



**KAMUZU UNIVERSITY OF HEALTH SCIENCES  
AFRICA CENTRE OF EXCELLENCE IN PUBLIC HEALTH AND  
HERBAL MEDICINE  
(ACEPHEM)**

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

**SECTOR : HEALTH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

National Audit Office  
P.O Box 30045  
Lilongwe 3

**November 2023**

**KAMUZU UNIVERSITY OF HEALTH SCIENCES  
AFRICA CENTRE OF EXCELLENCE IN PUBLIC HEALTH AND  
HERBAL MEDICINE (ACEPHEM)  
Financial Statements for the Year Ended 31 March 2023**

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## **Controlling Officer's Report**

### **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, stress, sedentary lifestyles, 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 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 a real concern so is modern drug-herbal interactions that may negatively affect the health of users.

The Africa Centre of Excellence in Public Health and Herbal Medicine (ACEPHEM) was established to increase Malawi's capacity to educate postgraduate students in public health and herbal medicine. The World Bank is funding the government of Malawi's ACEPHEM project through credit from the International Development Association (IDA). The project's implementation began on May 26, 2016, and it became operational on September 30, 2016. The project is expected to end on December 31, 2023.

### **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 the Eastern and Southern Africa. 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 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.

### **Project Activities**

The project engages in the following:

- Train MSc/MPhil/MMED students in urban and 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

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**Project Achievements**

Component	Sub- component	Action Plan	DLI #	DLR #	Estimated Budget (US\$)	Status
1.0. ACE plan to achieve learning excellence	1.1 Development of new curricula or review of existing ones	1	2	2.4	\$ 23,000	Processing international accreditation of MPH programme
	1.2 Students recruited and supported	1	2	2.3; 2.5	\$ 251,500.00	In additional to supporting previous students who were recruited in previous academic years. The center recruited one PhD male regional student.  The center is facing challenges in recruiting international students because of competition with other neighboring universities which have favorable tuition fees conditions as compared to Kamuzu University of Health Sciences. In addition to that unfavorable social economic conditions Malawi as a country is facing, makes its universities unattractive to international students.

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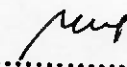
	1.4 Professional development and short courses	1	2	2.3	\$ 95,000.00	Collaborated with Malawi Medical Journal to train researchers and postgraduate students in proposal development and manuscript writing
	2.1 Procure general use teaching and research equipment and lab supplies	2	2	2.6	\$ 111,600.00	Procurement for reagents and lab materials for students conducting various experiments for their research
	2.2 Core team to lead public health and herbal medicine research	2	2	2.2	\$ 59,800	This is on going
2.0. ACE action plan to achieve teaching and applied research excellence	2.3 Field site monitoring and support and vehicle maintenance	2		2.6	\$ 34,600.00	Fuel and vehicle maintenance
	2.4 Facilitating international conference presentations and manuscript publication	2	2	2.5	\$ 16,900.00	Supported students in peer reviewed journals. Supported students to present in 2022 Research Dissemination Conference.
	3.1 Education outreach program	3	2	2.5	\$ 7,850.00	This activity is planned for, it is on going
	3.2 Facilitating national and regional student and faculty exchange program	3	2	2.6	\$ 32,000.00	15 Faculty members were supported in exchange programme within the reporting period.
3.0. Attracting regional	3.3 Proposal development for possible funding	3	2		\$ 47,000.00	The project completed and submitted 16 proposals

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faculty and students	(External revenue generation)						
	Conduct short course in accordance to the need	3	2			\$ 20,000.00	The project trained 104 men and women in various short courses including manuscript writing, proposal writing and grant writing. The participants of these trainings were students and researchers from various universities in Malawi
	4.1 International Academic Partners monitoring and support	4	2	2.6		\$ 34,000.00	We visited our partners in Kenya and Rwanda
	4.2 MOU signing and joint Implementation Planning meeting	4	4	4.1		\$ 51,500.00	We signed a cannabis MOU with and Israeli company MIG
	4.3 Partner implementation plan bi-Annual review meeting	4	4	4.2		\$ 8,000.00	We held meetings with our partners at LUANAR, MUST and Mzuni
4.0 Collaboration with international partners	5.1 Project meetings conducted	5	2	1.1; 3.2; 3.3		\$ 130,866.00	The center conducted board meetings, National steering committee meeting, 2 Technical Appraisal Meetings
	5.2 Capacity building of ACEPHEM Staff	5	5			\$ 28,000.00	The center supports its employees in career development. In the reporting period the M/E officer was supported to study Master of Public Health at Kamuzu University of Health Sciences.

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	5.3 Administrati on offices furnished and equipped	5	2	1.5	\$ 8,400.00	Procurement of furniture is need driven. During the reporting period the centre procured computers and stationery for the team.
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 Prof. Mcpherson Mallewa  
**Vice Chancellor**  
**Kamuzu University of Health Sciences (KUHeS)**

Date.....*12-12-23*.....



## Statement of Management Responsibilities

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.

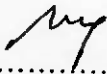
In preparing the financial statements the management accepts responsibility for the following:

- 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.

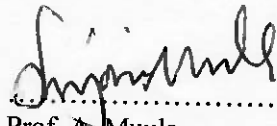
The management also accepts responsibility for taking such steps as are reasonably open to them to safeguard the assets of the project and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities

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. Mcpherson Mallewa  
**Vice Chancellor**  
**Kamuzu University of Health Sciences (KUHeS)**



.....  
Prof. A. Muula  
**ACEPHEM Director- Malawi**

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In reply please quote No. ....

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LILONGWE 3  
MALAWI

## AUDITOR GENERAL

**AUDITOR GENERAL'S REPORT  
TO THE SECRETARY FOR HEALTH  
ON THE FINANCIAL STATEMENTS OF AFRICA CENTRE OF EXCELLENCE  
IN PUBLIC HEALTH AND HERBAL MEDICINE PROJECT (ACEPHEM)- IDA  
P151847  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2023**

### **Opinion**

I have audited the accompanying Financial Statements of Africa Centre of Excellence in Public health and Herbal Medicine Project (ACEPHEM) for the year ended 31st March, 2023 comprising of Statement of Financial Position, Statement of Receipts and Payments, Statement of Designated account, Statement of Sources and Uses and Notes to the Financial Statements for the period then ended as set out on pages 13 to 17.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Africa Centre of Excellence in Public health and Herbal Medicine Project (ACEPHEM as at 31<sup>st</sup> March, 2023 in accordance with the International Public Sector Accounting Standards (IPSAS), 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 Africa Centre of Excellence in Public health and Herbal Medicine Project (ACEPHEM) in accordance with the International Standards of Supreme Audit Institutions - *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 such matters. I have determined that there are no key audit matters to communicate in my report.

#### **Responsibilities of the Controlling Officer on the Financial Statements**

According to Section 107 (1) of the Public Finance Management Act, 2022, the Controlling Officer is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) under the accruals basis of accounting stage 2 and for such internal control as he determines 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 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 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; and

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- 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 Auditor General's report is:

Signature:.....



**THOMAS K.B. MAKIWA  
NATIONAL AUDIT OFFICE  
LILONGWE  
MALAWI**



Date:.....

28/11/23

**KAMUZU UNIVERSITY OF HEALTH SCIENCES  
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**Statement of Financial Position**

	NOTE	2023 MWK	2023 USD	2022 MWK	2022 USD
<b>ASSETS</b>					
Property, Plant and Equipment	3	600,270,025	593,679	489,391,442	598,789
<b>CURRENT ASSETS</b>					
Receivables	6	87,191,907	86,234	7,382,729	9,033
Cash and Bank	4	165,886,072	164,064	278,252,077	340,452
<b>Total Current Assets</b>		<u>253,077,979</u>	<u>250,299</u>	<u>285,634,806</u>	<u>349,485</u>
<b>TOTAL ASSETS</b>		<u>853,348,004</u>	<u>843,978</u>	<u>775,026,248</u>	<u>948,274</u>
<b>FUNDS, RESERVES AND LIABILITIES</b>					
<b>FUNDS AND RESERVES</b>					
Capital Funds		483,764,667	478,452	377,716,372	462,150
General Funds		252,183,734	249,414	270,730,117	331,248
Funds for specific purpose		(496,522)	(491)	(496,522)	(608)
Revaluation Reserve		116,505,359	115,226	111,675,070	136,639
<b>Total Equities and Reserves</b>		<u>851,957,238</u>	<u>842,601.00</u>	<u>759,625,037</u>	<u>929,429</u>
<b>CURRENT LIABILITIES</b>					
Trade accounts payables					
Taxes payable		1,390,767	1,375	15,401,212	18,844
<b>Total Current Liabilities</b>		<u>1,390,767</u>	<u>1,375</u>	<u>15,401,212</u>	<u>18,844</u>
<b>Total Equity and Liabilities</b>		<u>853,348,005</u>	<u>843,976</u>	<u>775,026,249</u>	<u>948,273</u>

.....  
Prof. Mepheron Mallewa  
Vice Chancellor  
Kamuzu University of Health Sciences (KUHeS)

.....  
Mr G Namandwa  
Director of Finance and Investment

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**Statement of Income and Expenditure**

	NOTE	2023 MWK	2023 USD	2022 MWK	2022 USD
<b>INCOME</b>					
<b>Balance brought forward</b>		<b>270,730,117</b>	<b>331,248</b>	<b>322,243,997</b>	<b>394,277</b>
World Bank funds	9	370,956,407	360,685	304,885,993	373,039
Other income	5	162,559,220	113,857	77,283,532	94,559
Exchange gain	7	60,298,497	42,233	26,236,587	32,101
Bank Interest	8	918,941	644	909,325	1,113
<b>TOTAL INCOME</b>		<b><u>865,463,182</u></b>	<b><u>848,667</u></b>	<b><u>731,559,434</u></b>	<b><u>895,089</u></b>
<b>EXPENDITURE</b>					
Procurement of general use teaching material		-	-	8,019,868	9,813
Development of new MSc at Malawi College of Medicine		99,245,294	97,319	102,648,750	125,595
Development of a core team		85,185,424	83,532	106,053,990	129,760
Procurement of vehicles and maintenances		11,848,351	11,618	6,880,934	8,419
Procurement and upgrading of teaching and learning facilities		189,783,202	186,100	-	-
Organising short courses		37,537,687	36,809	47,444,778	58,050
Facilitation of national and regional student/faculty exchange visit		15,775,002	15,469	95,192,143	116,471
Proposal development for possible funding		108,884,472	106,771	58,721,901	71,848
Conduct management meetings of ACEPHEM		46,213,777	45,317	28,403,608	34,753
ACEPHEM institutionalised in KUHeS structures as a Centre		5,101,000	5,002	-	-
Building capacity of ACEPHEM staff		6,382,830	6,259	-	-
ACEPHEM Administration offices furnished and equipped		11,076,566	10,862	5,480,530	6,706
Exchange loss		-	-	930,331	1,138
Bank charges		1,720,984	1,688	1,053,083	1,288
<b>TOTAL EXPENDITURE</b>		<b><u>618,754,589</u></b>	<b><u>606,746</u></b>	<b><u>460,829,916</u></b>	<b><u>563,841</u></b>
<b>SURPLUS/(DEFICIT)</b>		<b><u>246,708,593</u></b>	<b><u>241,921</u></b>	<b><u>270,729,518</u></b>	<b><u>331,248</u></b>

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**REPRESENTED BY:**

Local Account	45,947,099	45,442	256,631,022	313,998
FCDA Account	119,938,973	118,622	21,621,055	26,454
Debtors / Cash imprests	87,191,907	86,234	7,382,729	9,033
<b>TOTAL BANK</b>	<b><u>253,077,979</u></b>	<b><u>250,298</u></b>	<b><u>285,634,806</u></b>	<b><u>349,485</u></b>
Tax	1,390,767	1,364	15,401,212	18,844
General purpose funds	4,978,619	4,882	(496,522)	(608)
<b>TOTAL</b>	<b><u>6,369,386</u></b>	<b><u>6,246.00</u></b>	<b><u>14,904,690.00</u></b>	<b><u>18,236</u></b>
<b>GRAND TOTAL</b>	<b><u>246,708,593</u></b>	<b><u>244,053</u></b>	<b><u>270,730,116</u></b>	<b><u>331,249</u></b>

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**Statement of Designated Account**

**BANK NUMBER: 0006708000177, FMB BANK**

	NOTE	2023 MWK	2023 USD	2022 MWK	2022 USD
<b>Receipts</b>					
<b>Balance brought forward</b>		<b>231,325,066</b>	<b>313,998</b>	<b>274,289,062</b>	<b>335,020</b>
Cash receipts	10	370,956,407	360,685	304,885,993	399,685
Receipts from other funds	10	158,118,254	153,740	74,983,466	94,720
Interest received	10	918,941	915	976,853	1,257
Transfer to operating account	10	(667,231,897)	(652,458)	(405,236,190)	(493,855)
<b>Total receipts</b>		<b><u>94,086,771</u></b>	<b><u>176,880</u></b>	<b><u>249,899,184</u></b>	<b><u>336,827</u></b>
<b>Payments</b>					
Total amount paid in respect of subsistence, training, bank charges, net exchange loss, management meetings and other service	10	59,752,252	58,257	18,574,117	22,829
<b>Total payments</b>		<b><u>59,752,252</u></b>	<b><u>58,257</u></b>	<b><u>18,574,117</u></b>	<b><u>22,829</u></b>
<b>Balance</b>		<b><u>34,334,519</u></b>	<b><u>118,623</u></b>	<b><u>231,325,067</u></b>	<b><u>313,998</u></b>



**KAMUZU UNIVERSITY OF HEALTH SCIENCES  
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**Statement of Sources and Uses of Funds**  
For the year ended 31 March 2023

	2023 MWK	2023 USD	2022 MWK	2022 USD
<b>SOURCES OF FUNDS</b>				
Balance brought forward	270,730,117.00	331,248.00	322,243,997.00	394,277.00
World Bank funds	370,956,407.00	360,685.00	304,885,993.00	373,039.00
Other income	162,559,220.00	113,857.00	77,283,532.00	94,559.00
Exchange gain	60,298,497.00	42,233.00	26,236,587.00	32,101.00
Interest received	918,941.00	644.00	909,325.00	1,113.00
<b>Total Receipts</b>	<b><u>865,463,182.00</u></b>	<b><u>848,667.00</u></b>	<b><u>731,559,434.00</u></b>	<b><u>895,089.00</u></b>
<b>APPLICATION OF FUNDS</b>				
<b>Component 1 - Building education capacity</b>				
Development of new MSc at Malawi College of Medicine	99,245,294.00	97,319.00	102,648,750.00	125,595.00
Procurement and upgrading of teaching and learning facilities	189,783,202.00	186,100.00	-	-
Proposal development for possible funding	108,884,472.00	106,771.00	58,721,901.00	71,848.00
Development of a core team ACEPHEM institutionalised in KUHeS structures as a Centre	85,185,424.00	83,532.00	106,053,990.00	129,760.00
	5,101,000.00	5,002.00	-	-
<b>SUB-TOTAL</b>	<b><u>488,199,392.00</u></b>	<b><u>478,724.00</u></b>	<b><u>267,424,641.00</u></b>	<b><u>327,203.00</u></b>
<b>Component 2 - Governance and Management</b>				
Procurement of vehicles and maintenances	11,848,351.00	11,618.00	6,880,934.00	8,419.00
Procurement of general use teaching material	-	-	8,019,868.00	9,813.00
Facilitation of national and regional student/faculty exchange visit	15,775,002.00	15,469.00	95,192,143.00	116,471.00
Conduct management meetings of ACEPHEM	46,213,777.00	45,317.00	28,403,608.00	34,753.00
Organising short courses ACEPHEM Administration offices furnished and equiped	37,537,687.00	36,809.00	47,444,778.00	58,050.00
	11,076,566.00	10,862.00	5,480,530.00	6,706.00
Building capacity of ACEPHEM staff	6,382,830.00	6,259.00	-	-
Exchange loss	-	-	930,331.00	1,138.00
Bank charges	1,720,984.00	1,688.00	1,053,083.00	1,288.00
<b>SUB-TOTAL</b>	<b><u>130,555,197.00</u></b>	<b><u>128,022.00</u></b>	<b><u>193,405,275.00</u></b>	<b><u>236,638.00</u></b>
<b>TOTAL FUNDS APPLIED</b>	<b><u>618,754,589.00</u></b>	<b><u>606,746.00</u></b>	<b><u>460,829,916.00</u></b>	<b><u>563,841.00</u></b>

**Notes to the Financial Statements  
For The Year Ended 31 March 2023**

**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 began on May 26, 2016, and it became operational on September 30, 2016. The project is expected to end on December 31, 2023. 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 Kamuzu University of Health Sciences 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 MK1,011.00 as at 31 March 2023 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 Non-Current Assets**

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 required for

utilization. The project's presentation currency is both Malawi Kwacha and 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 deposits. 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.

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**3. SCHEDULE OF NON-CURRENT AASETS**

**ASSETS**

**Property, Plant and Equipment**

	<b>2023 MWK</b>	<b>2023 USD</b>	<b>2022 MWK</b>	<b>2022 USD</b>
Land and Buildings	613,955,333	607,213	473,955,333	579,902
Motor Vehicle	137,397,726	135,889	132,567,437	162,201
Fixtures and Fittings	5,767,375	5,704	5,767,375	7,057
Office Equipment	46,830,241	46,316	40,539,241	49,601
Computer	24,428,150	24,160	15,399,750	18,842
<b>Total</b>	<b><u>828,378,825</u></b>	<b><u>819,282</u></b>	<b><u>668,229,136</u></b>	<b><u>817,603</u></b>
<b>Depreciation</b>				
Buildings	51,040,971	50,480	35,955,146	43,992
Motor Vehicle	113,216,520	111,973	93,431,445	114,317
Fixtures and Fittings	5,707,794	5,645	4,168,866	5,101
Office Equipment	39,811,460	39,374	29,581,502	36,194
Computer	18,332,055	18,131	15,700,735	19,210
<b>Total</b>	<b><u>228,108,800</u></b>	<b><u>225,603</u></b>	<b><u>178,837,694</u></b>	<b><u>218,814</u></b>
<b>Closing Balance</b>	<b><u>600,270,025</u></b>	<b><u>593,679</u></b>	<b><u>489,391,442</u></b>	<b><u>598,789</u></b>

**4. Bank and Cash Balance**

		<b>2023 MWK</b>	<b>2023 USD</b>	<b>2022 MWK</b>	<b>2022 USD</b>
FCDA Account (Designated Account)	Balance brought forward	119,938,973	118,622	21,621,055	26,454
FMB Bank - Local Account	IDA/ World Bank funding	45,947,099	45,442	256,631,022	313,998
<b>Total</b>		<b><u>165,886,072</u></b>	<b><u>164,064</u></b>	<b><u>278,252,077</u></b>	<b><u>340,452</u></b>

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**5. Other Income**

Date	Reference	Details	MWK	USD
7/18/2022	REF0722	UNIVERSITY OF IBADAN REFEUND	4,440,966	4,318
7/18/2022	TRF072022	UNIVERSITY OF WIEN	6,874,354	6,684
8/12/2022	TRF082022	UNIVERSITY OF BEREGEN	56,120,160	54,566
12/1/2022	FUNDING 01	UNIVERSITY OF WIEN	4,614,964	4,487
12/14/2022	FUNDING 2	UNIVERSITY OF KWAZULU NATAL	21,405,702	20,813
2/17/2023	FUNDING 02/23	UNIVERSITY OF BEREGEN	38,064,209	37,010
3/27/2023	FUNDING 03/23	UNIVERSITY OF KWAZULU NATAL	31,038,865	30,179
<b>Total</b>			<b><u>162,559,220</u></b>	<b><u>158,057</u></b>

**6. Receivables**

Date	Details	MWK	USD	MWK	USD
4/1/2022	Balance brought forward	1,073,719	1,062	7,382,729	9,033
4/10/2022	COM postgraduate Pool	80,000,000	79,122	-	-
3/13/2023	Penney Kumwenda	224,000	222	-	-
3/31/2023	Cash Imprest	5,894,187	5,829	-	-
<b>Total</b>		<b><u>87,191,907</u></b>	<b><u>86,234</u></b>	<b><u>7,382,729</u></b>	<b><u>9,033</u></b>

**7. Exchange Gain**

Date	Reference	Details	MWK	USD
4/25/2022	APRIL 2022 EXCHANGE GAIN	EXCHANGE GAIN	832,409.53	583.02
5/25/2022	MAY 2022 EXCHANGE GAIN	EXCHANGE GAIN	57,194,465.95	40,059.35
6/25/2022	JUNE 2022 EXCHANGE GAIN	EXCHANGE GAIN	91,350.00	63.98
8/25/2022	AUGUST 2022 EXCHANGE GAIN	EXCHANGE GAIN	451,350.00	316.13
9/25/2022	SEPTEMBER 2022 EXCHANGE GAIN	EXCHANGE GAIN	381,273.87	267.05
10/31/2022	OCTOBER 2022 EXCHANGE GAIN	EXCHANGE GAIN	1,010,346.99	707.65
11/30/2022	NOVEMBER 2022 EXCHANGE GAIN	EXCHANGE GAIN	337,300.47	236.25
<b>Total</b>			<b><u>60,298,496.81</u></b>	<b><u>42,233.43</u></b>

**8. Interest received**

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Date	Reference	Details	MWK	USD
4/30/2022	INT042022	INTEREST RECEIVED	83,929	102
5/25/2022	INT052022	INTEREST RECEIVED	84,707	83
6/25/2022	INT062022	INTEREST RECEIVED	68,507	67
7/25/2022	INT072022	INTEREST RECEIVED	60,752	59
8/25/2022	INT082022	INTEREST RECEIVED	63,683	62
9/25/2022	INT092022	INTEREST RECEIVED	51,907	50
10/31/2022	INT102022	INTEREST RECEIVED	121,731	118
11/30/2022	INT112022	INTEREST RECEIVED	105,635	103
12/31/2022	INT122022	INTEREST RECEIVED	110,973	108
1/25/2023	INT012023	INTEREST RECEIVED	71,705	70
2/28/2023	INT022023	INTEREST RECEIVED	46,919	46
3/25/2023	INT032023	INTEREST RECEIVED	48,493	47
<b>Total</b>			<b>918,941</b>	<b>915</b>

		2023 MWK	2023 USD	2023 MWK	2023 USD
<b>9.Receipts</b>					
7/1/2020	Balance brought forward	627,129,990	767,317	322,243,997	394,277
11/8/2022	IDA/ World Bank funding	370,956,407	360,685	304,885,993	373,039
<b>Total</b>		<b>998,086,397</b>	<b>1,128,002</b>	<b>627,129,990</b>	<b>767,316.</b>

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

		2023 MWK	2023 USD	2022 MWK	2022 USD
<b>Receipts</b>					
4/1/2022	Balance brought forward	(256,631,322)	(313,998)	(274,289,062)	(335,020)
10/3/2022	IDA	(370,956,407)	(360,685)	(304,885,993)	(399,685)
7/18/2022	UNIVERSITY OF WIEN	(6,874,354)	(6,684)	(1,508,774)	(2,030)
8/12/2022	UNIVERSITY OF BEREGEN	(56,120,160)	(54,566)	(7,791,666)	(10,485)
12/1/2022	UNIVERSITY OF WIEN	(4,614,964)	(4,487)	(11,207,836)	(14,985)
12/14/2022	UNIVERSITY OF KWAZULU NATAL	(21,405,702)	(20,813)	(1,676,396)	(2,241)
2/17/2023	UNIVERSITY OF BEREGEN UNIVERSITY OF	(38,064,209)	(37,010)	(3,602,670)	(4,785)
3/27/2023	KWAZULU NATAL	(31,038,865)	(30,179)	(49,196,124)	(60,193)

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<b>Total</b>	<b>(785,705,983)</b>	<b>(828,423)</b>	<b>(654,158,521)</b>	<b>(829,425)</b>
<b>Transfer to operating Account</b>				
4/26/2022 Transfer from 6438165 to 6439	33,000,000	40,000	29,059,800	35,700
6/15/2022 Transfer from 6438165 to 6439	61,800,000	60,000	40,750,000	50,000
8/16/2022 Transfer from 6438165 to 6439	62,160,000	60,000	48,960,000	60,000
9/22/2022 Transfer from 6438165 to 6439	50,836,323	49,058	9,615,590	11,755
10/3/2022 Transfer from 6438165 to 6439	51,812,470	50,000	49,260,000	60,000
10/5/2022 Transfer from 6438165 to 6439	82,899,952	80,000	32,797,800	39,900
11/8/2022 Transfer from 6438165 to 6439	44,973,224	43,400	38,223,000	46,500
1/6/2023 Transfer from 6438165 to 6439	103,600,000	100,000	41,250,000	50,000
2/6/2023 Transfer from 6438165 to 6439	51,812,470	50,000	49,320,000	60,000
2/9/2023 Transfer from 6438165 to 6439	72,537,458	70,000	66,000,000	80,000
3/28/2023 Transfer from 6438165 to 6439	51,800,000	50,000		
<b>Total</b>	<b>667,231,897</b>	<b>652,458</b>	<b>405,236,190</b>	<b>493,855</b>

	<b>2023 MWK</b>	<b>2023 USD</b>	<b>2022 MWK</b>	<b>2022 USD</b>
<b>INTEREST RECEIVED</b>				
4/30/2022 INTEREST	(83,929)	(102)	(108,429)	(146)
5/25/2022 INTEREST	(84,707)	(83)	(87,396)	(117)
6/25/2022 INTEREST	(68,507)	(67)	(73,190)	(97)
7/25/2022 INTEREST	(60,752)	(59)	(67,528)	(89)
8/25/2022 INTEREST	(63,683)	(62)	(144,454)	(189)
9/25/2022 INTEREST	(51,907)	(50)	(168,778)	(219)
10/31/2022 INTEREST	(121,731)	(118)	(130,752)	(160)
11/30/2022 INTEREST	(105,635)	(103)	(96,720)	(118)
12/31/2022 INTEREST	(110,973)	(108)	(99,605)	(122)
1/25/2023 INTEREST	(71,705)	(70)		
2/28/2023 INTEREST	(46,919)	(46)		
3/25/2023 INTEREST	(48,493)	(47)		
<b>Total</b>	<b>(918,940)</b>	<b>(915)</b>	<b>(976,852)</b>	<b>(1,257)</b>



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**BANK CHARGES**

5/25/2022	Bank Charges	178,159	174.00	163,161.00	220.00
6/25/2022	Bank Charges	388,302	378.00	91,605.00	123.00
7/25/2022	Bank Charges	54,530	53.00	48,804.00	65.00
8/25/2022	Bank Charges	55,312	54.00	13,503.00	18.00
9/25/2022	Bank Charges	43,258	42.00	28,888.00	38.00
10/25/2022	Bank Charges	85,230	83.00	96,852.00	126.00
12/25/2022	Bank Charges	20,570	20.00	234,288.00	287.00
<b>Total</b>		<b>825,361</b>	<b>804.00</b>	<b>677,101.00</b>	<b>877.00</b>

**ACEPHEM FELLOWSHIP PROGRAM**

7/27/2021	GALILEE INSTITUTE	-	-	244,002	300
7/27/2021	ASIIN E.V.	-	-	9,199,761	11,311
9/17/2021	ACCA SUBSCRIPTION FEE	-	-	352,740	432
12/23/2021	JOHN MPONDA	-	-	2,912,662	3,564
1/13/2022	CNB UNIVERSITY IBADAN	-	-	3,529,113	4,318
1/18/2022	BALMORAL LODGE	-	-	1,358,169	1,662
1/25/2022	MDPI AG	-	-	300,571	368
7/18/2022	UNIVERSITY OF IBADAN (REFFUND)	(4,440,966)	(4,318)		
<b>Total</b>		<b>(4,440,966)</b>	<b>(4,318)</b>	<b>17,897,018</b>	<b>21,955</b>

		2023 MWK	2023 USD	2022 MWK	2022 USD
<b>EXCHANGE VISITS</b>					
5/23/2022	F. LAMPIAO	358,474	350	-	-
5/23/2022	A. MUULA	358,474	350	-	-
5/26/2022	ANDREW MATCHADO	1,290,267	1,260	-	-
6/10/2022	A. MUULA	2,776,889	2,700	-	-
6/10/2022	STEVE MANYOZO	2,776,889	2,700	-	-
6/10/2022	F. LAMPIAO	2,776,889	2,700	-	-
6/21/2022	ST. PAULS	3,285,986	3,195	-	-
8/19/2022	ST. PAULS UNIVERSITY	1,907,754	1,855	-	-
9/22/2022	F. LAMPIAO	2,159,803	2,100	-	-
9/22/2022	A. MUULA	2,159,803	2,100	-	-
11/11/2022	S. KALULU	1,028,478	1,000	-	-
11/11/2022	BELINDA CHIMPHAMBA	1,028,478	1,000.00	-	-
11/11/2022	L. LAMPIAO	1,028,478	1,000.00	-	-

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12/15/2022	WINGSTONE NG'AMBI	761,073	740	-	-
3/6/2023	KAZIONE KULUSEWA	514,239	500	-	-
<b>Total</b>		<b>24,211,974</b>	<b>23,550</b>	<b>-</b>	<b>-</b>

**PUBLICATIONS**

7/22/2022	ASTRIA LEARNING	1,840,975	1,790	-	-
9/29/2022	FRONTIER MEDIA SA	488,527	475	-	-
10/20/2022	ABCAM	2,710,038	2,635	-	-
<b>Total</b>		<b>5,039,540</b>	<b>4,900</b>	<b>-</b>	<b>-</b>

**PROCUREMENT OF GENERAL USE TEACHING AND RESEARCH EQUIPMENT**

5/11/2022	NCD BRITE	34,211,787	33,409	-	-
5/21/2022	NCD BRITE	34,211,787	33,409	-	-
5/21/2022	NCD BRITE	(34,307,228)	(33,496)	-	-
<b>Total</b>		<b>34,116,347</b>	<b>33,322</b>	<b>-</b>	<b>-</b>

	2023 MWK	2023 USD	2022 MWK	2022 USD
<b>EXCHANGE GAIN</b>				
8/25/2021	-	-	(1,232,211)	-
9/25/2021	-	-	(1,081,774)	-
10/25/2021	-	-	(24,086)	-
11/25/2021	-	-	(22,204,272)	-
12/25/2021	-	-	(193,308)	-
4/25/2022	(832,410)	-	(218,429)	-
5/25/2022	(57,194,466)	-	(666,714)	-
6/25/2022	(91,350)	-	(615,792)	-
8/25/2022	(451,350)	-	-	-
9/25/2022	(381,274)	-	-	-
10/25/2022	(1,010,347)	-	-	-
11/25/2022	(337,300)	-	-	-
<b>Total</b>	<b>(60,298,497)</b>	<b>-</b>	<b>(26,236,586)</b>	<b>-</b>

**EXCHANGE LOSS**

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7/31/2021	-	-	930,331	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>930,331</u>	<u>-</u>
<b>Total</b>	<u>(119,939,269)</u>	<u>(118,622)</u>	<u>(256,631,319)</u>	<u>(313,995)</u>
<b>Balance</b>	<u>(119,939,269)</u>	<u>(118,622)</u>	<u>(256,631,319)</u>	<u>(313,9945)</u>