



**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

**National Audit Office
Lilongwe 3**

April, 2020



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COLLEGE OF MEDICINE**

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FOR THE YEAR ENDED 30 JUNE 2019**

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UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The University of Malawi Act; requires Members of the Council to prepare financial statements for each year, which give a true and fair view of the state of the financial position of College of Medicine, a constituent college of the University of Malawi as at the end of the financial year and of the results for that year.

The Act also requires Members of the Council to ensure that the College keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with relevant legislation.

In preparing the financial statements, the Members of the Council accept responsibility for the following:-

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgement and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the College will continue in business.

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

Members of the Council are of the opinion that the financial statements present fairly, in all material respects, the financial affairs of the College and its operating results.



PRINCIPAL

DATE 17/04/2020



FINANCE OFFICER

DATE 17/04/2020

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AUDITOR GENERAL

AUDITOR GENERAL'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF MALAWI ON THE FINANCIAL STATEMENTS OF THE COLLEGE OF MEDICINE FOR THE YEAR ENDED 30TH JUNE, 2019

Opinion

I have audited the accompanying financial statements of the College of Medicine which comprise the Statement of Financial Position as at 30 June 2019 and the Statement of Comprehensive Income and Expenditure, Statement of Changes in Funds and Statement of Cash Flows for the year then ended as set out on pages 5 to 8, and related accounting policies and notes to the accounts presented on pages 9 to 42.

In my opinion, the financial statements present fairly, in all material respects, the financial position of College of Medicine as at 30 June 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and best public sector accounting practice.

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 College of Medicine 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 are no key audit matters to be communicated in my report.

The Council Members' Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Report Standards (IFRS), Donor terms of agreement and financial provisions and for such internal controls as they determine are 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 College'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 College'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.

**UNIVERSITY OF MALAWI
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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,

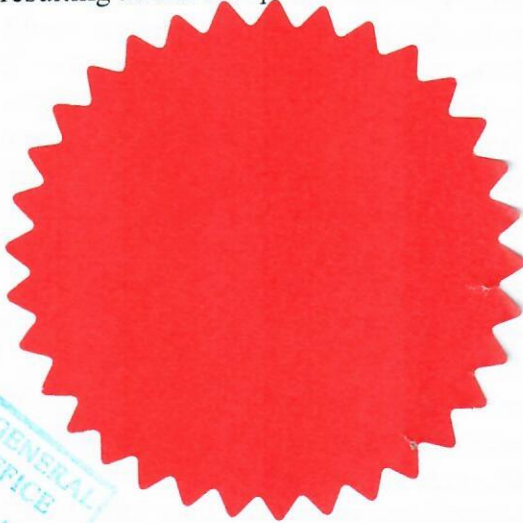
I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



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

Date: 17th APRIL 2020



UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 K'000	2018 K'000
Revenue			
Subvention	3	6,094,291	4,609,244
Fees		2,042,094	2,055,231
Projects grants and research income	4	16,652,213	13,576,790
Other income	5	1,324,538	596,813
Sports Complex Centre income		550,531	400,050
Total income		<u>26,663,668</u>	<u>21,238,129</u>
Expenditure			
Teaching and research	6	5,304,503	3,724,994
Student living	7	1,498,178	1,115,601
Administration	8	2,489,874	1,748,698
Transport and travelling	9	237,999	169,920
ICT Department	10	309,357	221,550
Common service / other charges	11	76,933	62,059
Sports Complex expenses	12	529,385	388,881
Guest House	13	18,713	19,036
COM Private clinic	14	170,028	57,630
Provision for bad debts (NAC RCC Grant)		-	157,095
Project and research expenses	15	<u>11,544,426</u>	<u>8,988,317</u>
Total expenditure		<u>(22,179,396)</u>	<u>(16,653,781)</u>
Surplus before designated funds		4,484,272	4,584,349
Designated funds		(5,107,787)	(4,588,473)
Capital expenditure (Note 16)		(864,814)	(580,868)
Release from capital fund		<u>926,373</u>	<u>577,386</u>
Surplus/(Deficit) for the year		<u>(561,957)</u>	<u>(7,606)</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 K'000	2018 K'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	<u>17,638,733</u>	<u>20,946,869</u>
Current assets			
Inventories	17	51,628	1,475
Receivables	18	2,587,223	2,241,924
Cash and cash equivalents	19	<u>6,847,431</u>	<u>6,957,397</u>
Total current assets		<u>9,486,282</u>	<u>9,200,796</u>
Total assets		<u>27,125,015</u>	<u>30,147,666</u>
FUNDS AND LIABILITIES			
Funds			
Capital funds	20	2,368,290	4,984,699
Revaluation reserves		15,270,442	15,962,169
General funds	21	323,655	960,532
Designated funds	22	<u>6,516,648</u>	<u>6,457,345</u>
Total funds		<u>24,479,035</u>	<u>28,364,745</u>
Current liabilities			
Bank overdraft	19	-	7,461
Payables	23	<u>2,645,980</u>	<u>1,775,460</u>
Total current liabilities		<u>2,645,980</u>	<u>1,782,921</u>
Total funds and liabilities		<u>27,125,015</u>	<u>30,147,666</u>



PRINCIPAL

DATE...17/02/2020



FINANCE OFFICER

DATE...17/04/2020

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2019

	Capital fund K'000	Revaluation Surplus K'000	General funds K'000	Designated Funds K'000	Total K'000
Balance at 01 July 2017	5,140,972	11,624,449	989,168	5,883,921	23,638,510
Assets procured during the period	580,868	-	-	-	580,868
Depreciation charge for the year	(738,491)	-	-	-	(738,491)
Fixed assets disposal	(12,666)	-	-	-	(12,666)
Depreciation on disposal	14,015	-	-	-	14,015
Prior year adjustments	-	-	(21,031)	-	(21,031)
Revaluation surplus	-	4,337,720	-	-	4,337,720
Surplus/(Deficit) for the year	-	-	(7,606)	-	(7,606)
Net movement	-	-	-	573,424	573,424
Balance at 30 June 2018	<u>4,984,699</u>	<u>15,962,169</u>	<u>960,532</u>	<u>6,457,345</u>	<u>28,364,745</u>
Balance at 01 July 2018	4,984,699	15,962,169	960,532	6,457,345	28,364,745
Assets procured during the period	864,814	-	-	-	864,814
Depreciation charge for the year	(3,481,223)	-	-	-	(3,481,223)
Prior year adjustments	-	-	(74,919)	-	(74,919)
Revaluation surplus	-	(691,728)	-	-	(691,728)
Surplus/(Deficit) for the year	-	-	(561,957)	-	(561,957)
Net movement	-	-	-	59,303	59,303
Balance at 30 June 2019	<u>2,368,290</u>	<u>15,270,442</u>	<u>323,655</u>	<u>6,516,648</u>	<u>24,479,035</u>

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2019**

	2019	2018
	K'000	K'000
Cash flows from operating activities		
Operating cash flows before movements in working capital	(561,957)	(7,606)
Movements in working capital		
Decrease /(Increase) in inventories	(50,153)	174
Decrease in receivables	(422,105)	(118,488)
Project funds receivables	76,806	1,365
Increase in payables	<u>870,520</u>	<u>732,292</u>
Cash (used in)/generated from operations	(86,888)	607,737
Cash flow from investing activities		
Purchase of property, plant and equipment	<u>(864,814)</u>	<u>(580,868)</u>
Net cash used in investing activities	(864,814)	(580,868)
Net cash flow before financing	(951,703)	(26,869)
Cash flows from financing activities		
Designated funds	59,304	573,428
General fund	(74,919)	(21,031)
Capital fund	<u>864,814</u>	<u>580,868</u>
Net cash flow from financing activities	849,199	1,133,266
Net increase in cash and cash equivalents	(102,504)	1,160,134
Cash and cash equivalents at the beginning of the financial year	<u>6,949,936</u>	<u>5,789,802</u>
Cash and cash equivalents at the end of the financial year (note 19)	<u>6,847,431</u>	<u>6,949,936</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, presented in Malawi Kwacha, were prepared in accordance with the *International Financial Reporting Standards* (IFRSs). The financial statements were prepared using accounting policies which the University of Malawi adopted and consistently applied throughout the reporting period.

1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

1.2 Presentation currency

The financial statements have been presented in Malawi Kwacha (MK). Figures presented in the financial statements have been rounded up to the nearest a thousand.

1.3 Accounting estimates

In preparing financial statements, management make estimates, judgments and assumptions which affect amounts presented in the financial statements and other financial information. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

2.0 SIGNIFICANT ACCOUNTING POLICIES

The University of Malawi adopted the accounting policies outlined in paragraphs 2.1 to 2.11. These policies were also applied consistently during the reporting period.

2.1 Property, Plant and Equipment (PPE)

2.1.1 Recognition and Initial measurement

The cost of an item of PPE is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the University; and
- The cost of the item can be measured reliably.

**UNIVERSITY OF MALAWI
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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2019**

Item of PPE is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of PPE and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

PPE is carried at cost less accumulated depreciation and any impairment losses except for property and motor vehicles which are carried at revalued amount being the fair value at the date of revaluation less any subsequent depreciation and subsequent accumulated impairment losses.

Assets acquired under finance leases are capitalised, outstanding balances are shown as part of lease payables.

2.1.2 Subsequent expenditure

Expenditure incurred to replace a component of an item of PPE is recognised in full when it is incurred and added to the carrying amount of the asset. It will be depreciated over its expected useful economic life, which may be different from the expected life of the other components of the asset. The carrying amount of the item being replaced is derecognised when the replacement takes place.

2.1.3 Depreciation

Depreciation is recognised so as to write off the cost of valuation of assets (other than freehold land and properties under construction) less their residual values over their useful economic lives using the straight-line method

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

2.1.3 Depreciation (*Continued*)

When an item of PPE is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. The revaluation surplus in funds related to a specific item of PPE is transferred directly to general fund when the asset is de-recognized.

The estimated economic useful lives, residual values and depreciation method are reviewed at each year end with the effect of any changes in estimates accounted for on a prospective basis.

Categories	Average Useful lives
Land and building	40 years
Motor Vehicle	5 years
Furniture and equipment	5 years
Computers	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising from recognition of an item of PPE is included in surplus or deficit when the item is de-recognized. The gain or loss arising from de-recognition of an item of PPE is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

2.1.4 Impairment and Valuation

The carrying amounts of PPE are reviewed at each financial reporting date to determine whether there is any indication of impairment. If such indication exists, assets recoverable amount is estimated. In impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

At each financial reporting date, carrying amounts of tangible assets are reviewed to determine whether there is any indication that those assets suffered an impaired 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. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of this recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried as a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Valuation of Land and Buildings

These were valued by Chartered Surveyors of the Polytechnic as at 30 June, 2018 and the values have been recognized in Work in Progress

2.2 Foreign currency transactions

Foreign currency transactions are translated into Malawi Kwacha at spot rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Malawi Kwacha at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Malawi Kwacha at foreign exchange rates ruling at the date that values were determined.

2.3 Income

When the outcome of transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of transaction at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

The outcome of transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the University;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

2.3.1 Government subvention

Government subvention is recognized in the statement of comprehensive income upon receipt of fund from Central Government.

2.3.2 Government grants

Government grants are recognized when there is reasonable assurance that;

- The University will comply with the conditions attaching to them; and
- The grants will be received.

Government grants are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognized as income of the period in which it becomes receivable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Grants related to income are deducted from the related expense.

Repayment of a grant related to income is applied first against any unamortized deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognized immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognized to date as an expense in the absence of the grant is recognized immediately as an expense.

2.3.3 Fees and financial contributions

Fees and financial contributions are recognized in the financial statements on an accruals basis.

2.3.4 Project grants and research income

Project grants and research income are funds received for specific purposes. These are recognized as income in the period they are received in order to match them with the related costs that they are intended to compensate.

2.3.5 Interest income

Interest income represents the interest earned and accrued for the year on investments and staff loans.

2.3.6 Income generating activities

Income from income generating activities is measured at the fair value of the consideration received or receivable.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

2.4 Financial instruments

The University groups financial assets and financial liabilities into the following categories,

- Financial assets at fair value through profit or loss held for trading;
- Loans and receivables;
- Available for sale financial assets; and
- Financial liabilities measured at a mortised cost.

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

2.4.1 Initial recognition and measurement

Financial instruments are recognized initially when the University becomes a party to the contractual provisions of the instruments. The University classifies financial instruments or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determine, which are measured at cost and classified as available- for financial assets. For financial instruments which are not at fair value, through statement of comprehensive income, transaction costs are included in the initial measurement of the instrument.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

2.4.2 Subsequent measurement

Financial instruments at fair value through or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for period.

Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in funds until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognized in statement of comprehensive income as part of other income. Dividends received on available-for-sale equity instruments are recognized in statement of comprehensive income as part of other income when the University's right to receive is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analyzed between translation differences resulting from changes in amortized cost and other changes in the carrying amount. Translation differences on monetary items are recognized in surplus or deficit, while translation differences on non-monetary items are recognized in other comprehensive income and accumulated in funds.

Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method.

2.5 Receivables

Receivables comprise of student receivables, staff receivables, prepayment, staff advances, and sundry non-trade receivables. These are measured at amortized cost. An impairment loss is recognized in statement of income, where there is objective evidence that it is impaired.

**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019**

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs, including an appropriate portion of the fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.8 Provisions and contingencies

Provisions are recognized when:

- The University has a present obligation as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Provisions are not recognized for future operating losses.

If the University has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. Contingent assets and liabilities are not recognized. Contingencies are disclosed in notes to the financial statements.

The amount recognized 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.

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2019

2.0 SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

2.9 Superannuation

The University contributes to a defined contribution scheme for employees. Contributions are charged to the statement of income.

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

3 GOVERNMENT SUBVENTION

	2019	2018
	MK'000	MK'000
Annual operations	<u>6,094,291</u>	<u>4,609,244</u>
Total subvention	<u>6,094,291</u>	<u>4,609,244</u>

4 PROJECT GRANTS AND RESEARCH INCOME

Unspent funds from previous years	4,588,473	4,144,182
Adjustment (Derecognition of project assets-NBV)	(170,467)	(161,959)
Grants received (<i>note 24</i>)	11,593,344	9,066,702
Interest received	20,476	19,197
Income from building	4,450	11,791
Other income	347,493	391,141
Exchange gain	<u>268,444</u>	<u>105,738</u>
Total project grants and research income	<u>16,652,213</u>	<u>13,576,790</u>

5 OTHER INCOME

Interest earned	147,629	154,412
Catering sales	18,389	116
Com private clinic	82,454	1,215
Conferences/workshops	17,137	25,241
Donations & grants	134,987	5,838
Prepaid income	-	18,156
Research admin fees	770,232	270,000
Exchange gain	79	464
Sundry income	<u>153,632</u>	<u>121,374</u>
Total other income	<u>1,324,538</u>	<u>596,813</u>

Sports Complex Centre Income	<u>550,531</u>	<u>400,050</u>
	<u>550,531</u>	<u>400,050</u>

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 FOR THE YEAR ENDED 30 JUNE 2019

6. TEACHING AND RESEARCH

	2019	2018
	K'000	K'000
Salaries	3,350,223	2,265,659
Tevet Levy	38,791	27,284
Telephone	15,777	15,417
Stationery	44,960	27,021
Staff training & development	51,807	20,898
Postgraduate programmers – training	18,504	17,292
Repairs - other equipment	3,712	-
Postage/document delivery	189	500
Perks	153,052	121,633
Meeting expenses	139,933	155,844
Clinical allowances	410,783	324,035
Gratuity	39,690	68,159
<u>General expenses</u>		
Examination expenses	53,302	33,250
Maintenance -property & premises	-	1,995
Allowances - acting/resp./duty/warden's	187	-
Consumables/cleaning	8,572	7,576
Teaching materials	61,836	61,357
Student attachments	45,821	16,387
Conferences & workshops	3,213	2,249
Fuels & oils	17,382	8,228
Mileage claim	22,116	1,277
Subsistence Allowance	82,554	42,570
Finance charges	1,951	2,693
Medical expenses	56,529	43,829
Superannuation costs	463,370	308,074
Furniture and fittings	14	127
Hiring of vehicles	2,219	-
Exchange loss	1,578	-
Maintenance of buildings	-	3,339
Professional charges	-	2,036

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 30 JUNE 2019

6. TEACHING AND RESEARCH (Continued)

	2019	2018
	K'000	K'000
Subscriptions	2,783	1,091
<u>Library</u>		
Salaries	141,090	94,197
Tevet Levy	1,571	1,064
Perks	19,838	14,569
Superannuation costs	31,292	20,103
Subsistence allowance	3,098	4,066
<u>General expenses</u>		
Books	254	354
Training & development	1,471	618
Stationery	1,189	2,181
Subscriptions	-	478
Masm/medical expenses	3,096	2,689
Meetings	4,577	4,012
Phone/fax/e-mail	240	96
Professional charges	5,936	712
Postage/document delivery	-	20
Office equipment & cleaning	-	15
Total teaching and research	<u>5,304,503</u>	<u>3,724,994</u>

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 FOR THE YEAR ENDED 30 JUNE 2019

7. STUDENT LIVING

	2019	2018
	K'000	K'000
Wages	28,054	19,264
Tevet Levy	334	233
Staff benefits	4,648	631
Superannuation costs	-	3,888
<u>General expenses</u>		
Meals & meal coupon	91,921	74,061
Phone/fax/e-mail	2,447	-
MASM/medical expenses	25,788	45,756
Student Welfare	2,587	149
Training & Staff Development	625	-
Meetings	118	856
Printing stationery	-	2,690
Student Union activities	356	24,838
Electricity	218,099	164,736
Water	313,647	244,885
Repairs-buildings	366,001	236,575
Repairs – property & premises	3,086	-
Repairs office equipment	72,055	18,491
Cleaning services & consumables	150,972	100,968
Security services	214,155	175,138
Furniture & fittings	3,183	2,438
Tools & other Equipment	25	-
Mileage refund	80	6
Total student living expenses	<u>1,498,178</u>	<u>1,115,601</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

8. ADMINISTRATION

	2019	2018
	K'000	K'000
Salaries	654,175	421,667
Staff benefits outside payroll	96,147	80,932
Staff benefits	46,445	34,730
Superannuation costs	113,981	75,139
<u>General expenses</u>		
Advertising	27,214	22,534
Fuels and oils	32,700	43,545
Delinking Expenses	5,027	-
TEVETA Levy	6,761	4,670
Postgraduate programmes	5,168	10,951
Conferences & workshops	9,395	18,695
Stationery	87,535	59,648
Passage	491	-
Telephone	22,820	11,207
Repairs - office equipment	328	246
Consumables/cleaning	3,474	4,384
Meeting expenses	95,844	67,587
Postage/document delivery	4,366	2,357
Tools and other equipment	2,895	9,212
Council expenses	-	4,382
Staff training & development	17,143	19,002
Staff and students welfare	4,377	4,701
Meals and meal coupons	16,829	73,100
City and Rent Expenses	346	14,734
Examination expenses	8,020	3,951
Hospitality	5,167	4,017
Finance charges	84,940	41,968
MASM/medical expenses	19,883	15,956
Mileage claim	5,796	181
Gratuity	10,356	5,990
Subscriptions	891	1,945
Subsistence allowance	132,348	72,124
Student Uniform	-	2,530

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2019

8. ADMINISTRATION (continued)

	2019	2018
	K'000	K'000
Office equipment	2,895	251
Professional charges	70,518	42,591
Exchange loss	622	1,237
Depreciation Charge-Buildings	332,791	355,244
Depreciation Charge- Motor Vehicle	131,840	39,320
Depreciation Charge- Furniture; Fittings	<u>444,342</u>	<u>177,966</u>
Total administration expenses	<u>2,489,874</u>	<u>1,748,698</u>

9. TRANSPORT AND TRAVELING

Wages	50,004	44,479
TEVET Levy	596	444
MASM/medical expenses	722	968
Superannuation costs	11,601	8,556
General expenses		
Training & Staff Development	120	240
Fuel and oils	50,922	17,720
Subsistence allowance	24,961	27,807
Allowances Acting/Resp./Duty/Warden's	9,634	-
Motor repairs and maintenance	75,320	49,488
Motor licensing	13,957	17,164
Consumables and cleaning vehicles	-	2,987
Phone/fax/e-mail	<u>115</u>	<u>67</u>
Total transport and traveling	<u>237,999</u>	<u>169,919</u>

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 NOTES TO THE FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED 30 JUNE 2019

10 ICT DEPARTMENT

	2019 K'000	2018 K'000
Salaries	117,202	58,680
TEVET/Levy	1,230	720
Perks/Staff Benefits	8,937	5,806
Superannuation costs	18,092	7,387
MASM/Medical expenses	1,487	1,608
<u>General expenses</u>		
Telephone	109,175	123,342
Stationery	492	20
Training & staff development	732	906
Repairs - office equipment	15,503	3,691
Consumables & cleaning materials	5,033	-
Mileage Refund	70	-
Meetings	3,616	1,550
Postage & Document delivery	18	-
Subsistence allowance	9,322	8,997
Conference & Workshops	797	-
Subscriptions	15,649	290
Gratuity	<u>2,001</u>	<u>8,553</u>
Total for ICT Department	<u>309,357</u>	<u>221,550</u>

11 COMMON SERVICE/OTHER CHARGES

Student sports expenses	512	2,389
General insurance	25,263	30,625
Fringe Benefits Tax	35,633	20,863
Legal Charges	-	4,699
Staff Sports Expenses	15,524	2,100
Ceremonies/graduation/open days	<u>-</u>	<u>1,384</u>
Total common service and other charges	<u>76,933</u>	<u>62,059</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

12 SPORTS COMPLEX CENTRE

	2019	2018
	K'000	K'000
Operation expenses	<u>529,385</u>	<u>388,881</u>
Total Sports Complex Centre expenses	<u>529,385</u>	<u>388,881</u>

13 GUEST HOUSE - MOUNT PLEASANT

Gratuity/ Staff Benefits	547	-
Water	224	1,517
Meetings	1,340	1,210
Maintenance and repairs – equipment	-	4,496
City rates	-	117
Meals and meal coupon	-	90
Subscriptions	723	187
Finance charges	136	167
<u>IGA Expenses</u>		
Mangochi campus IGA expenses	<u>15,744</u>	<u>11,253</u>
Total Guest House expenses	<u>18,713</u>	<u>19,036</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

14 COM PRIVATE CLINIC

	2019 K'000	2018 K'000
Salaries & wages	81,867	25,906
TEVET/Levy	842	227
Gratuity/staff Benefits	8,426	-
Superannuation	9,931	3,379
Printing & Stationery	3,811	3,173
Phone/fax/e-mail	3,602	1,992
Electricity	600	-
Water	1,700	-
Meetings	692	556
Maintenance and repairs – equipment	1,275	13,886
Maintenance and repairs – building	16,167	6,821
Training & Staff Developments	939	-
Consumables & cleaning Materials	5,431	-
Medicines & Supplies	30,826	-
General Insurance	-	439
Subscriptions	783	921
Finance charges	336	131
Fuels & Oils	610	-
Subsistence allowance	688	-
Advertising	791	-
MASM/Medical expenses	710	199
Total Guest House expenses	<u>170,028</u>	<u>57,630</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2019

15 PROJECT AND RESEARCH EXPENSES	2019 K'000	2018 K'000
Abortion Study	-	58,060
ACEPHEM	818,560	399,717
ACT-BT Project	73,476	20,727
ADAPT Project	-	53,466
AESA-RISE Project	30,815	16
Africare	62,852	78,486
AMARI	95,622	-
Antibiotic in Miscarriage Surgery	19,017	37,983
ARCADE project	150	84,399
BT Clinical Research	111,901	127,068
Building Family Medicine	81,132	97,396
BSc Int. Med, Gyenae & Anaesthesia	19,025	865
Building Heart & Lung Project	111,293	37,861
Care for Development	3,049	-
Capacity Build in Research Grants	-	6,477
CBM Project	-	112,701
CDC HIV Fellowship	-	914
CDC IMEM	535,575	723,007
CDC Partnership project	184,692	354,896
CDCC	212	17,627
Centre for Bioethics	109,487	-
CEBHA+Project	97,939	34,278
Centre for Reproductive Health	-	197,358
CHAIN	227,645	220,771
CHPI Project	537	167
Clinical Trial Management	499	-
COM-IDRC IMCHA	66,883	63,896
Cryotherapy	19,371	58,766
Diabetic Clinic	467	8,308
SOAR Dreams	99,360	106,370
COST Africa	474	329
COSYST	150	-
Duke University	3,168	2,398
ELMA CPAP	240,960	312,055
EMTCT	-	18,828

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 FOR THE YEAR ENDED 30 JUNE 2019

15 PROJECT AND RESEARCH EXPENSES (*Continued*)

	2019 K'000	2018 K'000
EU Develop Countries Clinical Trials	1,113,067	-
ETATMBA	-	23,396
EU Beamish Project	48,669	61,656
EU Develop. EDCTP	-	438,487
F75 Study	-	16
Gates EED	106,994	50,679
Gates Malaria	594,696	633,602
Global Health Project	404	25,623
HBGDKI Project	124	11,879
Health Management Unit	4	2,493
Helse TB Project	287,847	228,36
HIV EHPSA MSM Project	202	191
HIV Implementation Research Training	168,075	63,519
ICMER 1	17,478	281,983
ICMER 2	642,742	-
IKMC Project	166,748	59,161
ILINS FANTA Project	7,550	183
Ilins Project	178,372	159,402
IMMPAQKT Project	5,157	35,475
Infectious Disease	13,277	2,767
Intermittent Preventive Therapy	-	344
Kusamala Project	98	26,000
WHO Life Long	75	-
Life Long Project	-	85
Lungwena Umoyo Project	-	215
MAC ENTO Studies Project	324,009	21,908
MAC Laboratory	248	4,945
Majete Malaria Project	359,848	371,776
Malaria Decision Support System	3,988	5,830
Malarid	3,056	18,728
Malarid PMC	65,538	162,367
MARCH Study	648	2,974
Maternal Child Health	55,161	81,509
Mazira Project	529,722	622,161
MCDC PHD Fellowship	354	11,897
Mental Health Departmental Project	48,280	3,109

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

15 PROJECT AND RESEARCH EXPENSES (*Continued*)

	2019	2018
	K'000	K'000
MIEHCAP Project	42,472	92,832
Molecular Surveillance	-	13,574
MORDOR Study	51,344	45,634
NAC BDS Study	86,887	407,696
NACCAP	-	45,890
Norad Program for Masters	-	406
NORHED ASCA Project	57,597	55,603
NORHED Surgery	261,828	159,383
Norway/SIDA Phase 4	726	241,186
Performance Based Project	-	542
Pharmacy Expansion Project	47,422	322,616
PK – PD Models Study	271	-
Premier Postgraduate	1,050	8,726
QAAM Project	-	1,005
Research Ethics Committee	40,379	24,419
Research Support Centre	91,341	156,279
SACORE Grant	99,068	127,695
Savings Brains/Pamaned Project	150	-
Sayana Press Study Project	474	12,473
Scottish Collaboration	225	105
Securing Water Resources in Rural	-	(26)
Small grants	184,328	158,177
SOAR Project	35,015	12,382
SPCD Project	30,169	23,833
St. Louis Nutrition	31,603	101,092
Sugarfact	55,376	84,416
Surg Africa	121,811	108,486
TESA	-	4,457
THRU Project	615,355	4,649
THRU/Pfizer Project	29,289	-
Traypanogen Project	11,989	48,602
UNC Project	-	551
United Front for Body Rights	2,303	166
Universal financial risk	32	204
Urban Malaria	363	175

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

15. PROJECT AND RESEARCH EXPENSES (*Continued*)

	2019 K'000	2018 K'000
World Child Cancer Foundation	9,087	7,828
World diabetes Foundation	62	-
COM Research	20	-
AEVGI	81,519	-
GAVI	90,801	-
Thanzi la onse	92,951	-
NAC I-Tech (BDSS)	317,022	-
MVIP	768,207	-
PHNG GSK	279,963	-
P 20	70	-
STHP	57,075	-
Maldent	54,726	-
Nutritional Sub Study	98	-
NEST	58,146	-
CPMZ	57	-
Rapaed	69,035	-
Drink	63	-
IMPROVE 2	9,817	-
MITS	98	-
Centre for Bioethics	-	2,569
Project and research expenses total	<u>11,544,426</u>	<u>8,988,317</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2019

16 PROPERTY, PLANT AND EQUIPMENT

	Land K'000	Buildings K'000	Work in Progress Buildings K'000	Motor Vehicles K'000	Furniture, Fittings & Equipment K'000	Total K'000
Cost						
At 01 July 2017	457,608	15,429,077	478,916	833,614	2,266,021	19,465,236
Disposal & Write-off	-	-	-	(1,299)	(11,367)	(12,666)
Additions – Main	-	89,905	38,781	126,390	322,980	578,056
Transfers- within Projects	-	445,262	(445,262)	-	-	-
Revaluation reserve-Main	1,888,592	1,117,095	-	225,878	208,815	3,440,380
Revaluation reserve Sports Complex	-	205,613	-	-	-	205,613
Reevaluation reserve –projects	-	306,451	-	144,948	240,328	691,727
Additions Sports Complex	-	-	-	-	2,812	2,812
At 30 June 2018	2,346,200	17,593,404	72,435	1,329,532	3,029,588	24,371,159
At 01 July 2018	2,346,200	17,593,404	72,435	1,329,532	3,029,588	24,371,159
Additions – Main	-	32,595	122,986	63,732	598,977	818,390
Additions Sports Complex	-	-	-	12,500	34,025	46,525
At 30 June 2019	2,346,200	17,625,999	195,421	1,405,764	3,662,591	25,235,975
Depreciation						
At 01 July 2017	-	774,402	-	561,459	1,363,954	2,699,815
Charge for the year projects	-	44,057	-	21,522	95,526	161,105
Charge for the year main	-	355,244	-	39,320	177,966	572,530
Depreciation Sports Complex	-	1,953	-	904	1,999	4,856
Adjustment due to disposal & write off	-	(315)	-	(8,714)	(4,986)	(14,015)
At 30 June 2018	-	1,175,340	-	614,491	1,634,459	3,424,205
At 01 July 2018	-	1,175,340	-	614,491	1,634,459	3,424,290
Charge for the year projects (NBV removal)	-	1,912,106	-	244,485	398,259	2,554,950
Charge for the year Projects (NBV removal)	-	306,451	-	144,948	240,328	691,727
Charge for the year main	-	332,791	-	131,840	430,342	894,973
Charge for the year sports complex	-	13,169	-	4,604	13,626	31,400
At 30 June 2019	-	3,739,857	-	1,140,369	2,717,014	7,597,230
Carry amount At 30 June 2019	2,346,200	13,886,142	195,421	265,395	945,576	17,638,734
At 30 June 2018	2,346,200	16,418,064	72,435	715,041	1,395,129	20,946,869

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

The properties were revalued as at 30 June 2018 by Department of Land Economy of University of Malawi – The Polytechnic, P/Bag 303, Chichiri, Blantyre 3.

Measurement of fair values

Land and buildings were valued as at 30 June 2018 by independent valuers, who had experience in the location and category of land and buildings. The independent valuers provide the fair values the College's Land and Buildings with sufficient regularity. Due to the varied nature of the Institutions properties, two methods are used to determine fair values namely:

1. The Depreciated replacement cost which is used for all properties which do not have a ready and active market such as remote and purpose built properties
2. The Comparative and investment method which is used for all properties that have a ready and active market such as all residential and commercial properties in the urban and trading centres.

The fair value measurement for all of the Land and buildings has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

17 INVENTORY

	2019 K'000	2018 K'000
Consumables	405	976
Stationery	1,142	499
Projects	<u>50,081</u>	-
Total inventories	<u>51,628</u>	<u>1,475</u>

Note briefly: Inventory related to stores which was purchased but not used during the reporting period

18 RECEIVABLES

Staff advances	154,769	90,366
Inter-colleges	513	513
Student receivables	1,181,466	1,167,284
Other receivables	230,143	226,275
Prepayments	14,399	-
Cash Imprest	2,472	5,577
COM Clinic Receivables	24,537	-
Sports Complex	55,564	48,834
Project funds receivables	389,871	466,677
Project receivables & cash imprest	<u>533,559</u>	<u>236,400</u>
	<u>2,587,224</u>	<u>2,241,926</u>

UNIVERSITY OF MALAWI
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NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

19 CASH AND CASH EQUIVALENTS

	2019	2018
	K'000	K'000
Sports complex funds	31,806	24,304
Foreign currency denominated accounts	201,224	220,840
Current accounts	1,019,162	1,327,452
Deposit accounts	135,282	828,136
Project accounts	<u>5,459,959</u>	<u>4,556,665</u>
Sub-total	6,847,431	6,957,397
Bank overdrafts – Projects	-	<u>(7,461)</u>
Sub-total	<u>-</u>	<u>(7,461)</u>
Cash and cash equivalents as at 30 June 2019	<u>6,847,431</u>	<u>6,949,937</u>

The bank overdraft amount is not an overdraft facility negotiated at the bank; rather it reflects the cashbook balances which were overdrawn as at 30 June 2018. Some bank accounts were not overdrawn while others which were really overdrawn were just temporal since the corresponding FCDA accounts had funds.

20 CAPITAL FUND

Capital fund represents the total expenditure incurred to procure or otherwise construct all items of Plant, Property and Equipment.

21 GENERAL FUND

General fund represents an accumulation of surpluses or loses over the past reported financial periods.

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

22 FUNDS FOR SPECIFIC PURPOSE

	2019 K'000	2018 K'000
ACEPHEM	-	77
ADAPT-RSC (ADJUST)	-	2,229
AEVGI	-	5,107
African Malaria Network Trust (AMANET)	-	211
Health Management Unit	1,080	-
AIMS Project	-	6
ARCADE project	-	289
Bill & Melinda Gates (BMGF Xenomonitoring Project)	-	15
Build Mental Health	-	3,121
Burkitts Project	-	30,358
CAPGAN Conference	-	249
Care for Child Development	-	28
CEBESA	-	191
Centre for Reproductive Health	-	21,801
Chawel Plands Limited (project)	-	278
Dept Funds-School of Pharmacy	-	5,673
COM Breicht Study	-	3,687
COM Development Account	-	50,479
COM MDICP	-	1,445
COM Medical Outreach	-	25
Continued Diabetes Care Capacity (CDCC)	-	2,490
David Livingstone Scholarships	-	7,141
Department funds – Admin fee projects	-	24,160
Dept Funds – Obs/Gynae	23,602	645
Dept Funds – Anaesthesia	5,042	5,042
Dept Funds – Anatomy	28,023	34,254
Dept Funds – Biochemistry	6,997	65,650
Dept Funds – Bsc Degree In Laboratory Technician	2,315	2,315
Dept Funds - Community health	1,253	1,253
Dept Funds – Haematology	1,006	1,006
Dept Funds – Histopathology	8,829	9,395
Dept Funds – IT Department	501	303
Dept Funds – Library	11,543	10,140

UNIVERSITY OF MALAWI
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NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

22 FUNDS FOR SPECIFIC PURPOSE (*Continued*)

	2019	2018
	K'000	K'000
Dept Funds – Medicine	5,631	5,485
Dept Funds – Microbiology	30,546	23,751
Dept Funds – Physiology	6,556	5,909
Dept Funds – Paeds	9,678	9,133
Dept Funds – Surgery	2,723	2,333
Dept Funds – Undergraduate Deans Office	7,419	6,825
Dept Funds – Malaria Research	152	152
Dept Funds Psychiatry	358	47
Dept Funds – MPH Programme	20,218	29,766
Eanett	-	310
EMTCT Project	-	2,608
Gates Malaria Project	27,126	5,973
Glycerol Project	-	21
Grant for Promotion of Optimum Feeding	-	532
Guest House-Clearing account	3,539	3,539
H3Africa Project-Welcome Trust	-	292
HBC Diana Fund	-	1,625
HIV Policy Development	-	385
HIV Prevention Strategy	-	36
HIV Staging	-	76
Human Subjects Protection	-	2,133
Inaugural Lecturer	2,353	2,353
MIEHCAP	-	2,366
COM Research Account – Admin Fees	564,293	938,565
COMED Alumni Association	24	24
COM ACTS / Student allowances	-	700
CRISPOS	-	318
Informatics account	44,013	102,828
John Hopkins Project	-	2,535
Life Long Medical Education Project	-	8
Liverpool grant	-	327
London school funds for medical students	-	376
Lungwena Child Survival Study	-	1,095
Medical Council of Malawi-Index fees	-	28

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2019

22 FUNDS FOR SPECIFIC PURPOSE (*Continued*)

	2019	2018
	K'000	K'000
Malaria Decision Support	-	179
Motivation Project	-	1,203
MOVE Project(Duke University)	-	2,074
NACCAP Advance	-	132
Nankumba Safe Motherhood Research	-	490
OBS & Gyna MMED Fellowship/Family Medicine MMED	36,020	136,309
Orthopaedic Drug Account	-	33
Paediatrics Fellowship MMED Programme	11,022	78,702
Performance Based Project	-	598
Postgraduate Funds	2,585	2,585
DIORAPHTE Project	-	19,435
Quality of Antimalarial & Antibiotic Medicine in Malawi	-	32
Rota Vaccine Project	-	1,669
HNTI	18,339	-
Schistomiasis Survey Project	-	9
SLAB/RICE-CPAP Study	-	12,098
UMSU	1,836	69
UNC Project	-	5,168
Student Debtors Refunds	1,528	-
United general insurance claims for construction	-	30
University Entrance Examinations	-	1,740
University of Malawi Staff Sports Association	-	146
Sundry Deposits	100,037	-
WHO Long Term Institutional Grant	-	683
World diabetes fund	-	23,719
	1,086,187	1,728,623
Other project funds for specific purposes	<u>322,674</u>	<u>140,253</u>
Funds for specific purposes before unspent funds for project	1,408,861	1,868,876

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2019

22 FUNDS FOR SPECIFIC PURPOSES (Continued)

	2019 MK'000	2018 MK'000
Unspent funds for projects as at 30 June 2018		
Abortion Study	(47,551)	(57,561)
ACEPHEM	15,105	369,099
ACT – BT Project	32,850	22,810
ADAPT Study	(5,826)	(5,826)
AESA – RISE Project	5,648	36,130
Africare	8,087	57,531
AMARI	98,458	109,539
Antibiotic in Miscarriage Surgery (AIMS)	39,245	39,099
ARCADE Project	(79,879)	(79,752)
Bsc Int. Med, Gynae & Anaesthesia	(20,144)	-
BT Clinical Research Project	30,171	59,055
Building Family Medicine	19,308	41,208
Building heart & Lung project	(8,139)	(27,154)
Capacity Build in Research Grants	(7,911)	(7,911)
Care for Development Project	(3,049)	-
CDC HIV Fellowship	(2,173)	872
CDC IMEM	4,260	(30,381)
CDC Partnership	(30,487)	(14,766)
CDCC	3,280	567
CEBHA+ Project	106,204	21,322
Centre for Reproductive Health	40,484	67,410
CHAIN	26,750	29,812
CHIP Project	-	537
Clinical Trial Management	(499)	-
COM – IDRC IMCHA	30,080	90,905
COST Africa Project	87,428	80,046
COSYST	3,761	4,222
CRH Investment Account	59,072	53,801
Cryotherapy	3,866	22,881
Diabetic Clinic	(8,060)	(7,593)
SOAR DREAMS	949	38,125
DUKE / MOVE University	6,842	9,546
ELMA CPAP Project	84,225	125,226

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2019

22. PROJECTS UNSPENT FUNDS (FFSP) *(Continued)*

	2019	2018
	MK'000	MK'000
EMTCT Project	64,577	64,577
EU Beanish Project	5,374	41,919
EU Develop. Countries Clinical Trials Partnership (EDCTP)	(620,336)	37,867
F75 Study	1,045	1,592
Gates EED	272,449	333,844
Gates Malaria Project	359,452	355,814
Global Health	4,093	6,504
HBGDKI Project	34,413	34,537
Health Management Unit	35,869	35,873
Health Systems Strengthening Project (Queen Margaret)	(8,696)	(8,696)
Helse TB Project	208,200	80,057
HIV EHPSA MSM Project	2,834	3,909
HIV Implementation Research Training	30,015	49,523
ICMER 1	-	(44,729)
ICMER 2	14,338	-
IKMC Project	10,817	58,841
ILINS Fanta Project	20,529	27,076
ILINS Project	46,709	127,654
IMMPAQKT	5,552	11,811
Infection Disease	(4,068)	(9,897)
Intermittent Preventive Therapy	196,147	196,147
Kusamala Project	4,203	(6,537)
Liaison Officers Scottish	-	-
WHO Life Long Project	(112)	(37)
Lungwena Umoyo project	54	54
MAC ENTO Studies	512,704	157,104
MAC Laboratory	6,666	6,880
Majete Malaria project	44,473	5,653
Malaria Decision Support System	171,658	174,241
Malarid	115,151	114,219
Malarid PMC	43,202	-
MARCH Study	2,622	4,066
Maternal Child Health	(11,591)	(28,647)

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2019

22. PROJECTS UNSPENT FUNDS (FFSP) *(Continued)*

	2019 MK'000	2018 MK'000
Mazira Project	105,721	(19,071)
MCDC Phd Fellowship	10,388	10,742
Mental Health Project	35,429	28,106
MIEHCAP Project	27,572	(953)
Molecular Surveillance	-	(15,994)
MORDOR Project	66,187	41,507
NAC BDS Study	17,644	42,546
NACCAP	75,740	75,740
Norad Program for Masters	(440)	(406)
NORHED ASCA	36,245	73,475
NORHED Surgery	50,228	70,609
Norway / SIDA Phase 4	118,474	182,567
Performance Based project	(2,537)	(1,402)
Pharmacy Extension Project	2,757	78
PK-PD Models Study	(271)	-
Pregact Study	-	(9,420)
Premier Postgraduate	407,833	386,049
Research Ethics Committee	(104,170)	(101,743)
Research Support Centre	(205,695)	(189,829)
SACORE Grant	(71,918)	46,885
Savings Brains / Pamaned Project	-	(32,909)
Sayana Press Project	-	746
Scottish Collaboration	27,845	26,936
Securing Water in Rular Malawi	(26)	(26)
Small Grants Project	372,616	198,652
SOAR Project	1,930	15,100
SPCD Project	(6,879)	(9,540)
St Louis Nutrition Project	14,692	45,035
Sugarfact	18,844	35,599
Surg Africa	149,359	116,653
TESA Project	364	535
THRU Project	279,707	525,563
THRU / Pfizer Project	(30,780)	-
Trypanogen Project	11,433	(421)

UNIVERSITY OF MALAWI
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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2019

22. Projects Unspent Funds (FFSP) *(Continued)*

	2019	2018
	MK'000	MK'000
UNC Project	(1,191)	(1,191)
United Front for Body Rights	23	2,326
Universal Financial Risk	117	(184)
Urban Malaria	40,512	37,962
World Children Cancer Foundation	68,031	77,062
World Diabetes Foundation	(62)	-
Centre for Bioethics	(9,600)	(9,600)
COM Research Projects – Processing & Admin Fees	43,743	43,763
COMREC	-	-
CBM SENT Project (P3226)	8,907	8,907
HAP	5	-
AEVGI	68,176	-
Thanzi la Onse	20,928	-
GAVI	3,620	-
NAC I – Tech (BDSS)	79,407	-
MVIP	281,964	-
PHNG GSK	235,592	-
STHP	4,034	-
P 20	92,844	-
Maldent	327	-
CPMZ	14,097	-
Rapaed	118,079	-
Drink	41,094	-
IMPROVE 2	249,867	-
Nutritional Sub Study	20,616	-
PEER CANCER	90,929	-
MITS	(98)	-
NEST	166,839	-
Income from Building	-	-
Unspent Funds for Projects as at 30 June 2019	<u>5,107,787</u>	<u>4,588,473</u>
Total Funds for Specific Purposes	<u>6,516,649</u>	<u>6,457,349</u>

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2019

23 PAYABLES

	2019	2018
	MK'000	MK'000
Trade	2811,645	412,302
Other	109,615	232,509
Accruals	38,816	45,888
Prepayments & Students Credit Balances	214,676	202,713
Prepaid Income (Postgraduate Fees)	66,970	-
PAYE	1,104,026	546,496
Withholding tax	61,830	51,411
Sports complex payables	34,806	123,432
Projects	<u>733,596</u>	<u>160,709</u>
Total payables	<u>2,645,980</u>	<u>1,775,460</u>