u>440,937,119</u>	<u>597,714</u>
<b>CURRENT ASSETS</b>					
Debtors	6	2,274,698	2,821	7,531,574	10,209
Cash and Bank	4	<u>319,969,299</u>	<u>396,785</u>	<u>354,636,600</u>	<u>480,729</u>
<b>Total Current Assets</b>		<u><b>322,243,997</b></u>	<u><b>399,606</b></u>	<u><b>362,168,174</b></u>	<u><b>490,938</b></u>
<b>TOTAL ASSETS</b>		<u><b>747,605,761</b></u>	<u><b>927,084</b></u>	<u><b>803,105,294</b></u>	<u><b>1,088,653</b></u>
<b>FUNDS, RESERVES AND LIABILITIES</b>					
<b>FUNDS AND RESERVES</b>					
Capital Funds	11	417,161,128	517,310	432,736,484	586,598
General Funds	11	320,019,518	396,847	357,675,632	484,849
Funds for specific purpose	12	(166,522)	(206)	-	-
Revaluation Reserves	11	<u>8,200,635</u>	<u>10,169</u>	<u>8,200,635</u>	<u>11,116</u>
<b>Total Equities and Reserves</b>		<u><b>745,214,759</b></u>	<u><b>924,119</b></u>	<u><b>798,612,751</b></u>	<u><b>1,082,563</b></u>
<b>CURRENT LIABILITIES</b>					
Taxes payable		<u>2,391,002</u>	<u>2,965</u>	<u>4,492,543</u>	<u>6,090</u>
<b>Total current liabilities</b>		<u><b>2,391,002</b></u>	<u><b>2,965</b></u>	<u><b>4,492,543</b></u>	<u><b>6,090</b></u>
<b>Total Equities and Liabilities</b>		<u><b>747,605,761</b></u>	<u><b>927,084</b></u>	<u><b>803,105,294</b></u>	<u><b>1,088,653</b></u>



ACEPHEM  
PROJECT IDENTITY NUMBER-ACEII 048  
INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
GRANT NUMBER: P151847

STATEMENT OF COMPREHENSIVE  
INCOME  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	2021 MKW	2021 USD	2020 MKW	2020 USD
<b>INCOME</b>					
Balance brought forward from 2020		362,168,174	468,686	7,245,483.00	9,843
World bank funds	10	494,697,641	640,194	976,862,907	1,336,923
Other income	5	21,872,720	28,306	20,500,598	33,426
Exchange gain	7	31,157,937	40,322	4,122,234	6,721
Bank interest	8	1,279,455	1,656	1,118,581	1,824
<b>TOTAL INCOME</b>		<b><u>911,175,927</u></b>	<b><u>1,179,163</u></b>	<b><u>1,009,849,802</u></b>	<b><u>1,378,894</u></b>
<b>EXPENDITURE</b>					
Developing a new MSc		439,983,115	569,387.09	373,863,575	609,578
Procurement of general use teaching material		36,127,463	46,752.95	50,657,395	82,596
Development of a core team		19,809,652	25,635.89	68,562,442	111,790
Vehicles Costs		5,264,018	6,812.22	4,885,649	7,966
Procurement and upgrading of teaching and learning facilities		7,395,900	9,571.12	3,428,900	5,591
Short courses		52,753,113	68,268	72,630,973	18,424
International conference presentation			-	8,550,871	13,942
Student exchange visit			-	5,167,856	8,426
Faculty exchange programs			-	8,291,342	13,519
Proposal development		7,990,600	10,340.73	-	-
Management meetings		27,287,804	35,313.45	29,922,458	48,788
Office Furnisher and Equipment		5,344,949	6,917	11,833,867	19,295

ACEPHEM  
PROJECT IDENTITY NUMBER-ACEII 048  
INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
GRANT NUMBER: P151847

Exchange Loss	-	-	957,494	1,561
Bank charges	<u>574,999</u>	<u>744</u>	<u>2,762,961</u>	<u>4,505</u>
<b>TOTAL EXPENDITURE</b>	<b><u>602,531,612</u></b>	<b><u>779,743</u></b>	<b><u>641,515,784</u></b>	<b><u>1,045,980</u></b>
<b>SURPLUS / DEFICIT)</b>	<b><u>308,644,315</u></b>	<b><u>399,420</u></b>	<b><u>368,334,019</u></b>	<b><u>600,562</u></b>
<b>REPRESENTED BY</b>				
Local Account	45,680,538	59,116	7,300,845	11,904
FCDA Account	274,288,762	354,960	347,335,755	566,325
Debtors / Cash Imprests	<u>2,274,698</u>	<u>2,943</u>	<u>7,531,574</u>	<u>12,280</u>
<b>TOTAL BANK</b>	<b><u>322,243,997</u></b>	<b><u>417,020</u></b>	<b><u>362,168,174</u></b>	<b><u>490,509</u></b>
Tax	2,391,002	3,094	4,492,543	7,325
Creditors	<u>11,208,680</u>	<u>14,505</u>	<u>(10,658,387)</u>	<u>(17,378)</u>
<b>TOTAL</b>	<b><u>13,599,682</u></b>	<b><u>17,600</u></b>	<b><u>(6,165,844)</u></b>	<b><u>(10,053)</u></b>
<b>GRAND TOTAL</b>	<b><u>308,644,315</u></b>	<b><u>399,420</u></b>	<b><u>368,334,019</u></b>	<b><u>600,562</u></b>

ACEPHEM  
 PROJECT IDENTITY NUMBER-ACEII 048  
 INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
 GRANT NUMBER: P151847

STATEMENT OF DESIGNATED  
 ACCOUNT FOR THE YEAR  
 ENDED 30 JUNE 2021

BANK NUMBER: 0006708000177,  
 FMB BANK

	NOTE	2021 MKW	2021 USD	2020 MKW	2020 USD
<b>Receipts</b>					
Balance brought forward from 2020		347,336,055	470,832	2,258,481	2,905
Cash Receipts	10	494,697,641	646,318	976,664,186.80	1,324,777
Receipts from other Funds	5	21,704,720	28,745	17,576,845	23,955
Interest received	8	1,279,455	1,667	1,117,881	1,517
Transfer to operating account	9	(407,957,084)	(530,440)	(550,038,923)	(741,500)
<b>Total Receipts</b>		<u>457,060,787</u>	<u>617,122</u>	<u>447,578,471</u>	<u>611,655</u>
<b>Payments</b>					
Total amount paid in respect of subsistence, training, charges, net exchange loss, management meetings and other services	9	182,771,725	282,102	100,440,945	140,822
<b>Total payments</b>		182,771,725	282,102	100,440,945	140,822
<b>Balance</b>		274,289,062	335,020	347,137,526	470,832

STATEMENT OF SOURCES AND  
USES OF FUNDS

	2021 MKW	2021 USD	2020 MKW	2020 USD
<b>SOURCES OF FUNDS</b>				
Balance brought forward	362,168,174	468,686	7,245,483.00	9,843.07
World bank funds	494,697,641	640,194	976,862,906.97	1,327,079.80
Other income	21,872,720	28,306	20,500,597.51	27,850.30
Exchange gain	31,157,937	40,322	4,122,233.67	5,600.10
Interest received	1,279,455	1,656	1,118,581.27	1,519.61
Transfer to operating account			(550,038,923.15)	(747,234.37)
<b>Total Receipts</b>	<b>911,175,927</b>	<b>1,179,163</b>	<b>459,810,879</b>	<b>624,659</b>
	911,175,927	1,179,163	459,810,879	624,659
<b>APPLICATION OF FUNDS</b>				
Component 1 - Building education capacity				
Development of new MSc at Malawi College of Medicine Procurement and Upgrading of teaching and learning facilities	439,983,115	569,387	373,863,575	507,898.08
Proposal development for possible funding	36,127,463	46,753	50,657,395	68,818.67
Development of a core team Institutionalize faculty exchange programs	7,990,600	10,341	-	-
	19,809,652	25,636	68,562,442	93,142.89
	-	-	8,291,342	11,263.89
<b>SUB - TOTAL</b>	<b>503,910,829</b>	<b>652,117</b>	<b>501,374,754</b>	<b>681,124</b>

ACEPHEM  
PROJECT IDENTITY NUMBER-ACEII 048  
INTERNATIONAL DEVELOPMENT ASSOCIATION-CREDIT NUMBER IDA –  
GRANT NUMBER: P151847

Component 2 - Governance  
and Management

Motor Vehicles costs	5,264,018	6,812	4,885,649	6,637.21
Procurement of general use teaching material	7,395,900	9,571	3,428,900	4,658.20
International Conference	-	-	8,550,871	11,616.46
Student exchange visit	-	-	5,167,856	7,020.59
Management meetings	27,287,804	35,313	29,922,458	40,650.01
Short courses	52,753,113	68,268	72,630,973	98,670.03
Offices and equipment	5,344,949	6,917	11,833,867	16,076.45
Exchange Loss	-	-	957,494	1,300.77
Bank charges	<u>574,999</u>	<u>744</u>	<u>2,762,961</u>	<u>3,753.52</u>
SUB - TOTAL	<u><u>98,620,783</u></u>	<u><u>127,626</u></u>	<u><u>140,141,030</u></u>	<u><u>190,383</u></u>
TOTAL FUNDS APPLIED	<u><u>308,644,315</u></u>	<u><u>399,420</u></u>	<u><u>641,515,784</u></u>	<u><u>871,507</u></u>