



**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

**National Audit Office
Lilongwe 3**

August, 2021

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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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...25 Aug. 2021



FINANCE OFFICER

DATE...25 Aug. 2021

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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, 2020

Opinion

I have audited the accompanying financial statements of the College of Medicine which comprise the Statement of Financial Position as at 30 June 2020 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 44.

In my opinion, the financial statements present fairly, in all material respects, the financial position of College of Medicine as at 30 June 2020 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. The following was the key audit matter:

Service Gratuity

University of Malawi (UNIMA) is in the process of abolishing its Service Gratuity Scheme due to its unsustainability and in compliance with the Pensions Act. The College has therefore recognized service gratuity as a liability in line with the IAS 37 (Provisions, Contingent liabilities and Contingent Assets). The assumptions that underpin the valuation of the service gratuity are important, subjective, judgments and this affects the College's surplus /deficit balances and the financial position. The Council has estimated the amount based on the number of years each employee has worked for, hence the recognition of the service gratuity is significant to my audit.

The audit procedures to address the risk of material misstatement relating to service gratuity liability recognition included, among others: inspecting the minutes of the Council, and discussing with the Council on the status of the gratuity; examining announcements made by the Council to assess whether these currently commit the College to gratuity costs; recalculating the liability in the context of the accelerated closure plans of the service gratuity; I assessed the potential risk of Council bias and the adequacy of the disclosures. I found the criteria and assumptions used by Council in the determination of the liability recognized in the financial statements to be appropriate.

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.

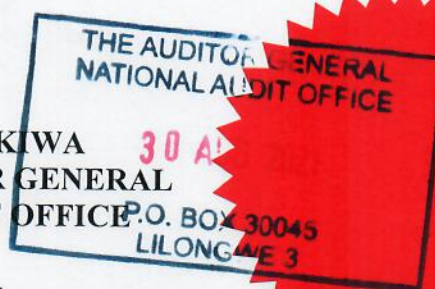
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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:.....*30th August 2021*



UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2020

Revenue	Note	2020 K'000	2019 K'000
Subvention			
Fees	3	7,643,194	6,094,291
Projects grants and research income		2,166,558	2,042,094
Other income	4	17,016,354	16,652,213
Sports Complex Centre income	5	997,100	1,324,538
Total income		<u>421,652</u>	<u>550,531</u>
		<u>28,224,857</u>	<u>26,663,668</u>
Expenditure			
Teaching and research	6	6,080,011	5,304,503
Student living	7	1,509,731	1,498,178
Administration	8	10,207,427	2,489,874
Transport and travelling	9	292,347	237,999
ICT Department	10	349,498	309,357
Common service / other charges	11	127,891	76,933
Sports Complex expenses	12	526,355	529,385
Guest House	13	23,986	18,713
COM Private clinic	14	352,590	170,028
Project and research expenses	15	<u>12,391,765</u>	<u>11,544,426</u>
Total expenditure		<u>(31,861,600)</u>	<u>(22,179,396)</u>
Surplus before designated funds		3,616,742	4,484,272
Designated funds		(4,624,589)	(5,107,787)
Capital expenditure (Note 16)		(432,958)	(864,814)
Release from capital fund		<u>803,362</u>	<u>926,373</u>
Surplus/(Deficit) for the year		<u>(7,870,927)</u>	<u>(561,957)</u>

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2020

	Note	2020 K'000	2019 K'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	<u>17,265,115</u>	<u>17,638,733</u>
Current assets			
Inventories	17	2,964	51,628
Receivables	18	4,326,828	2,587,224
Cash and cash equivalents	19	<u>6,298,924</u>	<u>6,847,431</u>
Total current assets		<u>10,628,716</u>	<u>9,486,283</u>
Total assets		<u>27,893,831</u>	<u>27,125,015</u>
FUNDS AND LIABILITIES			
Funds			
Capital funds	20	1,994,672	2,368,291
Revaluation reserves		15,270,442	15,270,442
General funds	21	(7,481,754)	323,656
Designated funds	22	<u>5,716,328</u>	<u>6,516,649</u>
Total funds		<u>15,499,688</u>	<u>24,479,037</u>
Current liabilities			
Payables	23	<u>12,394,143</u>	<u>2,645,980</u>
Total current liabilities		<u>12,394,143</u>	<u>2,645,980</u>
Total funds and liabilities		<u>27,893,831</u>	<u>27,125,015</u>



PRINCIPAL

DATE...25-08-21.....



FINANCE OFFICER

DATE...25-08-21.....

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2020

	Capital fund K'000	Revaluation Surplus K'000	General funds K'000	Designated Funds K'000	Total K'000
Balance at 01 July 2018					
Capital assets procured during the period	4,984,699	15,962,169	960,532	6,457,345	28,364,745
Depreciation charge for the year	864,814	-	-	-	864,814
Prior year adjustments	(3,481,223)	-	-	-	(3,481,223)
Revaluation surplus	-	(691,728)	(74,919)	-	(74,919)
Surplus/(Deficit) for the year	-	-	-	-	(691,728)
Net movement	-	-	(561,957)	-	(561,957)
Balance at 30 June 2019	<u>2,368,291</u>	<u>15,270,442</u>	<u>323,656</u>	<u>6,516,649</u>	<u>24,479,037</u>
Balance at 01 July 2019					
Capital assets procured during the period	2,368,291	15,270,442	323,656	6,516,649	24,479,037
Depreciation charge for the year	432,958	-	-	-	432,958
Disposal	(803,362)	-	-	-	(803,362)
Accumulated Depreciation on Disposal	(115,285)	-	-	-	(115,285)
Prior Year Adjustment	112,070	-	-	-	112,070
Surplus/(Deficit) for the year	-	-	65,517	-	65,517
Net movement	-	-	(7,870,927)	-	(7,870,927)
Balance at 30 June 2020	<u>1,994,672</u>	<u>15,270,442</u>	<u>(7,481,754)</u>	<u>(800,321)</u>	<u>15,499,688</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2020

	2020	2019
	K'000	K'000
Cash flows from operating activities		
Operating cash flows before movements in working capital	(7,870,927)	(561,957)
Movements in working capital		
Decrease /(Increase) in inventories	48,664	(50,153)
Decrease in receivables	(781,476)	(422,105)
Project funds receivables	(958,127)	76,806
Increase in payables	<u>9,748,165</u>	<u>870,520</u>
Cash (used in)/generated from operations	186,298	(86,888)
Cash flow from investing activities		
Purchase of property, plant and equipment	<u>(432,958)</u>	<u>(864,814)</u>
Net cash used in investing activities	(432,958)	(864,814)
Net cash flow before financing	(246,660)	(951,703)
Cash flows from financing activities		
Designated funds	(800,321)	59,304
General fund	65,517	(74,919)
Capital fund	<u>432,958</u>	<u>864,814</u>
Net cash flow from financing activities	(301,845)	849,199
Net increase in cash and cash equivalents	(548,505)	(102,504)
Cash and cash equivalents at the beginning of the financial year	<u>6,847,433</u>	<u>6,949,936</u>
Cash and cash equivalents at the end of the financial year (note 19)	<u>6,298,924</u>	<u>6,847,433</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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
COLLEGE OF MEDICINE
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020

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 2020

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 2020

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 2020

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 2020**

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 2020

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 2020**

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.

**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020

3 GOVERNMENT SUBVENTION

	2020	2019
	MK'000	MK'000
Annual operations	7,643,194	6,094,291
Total subvention	<u>7,643,194</u>	<u>6,094,291</u>

4 PROJECT GRANTS AND RESEARCH INCOME

Unspent funds from previous years	5,107,787	4,588,473
Adjustment (Derecognition of project assets-NBV)	79,276	(170,467)
Grants received (<i>note 24</i>)	11,069,882	11,593,344
Interest received	18,947	20,476
Income from building	4,324	4,450
Other income	666,515	347,493
Exchange gain	69,622	268,444
Total project grants and research income	<u>17,016,354</u>	<u>16,652,213</u>

5 OTHER INCOME

Interest earned	25,528	147,629
Catering/Accommodation sales	26,703	18,389
Com private clinic	353,618	82,454
Conferences/workshops	16,660	17,137
Donations & grants	30,000	134,987
Research admin fees	388,572	770,232
Exchange gain	1,350	79
Sundry income	154,669	153,632
Total other income	<u>997,100</u>	<u>1,324,538</u>

Sports Complex Centre Income	<u>421,652</u>	<u>550,531</u>
	<u>421,652</u>	<u>550,531</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

6. TEACHING AND RESEARCH

	2020	2019
	K'000	K'000
Salaries	3,763,144	3,350,223
Tevet Levy	43,826	38,791
Telephone	4,754	15,777
Stationery	60,923	44,960
Staff training & development	46,714	51,807
Postgraduate programmers – training	18,777	18,504
Repairs - other equipment	6,878	3,712
Postage/document delivery	1,266	189
Perks	222,882	153,052
Passages	867	-
Meeting expenses	118,615	139,933
Clinical allowances	448,191	410,783
Gratuity	75,082	39,690
<u>General expenses</u>		
Examination expenses	39,882	53,302
Advertising	1,283	-
Allowances - acting/resp./duty/warden's	-	187
Consumables/cleaning	10,444	8,572
Teaching materials	92,442	61,836
Student attachments	14,437	45,821
Conferences & workshops	29,277	3,213
Fuels & oils	16,129	17,382
Mileage claim	12,879	22,116
Subsistence Allowance	80,378	82,554
Finance charges	2,613	1,951
Medical expenses	76,443	56,529
Superannuation costs	629,749	463,370
Furniture and fittings	2,652	14
Hiring of vehicles	1,649	2,219
Ceremonies/Graduation/Open Days	744	-
Exchange loss	6,916	1,578

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

6. TEACHING AND RESEARCH (*Continued*)

	2020	2019
	K'000	K'000
Subscriptions	4,494	2,783
<u>Library</u>		
Salaries	160,652	141,090
Tevet Levy	1,754	1,571
Perks	22,465	19,838
Superannuation costs	38,569	31,292
Subsistence allowance	2,399	3,098
<u>General expenses</u>		
Books	-	254
Training & development	2,428	1,471
Stationery	593	1,189
Masm/medical expenses	4,762	3,096
Meetings	3,603	4,577
Mileage refund	738	-
Phone/fax/e-mail	96	240
Professional charges	7,610	5,936
Postage/document delivery	12	-
Total teaching and research	<u>6,080,011</u>	<u>5,304,503</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

7. STUDENT LIVING

	2020	2019
	K'000	K'000
Wages	20,146	28,054
Tevet Levy	228	334
Staff benefits	9,226	4,648
<u>General expenses</u>		
Meals & meal coupon	49,868	91,921
Phone/fax/e-mail	12,833	2,447
MASM/medical expenses	29,989	25,788
Student Welfare	61,151	2,587
Training & Staff Development	-	625
Meetings	45	118
Student Union activities	2,745	356
Electricity	230,191	218,099
Water	251,606	313,647
Repairs-buildings	471,029	366,001
Repairs – property & premises	35,880	3,086
Repairs office equipment	21,333	72,055
Cleaning services & consumables	100,972	150,972
Subsistence Allowances	1,080	-
Rent Expenses	600	-
Security services	208,748	214,155
Furniture & fittings	632	3,183
Tools & other Equipment	1,428	25
Mileage refund	-	80
Total student living expenses	<u>1,509,731</u>	<u>1,498,178</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020

8. ADMINISTRATION

	2020	2019
	K'000	K'000
Salaries	714,018	654,175
TEVETA Levy	7,148	6,761
Staff benefits outside payroll	74,759	96,147
Staff benefits	47,526	46,445
Superannuation costs	492,451	113,981
Gratuity	20,346	10,356
MASM/medical expenses	23,947	19,883
<u>General expenses</u>		
Advertising	17,646	27,214
Fuels and oils	19,509	32,700
Delinking Expenses	51,372	5,027
Postgraduate programmes	3,575	5,168
Conferences & workshops	46,369	9,395
Stationery	91,669	87,535
Passage	-	491
Telephone	19,163	22,820
Repairs - office equipment	3,119	328
Consumables/cleaning	19,575	3,474
Meeting expenses	92,671	95,844
Postage/document delivery	1,513	4,366
Tools and other equipment	3,051	2,895
Covid expenses	50,089	-
Staff training & development	20,778	17,143
Staff and students welfare	14,947	4,377
Meals and meal coupons	526	16,829
City and Rent Expenses	75,508	346
Examination expenses	1,979	8,020
Hospitality	4,836	5,167
Finance charges	22,774	84,940
Mileage claim	4,358	5,796
Subscriptions	3,067	891
Subsistence allowance	119,775	132,348
Student Uniform	4,966	-

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

8. ADMINISTRATION (*continued*)

	2020	2019
	K'000	K'000
Office equipment	9,811	2,895
Professional charges	40,408	70,518
Legal Charges	4,600	-
Exchange loss	71	622
Marketing & Publications	1,610	-
Provision for Doubtful Debts	113,162	-
Estimated Service Gratuity as at 30.06.20	7,223,074	-
Depreciation Charge-Buildings	332,340	332,791
Depreciation Charge- Motor Vehicle	94,618	131,840
Depreciation Charge- Furniture; Fittings	314,701	430,342
Total administration expenses	<u>10,207,427</u>	<u>2,489,874</u>

9. TRANSPORT AND TRAVELLING

Wages	51,334	50,004
TEVET Levy	609	596
MASM/medical expenses	1,274	722
Superannuation costs	10,884	11,601
General expenses		
Training & Staff Development	-	120
Mileage Claim	2,175	-
Fuel and oils	61,501	50,922
Subsistence allowance	56,249	24,961
Allowances Acting/Resp./Duty/Warden's	9,604	9,634
Motor repairs and maintenance	69,455	75,367
Motor licensing	29,100	13,957
Consumables and cleaning vehicles	96	-
Phone/fax/e-mail	67	115
Total transport and traveling	<u>292,347</u>	<u>237,999</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020

10 ICT DEPARTMENT

	2020 K'000	2019 K'000
Salaries	133,003	117,202
TEVET/Levy	1,443	1,230
Perks/Staff Benefits	12,300	8,937
Superannuation costs	25,494	18,092
Gratuity	10,104	2,001
MASM/Medical expenses	2,405	1,487
<u>General expenses</u>		
Telephone	115,166	109,175
Stationery	4,153	492
Training & staff development	-	732
Repairs - office equipment	1,038	15,503
Consumables & cleaning materials	-	5,033
Mileage Refund	422	70
Meetings	1,778	3,616
Postage & Document delivery	-	18
Subsistence allowance	7,346	9,322
Conference & Workshops	444	797
Subscriptions	34,403	15,649
Total for ICT Department	<u>349,498</u>	<u>309,357</u>

11 COMMON SERVICE/OTHER CHARGES

Student sports expenses	31,669	512
General insurance	39,116	25,263
Fringe Benefits Tax	37,817	35,633
Staff Sports Expenses	10,111	15,524
Ceremonies/graduation/open days	9,179	-
Total common service and other charges	<u>127,891</u>	<u>76,933</u>

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

12 SPORTS COMPLEX CENTRE

	2020	2019
	K'000	K'000
Operation expenses	526,355	529,385
Total Sports Complex Centre expenses	<u>526,355</u>	<u>529,385</u>

13 GUEST HOUSE - MOUNT PLEASANT

Gratuity/ Staff Benefits	-	547
superannuation	248	-
Electricity	446	-
Water	140	224
Meetings	1,550	1,340
Subsistence Allowance	952	-
Subscriptions	264	723
Finance charges	227	136
Total Guest House expenses	<u>3,828</u>	<u>2,970</u>

IGA Expenses

Mangochi campus IGA expenses	<u>20,158</u>	<u>15,744</u>
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NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

14 COM PRIVATE CLINIC

	2020 K'000	2019 K'000
Salaries & wages	110,044	81,867
TEVET/Levy	1,246	842
Gratuity/staff Benefits	75,102	8,426
Gratuity	6,652	-
Superannuation	21,414	9,931
Printing & Stationery	4,088	3,811
Phone/fax/e-mail	2,980	3,602
Electricity	2,184	600
Water	1,896	1,700
Meetings	1,529	692
Maintenance and repairs – equipment	5,621	1,275
Maintenance and repairs – building	5,744	16,167
Training & Staff Developments	1,238	939
Consumables & cleaning Materials	13,671	5,431
Medicines & Supplies	46,781	30,826
Subscriptions	1,755	783
Finance charges	873	336
Fuels & Oils	4,149	610
Subsistence allowance	3,584	688
Advertising	1,962	791
MASM/Medical expenses	1,911	710
Staff Uniform	1,297	-
Cost of Sales	8,120	-
Conference & Workshops	299	-
WHT & Sundry Expenses	28,244	-
Maintenance of motor Vehicle	207	-
Total Guest House expenses	<u>352,590</u>	<u>170,028</u>

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

15 PROJECT AND RESEARCH EXPENSES

	2020	2019
	K'000	K'000
ACEPHEM	640,192	818,560
ACT-BT Project	110,985	73,476
AESA-RISE Project	35,300	30,815
Africare	8,255	62,852
AMARI	57,393	95,622
Antibiotic in Miscarriage Surgery	52,790	19,017
ARCADE project	-	150
BSc Int. Med, Gyenae & Anaesthesia	8,028	19,025
BT Clinical Research	125,616	111,901
Building Family Medicine	89,930	81,132
Building Heart & Lung Project	80,329	111,293
Care for Development	-	3,049
CDC IMEM	472,560	535,575
CDC Partnership project	22,243	184,692
CDCC	-	212
Centre for Bioethics	-	109,487
CEBHA+Project	229,676	97,939
Centre for Reproductive Health	56,039	-
CHAIN	232,006	227,645
ELMA Anaesthesia Grant	671	-
CHPI Project	-	537
Clinical Trial Management	61,268	499
COM-IDRC IMCHA	-	66,883
COST Africa	10,283	474
COSYST	-	150
Cryotherapy	6,781	19,371
Diabetic Clinic	-	467
SOAR Dreams	60,100	99,360
Duke University	5,886	3,168
ELMA CPAP	123,307	240,960
EU Beamish Project	1,501	48,669
EU Develop Countries Clinical Trials	338,714	1,113,067

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

15 PROJECT AND RESEARCH EXPENSES (*Continued*)

	2020	2019
	K'000	K'000
Gates EED	-	106,994
Gates Malaria	821,821	594,696
Global Health Project	51,521	404
HBGDKI Project	132	124
Health Management Unit	-	4
Helse TB Project	327,214	287,847
HIV EHPSA MSM Project	357	202
HIV Implementation Research Training	105,473	168,075
ICMER 1	-	17,478
ICMER 2	1,126,022	642,742
IKMC Project	79,504	166,748
ILINS FANTA Project	11,052	7,550
Ilins Project	210,673	178,372
IMMPAQKT Project	4,400	5,157
Infectious Disease	13,064	13,277
Intermittent Preventive Therapy	548	-
Kusamala Project	97	98
WHO Life Long	-	75
MAC ENTO Studies Project	580,367	324,009
MAC Laboratory	268	248
Majete Malaria Project	67,833	359,848
Malaria Decision Support System	13,368	3,988
Malarid	-	3,056
Malarid PMC	53,910	65,538
MARCH Study	1,988	648
Maternal Child Health	65,134	55,161
Mazira Project	104,388	529,722
MCDC PHD Fellowship	-	354
Mental Health Departmental Project	11,514	48,280
MIEHCAP Project	34,223	42,472

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020**

15 PROJECT AND RESEARCH EXPENSES (Continued)

	2020	2019
	K'000	K'000
MORDOR Study	42,162	51,344
NAC BDS Study	3,866	86,887
NORHED ASCA Project	65,006	57,597
NORHED Surgery	154,075	261,828
Norway/SIDA Phase 4	-	726
Pharmacy Expansion Project	6,209	47,422
PK – PD Models Study	-	271
Premier Postgraduate	14,288	1,050
Research Ethics Committee	50,412	40,379
Research Support Centre	79,946	91,341
SACORE Grant	49,418	99,068
Savings Brains/Pamaned Project	-	150
Sayana Press Study Project	-	474
Scottish Collaboration	1,014	225
Small grants	301,168	184,328
SOAR Project	31,551	35,015
SPCD Project	11,334	30,169
St. Louis Nutrition	69,448	31,603
Sugarfact	11,858	55,376
Surg Africa	137,498	121,811
THRU Project	400,402	615,355
THRU/Pfizer Project	-	29,289
Traypanogen Project	27,675	11,989
United Front for Body Rights	-	2,303
Universal financial risk	-	32
Urban Malaria	41,286	363
World Child Cancer Foundation	-	9,087
World diabetes Foundation	-	62

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

15. PROJECT AND RESEARCH EXPENSES (*Continued*)

	2020	2019
	K'000	K'000
COM Research	-	20
AEVGI	65,331	81,519
GAVI	181,045	90,801
Thanzi la onse	84,541	92,951
NAC I-Tech (BDSS)	477,301	317,022
MVIP	1,140,133	768,207
PHNG GSK	845,221	279,963
P 20	-	70
STHP	134,898	57,075
Maldent	83,918	54,726
Nutritional Sub Study	2,603	98
NEST	799,761	58,146
CPMZ	28,693	57
Rapaed	147,491	69,035
Drink	47,121	63
IMPROVE 2	119,841	9,817
MITS	18,890	98
Generation MW	16,512	-
Maternal near Miss Project	22,022	-
CHEER	20,439	-
Alert Study Project	2,994	-
Project and research expenses total	<u>12,391,765</u>	<u>11,544,426</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020

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	To K'000
Cost						
At 01 July 2018	2,346,200	17,593,404	72,435	1,329,532	3,029,588	24,371,1
Additions – Main	-	32,595	122,986	63,732	598,977	818,2
Additions Sports Complex	-	-	-	12,500	34,025	46,5
At 30 June 2019	<u>2,346,200</u>	<u>17,625,999</u>	<u>195,421</u>	<u>1,405,764</u>	<u>3,662,591</u>	<u>25,235,9</u>
At 01 July 2019	2,346,200	17,625,999	195,421	1,405,764	3,662,591	25,235,9
Additions – Main	-	-	205,815	-	203,517	413,3
Disposal	-	-	-	(4,000)	(111,285)	(115,28
Additions Sports Complex	-	-	-	15,900	3,226	19,1
At 30 June 2020	<u>2,346,200</u>	<u>17,625,999</u>	<u>401,236</u>	<u>1,417,664</u>	<u>3,735,159</u>	<u>25,553,6</u>
Depreciation						
At 01 July 2018	-	1,175,340	-	614,491	1,634,459	3,424,2
Charge for the year projects (NBV removal)	-	1,912,106	-	244,485	398,259	2,554,3
Charge for the year projects (NBV removal)	-	306,451	-	144,948	240,328	691,7
Charge for the year main	-	332,791	-	131,840	430,342	894,5
Depreciation Sports Complex	-	13,169	-	4,604	13,626	31,4
At 30 June 2019	-	<u>3,739,857</u>	-	<u>1,140,369</u>	<u>2,717,014</u>	<u>7,597,2</u>
At 01 July 2019	-	3,739,857	-	1,140,369	2,717,014	7,597,2
Removal of Depreciation on Disposal	-	48,153	-	(4,200)	(107,870)	(112,07
Charge for the year main	-	332,340	-	94,618	314,701	741,6
Charge for the year sports complex	-	-	-	8,220	5,330	61,7
At 30 June 2020	-	<u>4,120,350</u>	-	<u>1,239,007</u>	<u>2,929,175</u>	<u>8,288,5</u>
Carry amount At 30 June 2020	-	<u>13,505,649</u>	<u>401,236</u>	<u>178,657</u>	<u>805,984</u>	<u>17,265,1</u>
At 30 June 2019	<u>2,346,200</u>	<u>13,886,142</u>	<u>195,421</u>	<u>265,395</u>	<u>945,576</u>	<u>17,638,7</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2020**

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

	2020	2019
	K'000	K'000
Consumables	405	405
Stationery	764	1,142
Projects	<u>1,795</u>	<u>50,081</u>
Total inventories	<u>2,964</u>	<u>51,628</u>

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

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

18 RECEIVABLES

	2020	2019
	K'000	K'000
Staff advances	229,925	154,701
Inter-colleges	550	513
Student receivables (Note 25)	1,401,709	1,181,466
Other receivables	87,721	230,143
Prepayments	16,813	14,399
Cash Imprest	3,421	2,472
June Government Subvention	305,036	-
COM Clinic Receivables	133,158	24,537
Sports Complex	129,712	55,564
Project funds receivables	1,347,999	389,871
Project Cash Imprest	<u>670,784</u>	<u>533,559</u>
	<u>4,439,990</u>	<u>2,587,224</u>

19 CASH AND CASH EQUIVALENTS

	2020	2019
	K'000	K'000
Sports complex funds	37,922	31,806
Foreign currency denominated accounts	170,085	201,224
Current accounts	806,298	1,019,162
Deposit accounts	384,652	135,282
Project accounts	<u>4,899,968</u>	<u>5,459,959</u>
Cash and cash equivalents as at 30 June 2020	<u>6,298,924</u>	<u>6,847,433</u>

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 losses over the past reported financial periods.

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

22 FUNDS FOR SPECIFIC PURPOSE

	2020	2019
	K'000	K'000
ACEPHEM	30,000	-
BSHIP Faculty Overhead	701	-
COM Research Account – Admin Fees	321,262	564,293
COMED Alumni Association	24	24
Dept Funds – Obs/Gynae	1,627	23,602
Dept Funds – Anaesthesia	5,042	5,042
Dept Funds – Anatomy	15,016	28,023
Dept Funds – Biochemistry	13,965	6,997
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	8,683	8,829
Dept Funds – IT Department	501	501
Dept Funds – Library	12,080	11,543
Dept Funds – Malaria Research	152	152
Dept Funds – Medicine	4,976	5,631
Dept Funds – Microbiology	48,477	30,546
Dept Funds – MPH Programme	-	20,218
Dept Funds – Paeds	9,678	9,678
Dept Funds – Physiology	6,896	6,556
Dept Funds - Physiotherapy	2,776	-
Dept Funds – School of Pharmacy	564	-
Dept Funds – Surgery	-	2,723
Dept Funds – Undergraduate Deans Office	7,419	7,419
Dept Funds Psychiatry	358	358
Gates Malaria Project	-	27,126
Guest House-Clearing account	3,539	3,539
Health Management Unit	105	1,080
HNTI	-	18,339
Inaugural Lecturer	2,353	2,353
Informatics account	38,398	44,013
Medicine Faculty Overhead	15,713	-

UNIVERSITY OF MALAWI
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NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

22 FUNDS FOR SPECIFIC PURPOSE (*Continued*)

	2020	2019
	K'000	K'000
OBS & Gyna MMED Fellowship/Family Medicine MMED	7,051	36,020
Malawi Dental School (Maldent Project)	234	-
Paediatrics Fellowship MMED Programme	104,957	111,022
PHFM Faculty Overhead	24,088	-
Postgraduate & Research Overhead	72,462	-
Postgraduate Funds	2,585	2,585
Resource Mobilization Overhead	15,181	-
Student Debtors Refunds	1,104	1,528
Student Outstanding Debtors & Overpayments	5,316	-
Sundry Deposits	-	100,037
UMSU/Student Rentals Clearing Account	1,876	1,836
Welcome Trust	28,474	-
Departmental Funds & Other Project Balances	818,205	1,086,187
Other project funds for specific purposes	<u>273,534</u>	<u>322,674</u>
Funds for specific purposes before unspent funds for project	1,091,739	1,408,861

UNIVERSITY OF MALAWI
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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

22 FUNDS FOR SPECIFIC PURPOSES *(Continued)*

	2020 MK'000	2019 MK'000
Unspent funds for projects as at 30 June 2020		
Abortion Study	(47,551)	(47,551)
ACEPHEM	377,518	15,105
ACT – BT Projectc	6,017	32,850
ADAPT Study	(5,826)	(5,826)
AESA – RISE Project	30,163	5,648
Africare	12,226	8,087
AMARI	95,493	98,458
Antibiotic in Miscarriage Surgery (AIMS)	6,372	39,245
ARCADE Project	(79,879)	(79,879)
Bsc Int. Med, Gynae & Anaesthesia	(28,172)	(20,144)
BT Clinical Research Project	129,391	30,171
Building Family Medicine	13,360	19,308
Building heart & Lung project	7,138	(8,139)
Capacity Build in Research Grants	(7,911)	(7,911)
Care for Development Project	(3,049)	(3,049)
CDC HIV Fellowship	(2,173)	(2,173)
CDC IMEM	(33,460)	4,260
CDC Partnership	(46,804)	(30,487)
CDCC	3,280	3,280
CEBHA+ Project	14,742	106,204
Centre for Reproductive Health	162,806	40,484
CHAIN	26,794	26,750
ELMA Anaesthesia Grant	1,816	-
Clinical Trial Management	(61,767)	(499)
COM – IDRC IMCHA	69,842	30,080
COST Africa Project	77,145	87,428
COSYST	3,761	3,761
CRH Investment Account	63,158	59,072
Cryotherapy	(2,783)	3,866
Diabetic Clinic	(8,060)	(8,060)
SOAR DREAMS	6,845	949
DUKE / MOVE University	957	6,842
ELMA CPAP Project	(28,916)	84,225

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

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

	2020	2019
	MK'000	MK'000
EMTCT Project	64,577	64,577
EU Beanish Project	3,873	5,374
EU Develop. Countries Clinical Trials Partnership (EDCTP)	(540,977)	(620,336)
F75 Study	1,045	1,045
Gates EED	272,449	272,449
Gates Malaria Project	221,153	359,452
Global Health	78,771	4,093
HBGDKI Project	34,281	34,413
Health Management Unit	35,869	35,869
Health Systems Strengthening Project (Queen Margaret)	(8,696)	(8,696)
Helse TB Project	3,025	208,200
HIV EHPSA MSM Project	2,477	2,834
HIV Implementation Research Training	28,746	30,015
ICMER 2	87,260	14,338
IKMC Project	62,519	10,817
ILINS Fanta Project	83,176	20,529
ILINS Project	(140,924)	46,709
IMMPAQKT	1,152	5,552
Infection Disease	(17,109)	(4,068)
Intermittent Preventive Therapy	195,598	196,147
Kusamala Project	4,106	4,203
WHO Life Long Project	(112)	(112)
Lungwena Umoyo project	54	54
MAC ENTO Studies	415,310	512,704
MAC Laboratory	6,399	6,666
Majete Malaria project	34,076	44,473
Malaria Decision Support System	164,160	171,658
Malarid	115,151	115,151
Malarid PMC	25,991	43,202
MARCH Study	3,862	2,622
Maternal Child Health	(12,193)	(11,591)

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

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

	2020	2019
	MK'000	MK'000
Mazira Project	25,829	105,721
MCDC Phd Fellowship	10,388	10,388
Mental Health Project	34,248	35,429
MIEHCAP Project	(6,640)	27,572
MORDOR Project	24,181	66,187
NAC BDS Study	14,314	17,644
NACCAP	75,740	75,740
Norad Program for Masters	(440)	(440)
NORHED ASCA	72,381	36,245
NORHED Surgery	(20,782)	50,228
Norway / SIDA Phase 4	118,474	118,474
Performance Based project	(2,537)	(2,537)
Pharmacy Extension Project	(3,252)	2,757
PK-PD Models Study	(271)	(271)
Premier Postgraduate	394,435	407,833
Research Ethics Committee	(56,107)	(60,427)
Research Support Centre	(93,717)	(205,695)
SACORE Grant	(119,764)	(71,918)
Scottish Collaboration	26,918	27,845
Securing Water in Rular Malawi	(26)	(26)
Small Grants Project	285,426	372,616
SOAR Project	(7,969)	1,930
SPCD Project	3,261	(6,879)
St Louis Nutrition Project	30,094	14,692
Sugarfact	7,004	18,844
Surg Africa	76,290	149,359
TESA Project	364	364
THRU Project	78,072	279,707
THRU / Pfizer Project	(30,780)	(30,780)
Trypanogen Project	14,308	11,433
UNC Project	(1,071)	(1,191)
United Front for Body Rights	23	23
Universal Financial Risk	131	117
Urban Malaria	(773)	40,512

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

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

	2020	2019
	K'000	K'000
World Children Cancer Foundation	68,031	68,031
World Diabetes Foundation	(62)	(62)
Centre for Bioethics	(9,600)	(9,600)
CBM SENT Project (P3226)	8,907	8,907
HAP	5	5
AEVGI	2,943	68,176
Thanzi la Onse	(11,185)	20,928
GAVI	285,791	3,620
NAC I – Tech (BDSS)	56,445	79,407
MVIP	530,702	281,964
PHNG GSK	51,008	235,592
STHP	40,647	4,034
P 20	92,844	92,844
Maldent	5,469	327
Nutritional Sub Study	18,037	20,616
PEER CANCER	36,621	90,929
NEST	52,713	166,839
CPMZ	4,860	14,097
Rapaed	6,427	118,079
Drink	67,739	41,094
IMPROVE 2	245,934	249,867
MITS	1,188	(98)
Generation Mw	25,273	-
Maternal near Miss Project	32,477	-
CHEER Project	16,465	
Alert Study	69,518	
Unspent Funds for Projects as at 30 June 2020	<u>4,624,589</u>	<u>5,107,788</u>
Total Funds for Specific Purposes	<u>5,716,328</u>	<u>6,516,649</u>

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

23 PAYABLES

	2020	2019
	K'000	K'000
Trade Payables	337,238	281,645
Other Payables	392,868	109,615
Accruals	487,245	38,816
Prepayments & Students Credit Balances	214,497	214,676
Prepaid Income (Postgraduate)	-	66,970
PAYE	2,229,145	1,104,026
Withholding Tax	35,821	61,830
Estimated Service Gratuity as at 30.06.20	7,223,074	-
Sports Complex	211,999	34,806
Project Funds Payables	<u>1,262,258</u>	<u>733,596</u>
Total	<u>12,394,145</u>	<u>2,645,980</u>

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NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

24 INCOME - GRANTS RECEIVED

	2020	2019
	K'000	K'000
ACEPHEM	976,863	437,906
ACT-BT	84,135	83,476
AESA-RISE	59,299	-
Africare	12,333	12,755
AMARI	51,725	84,911
BT Clinical Research	208,725	82,473
Building Family Medicine	73,723	58,398
Building Heart & Lung	95,573	130,271
CDC IMEM	423,858	537,803
CDC Partnership	-	167,991
CDCC	-	3,790
CEBHA+	134,980	177,085
Centre for Reproductive Health	177,986	44,612
CHAIN	226,190	225,871
COM – IDRC IMCHA	38,820	5,854
SOAR DREAMS	65,991	57,827
ELMA CPAP	-	196,666
EU Beanish	-	11,449
EU Develop. Countries Clinical Trials Partnership	166,409	459,133
Gates EED	-	44,684
Gates Malaria	610,162	574,734
Global Health	126,116	-
Helse Nord TB (HNTI)	120,392	379,650
HIV Implementation Research Training	104,158	144,188
ICMER 2	1,198,723	688,032
IKMC	131,138	118,725
ILINS	73,660	33,769
Infection Diseases	-	18,460
Kusamala	-	10,838
MAC ENTO Studies	481,546	663,894
Majete Malaria	55,724	402,004
Malarid PMC	33,241	76,098
Martenal Child Health	64,485	71,991
MaRCH Study	3,172	-
Mazira	16,917	650,005
Mental Health	9,954	51,372

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2020

24 INCOME - GRANTS RECEIVED *(Continued)*

	2020	2019
	K'000	K'000
MIEHCAP	-	66,490
MORDOR	-	82,835
Nac BDS Study	-	73,410
NORHED ASCA	100,725	20,991
NORHED Surgery	82,496	237,068
Pharmacy Expansion	200	50,096
Research Support Centre	502	-
SACORE grant	-	71,945
Small Grants	193,254	378,281
SOAR	21,534	20,364
SPCD	13,541	32,470
St Louis Nutrition	84,377	759
Surgarfact	-	33,891
Surg Africa	60,900	145,995
TESA	-	424
THRU	197,858	351,207
Traypanogen	30,457	7,967
HAP	-	5
AEVGI	-	149,275
Thanzi La Onse	51,948	113,869
GAVI	462,820	94,357
NAC I –Tech(BDSS)	448,138	395,088
MVIP	1,347,966	1,021,628
PHNG GSK	651,756	496,418
STHP	168,521	61,083
P 20	-	92,868
Maldent	87,794	55,034
Nutritional Sub Study	-	20,076
PEER Cancer	85,365	90,192
NEST	685,635	223,157
CPMZ	19,231	14,152
Rapaed	34,060	187,051
Drink	73,489	40,304
IMPROVE 2	115,880	257,879
MITS	20,124	-

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NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2020

24 INCOME - GRANTS RECEIVED (*Continued*)

	2020 K'000	2019 K'000
Generation MW	41,591	-
Maternal Near Miss	54,374	-
CHEER	36,835	-
Alert Study	72,512	-
Total	<u>11,069,882</u>	<u>11,593,344</u>

25 STUDENT RECEIVABLES

	2020 K'000	2019 K'000
Gross Student Receivables	1,514,871	1,181,466
<i>Less</i> Provision for Doubtful Debts	<u>113,162</u>	<u>-</u>
Net Student Receivables	<u>1,401,709</u>	<u>1,181,466</u>