

KAMUZU UNIVERSITY
OF HEALTH SCIENCES

KAMUZU UNIVERSITY OF HEALTH SCIENCES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 2023

Telephone: +265 1 770 700

e-Mail : info@nao.gov.mw
website: www.nao.gov.mw

All Communications should be
addressed to:
National Audit Office



In reply please quote No.

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National Audit Office
P.O. Box 30045
Capital City
Lilongwe 3
MALAWI

Ref: NAO/KUHeS/23/3

23rd February, 2024

The Vice Chancellor
Kamuzu University of Health Sciences, ✓
Private Bag 360,
BLANTYRE 3

Dear Sir,

AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

The audit of financial statements for Kamuzu University of Health Sciences for the year ended 31st March, 2023 was completed.

Therefore, I, hereby, issue the audited financial statements for the year then ended.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Chimwemwe F. Ng'oma'.

Chimwemwe F. Ng'oma
for: **AUDITOR GENERAL**

CC: The Secretary to the President and Cabinet,
Private Bag 301,
Capital City,
LILONGWE 3.

The Secretary to the Treasury,
P.O. Box 30049,
Capital City,
LILONGWE 3.

The Comptroller of Statutory Corporations,
P.O. Box 30061,
Capital City,
LILONGWE 3.

The Secretary for Education, Science and Technology,
Private Bag 328,
Capital City,
LILONGWE 3.

The Assistant Auditor General,
National Audit Office,
P.O. Box 395,
BLANTYRE.



KAMUZU UNIVERSITY
OF HEALTH SCIENCES

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 2023

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STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Kamuzu University of Health Sciences 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 Kamuzu University of Health Sciences 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 University keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the University 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 University 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 University and its operating results.



.....
VICE CHANCELLOR

DATE 19 FEB. 2024



.....
CHAIRMAN OF COUNCIL

DATE 19 FEB. 2024

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P.O. Box 30045
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Lilongwe 3
Malawi

AUDITOR GENERAL

AUDITOR GENERAL'S REPORT

TO THE COUNCIL OF KAMUZU UNIVERSITY OF HEALTH SCIENCES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Opinion

I have audited the accompanying consolidated financial statements of Kamuzu University of Health Sciences which comprise the Statement of Financial Position as at 31st March, 2023 and Statement of Comprehensive Income and Expenditure, Statement of Changes in Funds and Reserves 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 45.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kamuzu University of Health Sciences as at 31st March, 2023 and its financial performance and 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 Kamuzu University of Health Sciences in accordance with the International Standards of Supreme Audit Institutions 130- *Code of ethics* (ISSAI 130) 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.

Emphasis of Matter

While not modifying my report, I draw your attention to the following matter which has been a major concern during the audit of the Financial Statements of Kamuzu University of Health Sciences:

The service gratuity liability amounting to K10.2 billion presented in the financial statements is an area of major concern for me as the University's affordability to meet this huge liability with its current cash flow is doubtful.

Key Audit Matters

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

I have determined that there are no key audit matters to communicate in my report.

The Council Members' Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting 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 Kamuzu University of Health Sciences

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Kamuzu University of Health Science'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 controls.
- 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.

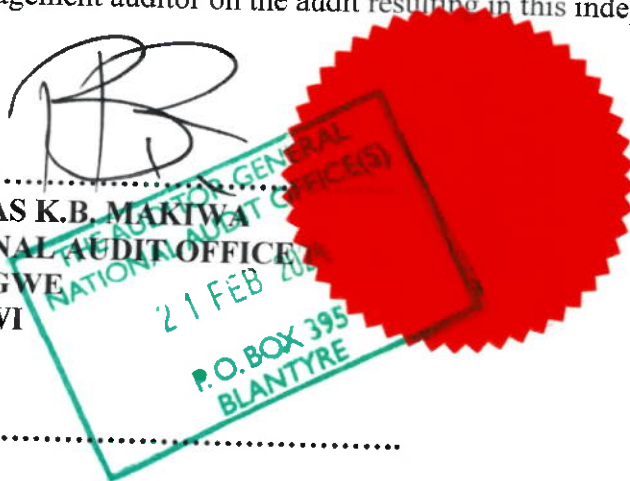
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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
NATIONAL AUDIT OFFICE
LILONGWE
MALAWI



DATE:.....



KAMUZU UNIVERSITY OF HEALTH SCIENCES

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2023**

	Note	2023 K'000	2022 (9 months) K'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	47,113,716	42,712,085
Current assets			
Inventories	4	262,955	281,570
Receivables	5	7,759,098	7,282,498
Cash and cash equivalents	6	11,492,916	11,125,657
Total current assets		<u>19,514,969</u>	<u>18,689,725</u>
Total assets		<u><u>66,628,685</u></u>	<u><u>61,401,810</u></u>
FUNDS AND LIABILITIES			
Funds			
Capital funds	7	47,113,716	42,712,085
General funds	8	(16,882,831)	(9,530,848)
Designated funds for specific purposes	9	11,288,684	10,438,960
Total funds		<u>41,519,569</u>	<u>43,620,197</u>
Current liabilities			
Payables	10	14,872,241	10,099,877
Estimated Service Gratuity	23	10,236,875	7,681,736
Total current liabilities		<u>25,109,116</u>	<u>17,781,613</u>
Total funds and liabilities		<u><u>66,628,685</u></u>	<u><u>61,401,810</u></u>

[Signature]
.....
VICE CHANCELLOR

[Signature]
.....
CHAIRMAN OF COUNCIL

DATE. *19 FEB 2024*

DATE. *19 FEB 2024*



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

**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH, 2023**

	Note	2023 K'000	2022 (9 months) K'000
Government Subvention	11	20,512,551	12,081,416
Fees		3,592,780	1,284,330
Projects / Grants and Research	12	27,291,482	20,276,126
Other income	13a	1,177,031	845,644
KUHeS SBUs	13b	1,573,367	1,108,348
Total income		54,147,211	35,595,864
Expenditure			
Teaching and Research	14	12,728,260	8,475,770
Maintenance & Student Living	15	2,652,514	1,714,375
Administration	16	9,368,079	6,113,528
Transport and travelling	17	1,149,228	596,503
ICT Department	18	371,277	322,350
Common service / Other IGA charges	19	282,207	254,763
KUHeS SBUs Expenses	20	1,557,606	1,054,848
Project and research expenses	21	18,161,352	11,880,355
Total expenditure		46,270,523	30,412,492
Surplus before Designated Funds		7,876,688	5,183,372
Designated Funds		(9,130,129)	(8,395,771)
Capital expenditure (Note 3)		(6,166,915)	(1,574,077)
Release from Capital Fund		1,662,956	1,342,871
Surplus/(Deficit) for the year		(5,757,400)	(3,443,605)



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

**STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 31ST MARCH, 2023**

	Capital fund K'000	General funds K'000	Designated Funds K'000	Total K'000
Balance at 1 July 2021	42,494,902	(5,817,709)	7,299,308	43,976,502
Capital assets procured during the period	1,574,078	-	-	1,574,078
Depreciation charge for the year	(1,342,871)	-	-	(1,342,871)
Revaluation Surplus / (loss)	(72,445)	-	-	(72,445)
Disposal of fixed assets	-	-	-	-
Depreciation write – off on revaluation	58,422	-	-	58,422
Prior Year Adjustment	-	(269,534)	-	(269,534)
Surplus/(Deficit) for the year	-	(3,443,605)	-	(3,443,605)
Net movement	-	-	3,139,652	3,139,652
Balance at 31 March 2022	42,712,086	(9,530,848)	10,438,960	43,620,199
Balance at 1 April 2022	42,712,085	(9,530,848)	10,438,960	43,620,197
Capital assets procured during the period	6,166,915	-	-	6,166,915
Depreciation charge for the year	(1,662,957)	-	-	(1,662,957)
Revaluation Surplus / (loss)	(133,167)	-	-	(133,167)
Disposal of fixed assets	(46,682)	-	-	(46,682)
Depreciation write – off on revaluation	71,508	-	-	71,508
Depreciation write – off on disposal	6,014	-	-	6,014
Prior Year Adjustment	-	(1,594,583)	-	(1,594,583)
Surplus/(Deficit) for the year	-	(5,757,400)	-	(5,757,400)
Net movement	-	-	849,724	849,724
Balance at 31 March 2023	47,113,716	(16,882,831)	11,288,684	41,519,569



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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2023**

	2023	2022
	K'000	(9 months) K'000
Cash flows from operating activities		
Operating cash flows before movements in working capital	(5,757,400)	(3,443,605)
Movements in working capital		
Decrease /(Increase) in inventories	18,616	(125,943)
Decrease/(Increase) in receivables	(476,600)	(245,422)
Increase/(Decrease) in payables	7,327,503	4,276,486
Cash (used in)/generated from operations	<u>1,112,119</u>	<u>461,517</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(6,166,915)	(1,574,078)
Net cash used in investing activities	<u>(6,166,915)</u>	<u>(1,574,078)</u>
Net cash flow before financing	(5,054,796)	(1,112,561)
Cash flows from financing activities		
Designated funds	849,724	3,139,652
General fund	(1,594,583)	(269,534)
Capital fund	6,166,915	1,574,078
Net cash flow from financing activities	<u>5,422,056</u>	<u>4,444,196</u>
Net increase in cash and cash equivalents	367,260	3,331,638
Cash and cash equivalents at the beginning of the financial year	<u>11,125,657</u>	<u>7,794,019</u>
Cash and cash equivalents at the end of the financial year (Note 6)	<u><u>11,492,916</u></u>	<u><u>11,125,657</u></u>



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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2023**

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, presented in Malawi Kwacha, were prepared in accordance with the *International Financial Reporting Standards* (IFRSs) and the Financial Regulations and Accounting procedures of the University of Malawi. The financial statements were prepared using accounting policies, which the Kamuzu University of Health Sciences adopted and consistently applied throughout the reporting period starting from 1st April, 2022 to 31st March, 2023.

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 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. SIGNIFICANT ACCOUNTING POLICIES

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

2.1. Properties, Plant and Equipment (PPE)



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

2.1.1. Recognition and Initial Measurement

The cost of an item of PPE is recognized 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.

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 recognized in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognized.

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 capitalized, 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 recognized 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 derecognized when the replacement takes place.

2.1.3. Depreciation

Depreciation is recognized 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.

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



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

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.

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



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

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.

2.1.5. Valuation of Land and Buildings

Buildings were revalued by Chartered Surveyors from The Malawi Polytechnic (Malawi University of Science & Technology (MUBAS)) as at 30 June, 2021. Land was valued by the same Chartered Surveyors as at 30 June 2018, and those values have been recognized.

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.

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



KAMUZU UNIVERSITY OF HEALTH SCIENCES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

- 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.

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.



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

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.

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;



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

- 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.

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



KAMUZU UNIVERSITY OF HEALTH SCIENCES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

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.

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.



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

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.

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 pension contribution scheme for employees. Contributions are charged to the statement of income.



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

3. Property, Plant and Equipment

	Land Buildings K'000	Work in Progress Buildings K'000	Motor Vehicles K'000	Intangible Assets K'000	Furniture, Fittings & Equipment K'000	Total K'000
Cost						
At 01 July 2021	39,443,173	284,362	572,092	27,389	2,167,887	42,494,903
Additions	17,463	1,006,478	293,338	-	256,798	1,574,077
Revaluation	-	-	(72,445)	-	-	(72,445)
At 31 March 2022	39,460,636	1,290,840	792,985	27,389	2,424,685	43,996,535
At 01 April 2022	39,460,636	1,290,840	792,985	27,389	2,424,685	43,996,535
Additions	31,693	5,314,609	151,989	34,717	633,907	6,166,915
Disposal	-	-	(16,613)	-	(30,069)	(46,682)
Revaluations	-	-	(133,168)	-	-	(133,168)
At 31 March 2023	39,492,329	6,605,449	795,193	62,106	3,028,523	49,983,600
Depreciation & Impairment Losses						
At 01 July 2021	-	-	-	-	-	-
Depreciation write-off on Disposal	-	-	-	-	-	-
Charge for the year main	775,598	-	152,322	-	414,953	1,342,873
Depreciation write-off on Revaluation	-	-	(58,421)	-	-	(58,421)
At 31 March 2022	775,598	-	93,901	-	414,953	1,284,452
At 01 April 2022	775,598	-	93,901	-	414,953	1,284,452
Depreciation write-off on Disposal	-	-	-	-	(6,015)	(6,015)
Charge for the year	879,218	-	185,617	28,855	569,266	1,662,956
Depreciation before revaluation	-	-	(71,509)	-	-	(71,509)
At 31 March 2023	1,654,816	-	208,009	28,855	978,204	2,869,884
Carrying amount at 31 March 2023	37,837,513	6,605,449	587,184	33,251	2,050,319	47,113,716
Carrying amount at 31 March 2022	38,685,038	1,290,840	699,084	27,389	2,009,732	42,712,085

The properties were revalued as at 30 June 2021 by Department of Land Economy of Malawi University of Business & Applied Sciences – MUBAS (formerly, University of Malawi - The Polytechnic), P/Bag 303, Chichiri, Blantyre 3.



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

Note 3 continued (Property, Plant and Equipment)

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.

4. Inventories

	2023	2022
	K'000	K'000
Consumables – Blantyre database	374	379
Stationery – Blantyre database	413	1,127
Inventory – Lilongwe database	23,651	18,433
KUHeS PVT Clinic	65,111	118,824
KUHeS Sports Complex	38,548	3,330
Funeral Parlour	37,940	17,771
Projects & SBUs	96,918	121,706
Total inventories	<u>262,955</u>	<u>281,570</u>

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



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

5. Receivables

	2023	2022
	K'000	K'000
Staff advances	729,990	700,498
Inter-colleges	550	550
Student receivables	3,292,440	3,681,470
Other receivables	145,401	171,843
Prepayments	34,516	19,191
Cash Imprest	4,296	22,566
March 2023 Government Development Subvention	1,144,550	-
KUHeS Private Clinic	266,833	178,652
KUHeS Sports Complex	233,781	168,949
David Livingstone Memorial Clinic	117,745	107,806
Project funds receivables	1,231,715	1,703,556
Projects receivables & Cash Imprests	557,281	527,417
	7,759,098	7,282,498

Note:

- Student Receivables are recognized net of Provision for Doubtful Debts
- Other Receivables are also recognized net of Provision for Doubtful Debts

6. Cash and Cash Equivalents

	2023	2022
	K'000	K'000
Current accounts	2,148,120	1,617,924
Foreign currency denominated accounts	411,590	234,301
Fixed Deposit accounts	347,042	919,805
Sports complex funds	96,908	82,745
KUHeS Pvt Clinic	15,903	92,265
DLMC funds	3,495	6,493
Cash on hand	2,887	343
Projects accounts	8,521,450	8,189,487
	11,547,395	11,143,363
KUHeS Main (Cashbook negative balances)	(9,119)	(12,992)
Projects (Cashbook negative balances)	(45,360)	(4,714)
	(54,479)	(17,706)
Cash and cash equivalents as at 31 March 2023	11,492,916	11,125,657



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

7. Capital Funds

Capital fund represents the total expenditure incurred to procure or otherwise construct all items of Plant, Property and Equipment as outlined in Note 3 above.

8. General Funds

General fund represents an accumulation of surpluses or loses over the past reported financial periods as outlined in the Statement of Changes in Funds and Reserves.

9. Designated Funds

	2023	2022
	K'000	K'000
ACEPHEM	-	19,029
BSHIP Faculty Overhead	140	278
COM Research Account – Admin Fees	812,922	199,564
COMED Alumni Association	24	24
Dept Funds – Anaesthesia	5,393	5,196
Dept Funds – Anatomy	22,236	23,904
Dept Funds – Biochemistry	55,804	62,615
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	8,156	8,358
Dept Funds – IT Department	17,371	3,540
Dept Funds – Library	14,547	13,067
Dept Funds – Malaria Research	2,027	2,027
Dept Funds – Medicine	9,225	7,011
Dept Funds – Microbiology	40,951	36,192
COM Student Scholarships	-	48,820
Dept Funds – Paeds	12,921	10,520
Dept Funds – Physiology	6,896	6,896
Dept Funds – Physiotherapy	57,825	26,839
Dept Funds – School of Pharmacy	8,161	8,691
Burkits/AFRICARE	2,351	2,351



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

Dept Funds – Undergraduate Deans Office	13,773	10,038
Dept Funds Psychiatry	358	358
UMSU / Student Rentals Clearing Account	1,791	-
CTS Welfare Committee	94	-
Adolescence Girls Project	4,800	-
Gates Malaria Project	-	-
Guest House - Clearing account	3,539	3,539
Funeral Parlour IGA	12,890	7,711
Inaugural Lecturer	2,353	2,353
Informatics account	47,956	32,360
Dept Funds - COMSU	1,810	-
Medicine Faculty Overhead	427	427
University of Malawi Staff Sports Association	-	169
Malawi Dental School (Maldent Project)	-	-
ELMA Paediatrics Fellowship MMED Programme	153,246	153,832
PHFM Faculty Overhead	1,524	14,791
Postgraduate & Research Overhead	1,674	1,811
Postgraduate Funds	-	15,847
Resource Mobilization Overhead	15,749	-
Student Debtors Refunds	1,637	1,307
IMCHA Project	4,607	-
Students Outstanding Debtors & Overpayments	-	5,192
Sundry Deposits	-	-
UMSU / Student Rentals Clearing Account	-	1,791
Welcome Trust	-	18,498
Malaria Research Project	89,852	90,050
BMGF Xenomonitoring Project / Africa Trypanogen	2,665	2,665
Medical Council of Malawi - Index Fee	583	583
Mordor Study	628	-
DIORAPHTE Grant / Building Family Medicine	-	-
COVID 19 General	224,293	262,618
SEED Project	2,150	2,150
MAP Care Project	1,928	1,928



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

Dept Funds - MPH Programme	6,832	11,100
Blantyre Clinic Laboratory	10,238	-
Parents/Guardians Fundraising for Needy Students	2,205	485
KUHeS KCN A/C Tuition Fees Deposits	-	907
Old Mutual Hostels - BT Database	75,389	9,650
Old Mutual Hostels - LL Database	6,634	1,126
COMETO - Short Courses Training	-	200
Premier Postgraduate Project	113,986	84,003
Centre for Reproductive Health	467	-
Rota / Malaria Vaccine	4,526	-
Else Kroner F F - Paediatricians in MW	84,412	32,283
KUHeS Memorabilia Shop	888	-
Human Subject Protection	1,109	354
Ilins - Tumchip	37,583	-
KUHeS Launch	1,161	6,277
NHIR /Still Birth (Former KCN Project)	13,847	-
SUCEED (Former KCN Project)	10,155	-
KCN Group Antenatal Care (Former KCN Project)	44,703	-
KUHeS Disaster Management Activities	5	-
Departmental Funds & Other Project Balances	2,085,991	1,265,901
Other project funds for specific purposes	72,563	791,899
Prior Year Adjustment	-	(14,610)
Funds for specific purposes before Unspent Fund for Projects	2,158,554	2,043,190
Abortion Study	(47,551)	(47,551)
ACEPHEM	268,408	293,229
ACT - TB Project	252	252
ADAPT Study	(5,826)	(5,826)
AESA - RISE Project	420	37,108
Africare Project	3,939	3,939
AMARI Project	85,683	111,142



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Antibiotic in Miscarriage Surgery (AIMS) Project	40,194	28,967
ARCADE project	(84,400)	(79,835)
BSc Int. Med, Gynae & Anaesthesia	(28,172)	(28,172)
BT Clinical Research Project	238,678	383,661
Building Family Medicine	65,264	124,337
Building Heart & Lung Project	(32,266)	(31,972)
Capacity Build in Research Grants	(7,061)	(7,061)
Care for Development Project	(3,049)	(3,049)
CDC HIV Fellowship	(12,842)	(12,842)
CDC IMEM	(42,955)	(39,914)
CDC Partnership Project	7,003	7,393
CDCC	3,289	3,280
CEBHA+ Project	39,649	(13,625)
Centre For Reproductive Health	81,882	72,446
CHAIN Project	29,253	30,071
ELMA Anesthesia Grant	128,531	111,803
Clinical Trial Management	(61,767)	(61,767)
COM - IDRC IMCHA Project	67,283	103,855
COST AFRICA Project	75,296	75,296
COSYST	(332)	3,801
CRH Investment Account	78,377	72,778
Cryotherapy	(2,940)	(2,940)
Diabetic Clinic	(8,940)	(8,940)
SOAR DREAMS Project	5,918	5,918
Duke/ MOVE University	473	734
ELMA CPAP Project	(28,816)	(28,816)
EMTCT Project	64,577	64,577
EU Beanish Project	3,791	3,791
EU Develop. Countries Clinical Trials Partnership (EDCTP)	(480,643)	(479,586)
F75 STUDY	1,022	1,022
Gates EED	269,951	269,951
Gates Malaria Project	47,069	186,750
Global Health Implementation Project	(8,047)	7,701



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HBGDKI Project		
Health Management Unit	34,281	34,281
Health Systems Strengthening Project (Queen Margaret)	35,869	35,869
Helse Nord TB Project (HNTI)	(8,696)	(8,696)
HIV EHPSA MSM Project	(150,316)	(104,254)
HIV Implementation Research Training (M-HIRST)	1,718	1,718
ICMER 2 Project	97,100	88,449
IKMC Project (Immediate Kangaroo Mother Care)	(239,922)	96,206
ILINS FANTA Project	7,307	96,777
ILINS Project	75,772	76,039
IMMPAQKT	(70,987)	(200,712)
Infection Diseases Project	1,152	1,152
Intermittent Preventive Therapy	28,513	(33,937)
Kusamala Project	195,598	195,598
WHO Life Long Project	4,176	4,176
Lungwena Umoyo Project	(112)	(112)
MAC ENTO Studies Project	(64)	(64)
MAC Laboratory	(18,625)	310,932
Majete Malaria Project	6,532	6,379
Malaria Decision Support System (MDSS) Project	31,357	32,182
Malarid Project	(39,790)	(86,441)
Malarid PMC	115,163	115,163
MARCH Study	36,367	40,050
Mazira Project	(5,220)	(3,621)
Mazira Project	25,407	5,881
MCDC PhD Fellowship	25,279	25,535
Mental Health Project	10,436	10,436
MIEHCAP Project	46,230	37,290
MORDOR Project	(7,984)	(7,984)
Nac BDS Study	56,593	47,301
NACCAP	10,416	11,348
Norad Program for Masters	75,740	75,740
NORHED ASCA Project	(440)	(440)
	21,534	39,553



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NORHED Surgery Project		
Norway / SIDA Phase 4	(24,620)	(17,585)
Performance Based Project	117,977	117,977
Pharmacy Expansion Project	(3,869)	(3,869)
PK-PD Models Study	(14,366)	(14,366)
Premier Postgraduate	(271)	(271)
Research Ethics Committee (COMREC)	645,154	511,794
Research Support Centre	(48,264)	(54,026)
SACORE GRANT	40,027	(10,854)
Scottish Collaboration	(187,017)	(119,857)
Securing Water in Rular Malawi	33,080	28,394
Small grants project	(26)	(26)
SOAR Project	868,062	688,197
SPCD Project (COM Scotland Malawi Psychiatry)	(17,235)	(17,235)
St. Louis Nutrition	10,664	15,971
Sugarfact	1,481	37,966
Surg Africa	938	2,581
TESA Project	13,576	(1,622)
THRU Project	364	364
THRU/Pfizer Project (MalPreg Study)	54,481	78,696
Trypanogen Project	(30,780)	(30,780)
UNC Project	352	14,040
United Front for Body Rights	(1,071)	(1,071)
Universal Financial Risk Coverage (WHO)	-	-
Urban Malaria Project	(419)	(419)
World Children Cancer Foundation	(815)	(815)
World Diabetes Foundation	68,031	68,031
Centre for Bioethics	(62)	(62)
CBM SENT Project (P3226)	(9,600)	(9,600)
HAP Project	8,843	8,843
AEVGI Project	5	5
Thanzi la Onse Project	372	372
GAVI	(9,785)	(34,481)
	229,942	109,988



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

NAC I-Tech Project (BDSS)	17,748	17,748
MVIP Project	1,067,284	1,047,794
PHNG GSK Project	(54,187)	352,064
STHP Project (Support & Training of Health Professionals)	(14,544)	(11,027)
P 20 Project	14,071	16,605
Maldent Project	(10,193)	24,232
Nutritional Sub Study Project	10,804	12,573
PEER Cancer Project	(18,540)	34,896
NEST Project	246,991	98,932
CPMZ Project	(440)	(440)
Rapaed Project	(10,827)	(23,985)
Drink Project	(40,921)	(7,962)
IMPROVE 2 Project	66,550	68,182
MITS Project	(235)	8,476
Generation MW Project	43,397	32,865
Maternal near Miss Project	7,087	7,087
CHEER Project	97,914	91,988
Alert Study Project	71,116	161,601
Smokeless Project	7,189	25,304
CDC HEALERS Project	(4,344)	69,841
SCATHIM Project	58,097	116,914
TFGH Covid -19 vaccination	77,503	10,943
Bloodsafe Study	41,400	32,862
Impress Study	92,324	77,890
KUHeS Corruption Project	1,225	51,762
Pericovid project	18,534	16,343
Norhed II Project	86,315	49,281
Immunogenicity Project	155,624	192,546
EDCTP Impala Project	346,601	478,325
Norhed Price	69,879	24,991
Football Nurse	50,992	59,365
HEPU Project	24,690	19,989
HEPU HSJF Project	(6,169)	107,311



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COVID 19 Self Testing Study	104,258	47,908
Case Control Project (MVPE)	228,996	397,579
SAVE Project	98,745	-
Thanzi La Mawa	150,460	-
GELA Project	107,322	-
PROMISE Project	101,200	-
SACEV Project	583,686	-
ICEMR 2 Sub Study	21,540	-
Remind AYA Study	78,899	-
COVID Stanford	56,847	-
COVID TMM	35,616	-
Youth Excel	43,724	-
IVAR Study	23,865	-
Prior Year Adjustments - Cumulative	(56,210)	(14,610)
Sub Total Blantyre Database Projects unspent funds	6,988,011	7,156,153
Lilongwe Database Projects unspent funds		
Hope for the Future	124,132	81,188
Community Based implementation on HIV	89,059	71,655
Norhed	35,497	28,183
Lugina	25,806	20,714
Stillbirth	23,294	40,526
Group Antenatal Care	180,532	50,258
Research projects and other	1,535,842	961,548
SUCCEED Project	127,957	(14,453)
Sub Total Lilongwe Database Projects unspent funds	2,142,119	1,239,619
Total Designated funds as at 31 March 2023	11,288,684	10,438,960



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

10. Payables

	2023	2022
	K'000	K'000
Trade Payables	3,703,762	1,179,771
Other Payables	1,489,899	1,163,498
Accruals	20,183	20,806
Prepayments & Students Credit Balances	458,658	373,544
Deferred students fees	2,355,501	1,761,662
Taxes – MRA	5,014,414	4,032,430
KUHeS SBUs	611,288	603,034
Project Funds Payables	1,218,536	965,132
Total	14,872,241	10,099,877
Estimated Service Gratuity as at 31.03.23	10,236,875	7,681,736
Total payables	<u>25,109,116</u>	<u>17,781,613</u>

11. Government Subvention

	2023	2022
	K'000	K'000
Annual operations	20,512,551	12,081,416
Total subvention	<u>20,512,551</u>	<u>12,081,416</u>



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NOTES TO THE FINANCIAL STATEMENTS
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12. Project Grants and Research Income

	2023	2022
	K'000	(9 months)
		K'000
Unspent funds from previous years	8,395,743	5,583,989
Prior Year Adjustments	(41,600)	(14,610)
Grants received (Note 22)	16,569,169	13,911,565
Interest received	113,209	223,945
Other income	874,233	217,880
Exchange gain	1,380,728	353,357
Total project grants and research income	<u>27,291,482</u>	<u>20,276,126</u>

13. a) Other Income

	2023	2022
	K'000	(9 months)
		K'000
Interest earned	194,087	65,811
IGA Activities	18,755	9,649
Hiring; Conferences/workshops & Vehicles	73,556	21,368
Donations & grants	255,203	8,570
Research Admin fees	265,551	471,621
Exchange gain	61,927	12,236
Sundry income	307,952	256,389
Total other income	<u>1,177,031</u>	<u>845,644</u>

b) KUHeS SBUs

KUHeS Sports Complex Centre	624,351	456,599
KUHeS (BT) PVT Clinic	806,092	580,177
KUHeS Funeral Parlour	84,791	29,535
David Livingstone Memorial Clinic	58,133	42,037
Total	<u>1,573,367</u>	<u>1,108,348</u>



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

14. Teaching and Research

	2023	2022
	K'000	K'000
Salaries	8,054,717	5,271,630
Tevet Levy	65,589	44,173
Clinical allowances	674,903	464,231
Perks	369,835	246,586
Gratuity	270,376	212,181
Superannuation costs	1,224,505	823,676
Medical expenses	150,793	103,249
Examination expenses	116,004	59,113
Staff Uniform	38	2,901
Advertising	13	1,637
Consumables/cleaning	13,590	4,679
Teaching materials	51,961	87,301
Student attachments	47,544	20,284
Conferences & workshops	30,016	50,986
Telephone	7,972	4,695
Printing & Stationery	85,374	46,260
Staff training & development	178,950	145,967
Postgraduate programmers – training	33,800	19,293
Repairs – office & other equipment	23,091	13,663
Postage/document delivery	510	-
Passages	1,099	4,983
Meeting expenses	138,487	82,306
Fuels & oils	1,618	3,583
Mileage claim	11,682	5,676
Subsistence Allowance	366,609	201,077
Finance charges	3,009	1,465
Furniture and fittings	2,704	5,592
Ceremonies/Graduation/Open Days	-	-
Exchange loss	-	-
Research & Publications	-	3,145
Subscriptions	11,544	1,860
Professional Charges	2,716	-
Sub Total before Library Expenses	<u>11,939,049</u>	<u>7,932,192</u>



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

Library		
Salaries	456,584	328,032
Tevet Levy	2,182	1,658
Perks	104,894	69,906
Masm/medical expenses	13,734	10,140
Superannuation costs	83,542	56,904
Books & periodicals	5,971	23,606
Training & development	10,046	8,877
Hospitality	-	-
Conference & workshop	618	1,060
Printing & Stationery	29,245	15,222
Tools & Equipment	4,274	7,374
Meetings	10,016	1,868
Mileage refund	-	24
Repairs & Maintenance – Office equipment	4,794	5,758
Passages	-	-
Consumables & cleaning materials	180	206
Phone/fax/e-mail	105	77
Subsistence allowance	15,372	10,775
Professional charges	47,145	2,090
Staff Welfare	509	-
Library Total	789,211	543,577
Total Teaching and Learning expenses	12,728,260	8,475,769



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

15. Maintenance and Student Living

	2023	2022
	K'000	(9 months) K'000
Wages	36,479	21,256
Tevet Levy	416	243
Staff benefits	10,624	5,829
Gratuity	-	-
MASM/medical expenses	100,637	66,906
Superannuation	-	-
General expenses		
Meals & meal coupon	1,172	2,326
Phone/fax/e-mail	-	19,032
Student Welfare	2,216	4,063
Meetings	1,495	1,699
Student Union activities	33,905	24,090
Dispensary	-	426
Printing & Stationery	466	2,517
Teaching Materials	6,417	-
Examination Expenses	908	-
Students Attachment	1,031	6,959
Student Sports Expenses	-	4,207
Ceremonies/ graduation/ open days	1,460	217
Subscriptions	950	720
Electricity	421,617	209,082
Water	806,527	510,666
Repairs-buildings	327,738	170,394
Repairs – property & premises	90,234	80,465
Repairs office equipment	5,068	2,503
Mileage Refund	112	85
Cleaning services & consumables	206,917	141,460
Subsistence Allowances	141	126
Rent Expenses	6,038	3,927
Security services	577,573	415,840
Furniture & fittings	4,509	19,337
Tools & other Equipment	7,864	-
Total Maintenance & Student Living expenses	<u>2,652,514</u>	<u>1,714,375</u>



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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

16. Administration

	2023	2022
	K'000	K'000
Salaries	2,105,674	1,345,611
TEVETA Levy	53,832	33,750
Staff benefits	514,655	247,082
Superannuation costs	358,133	224,813
Gratuity	66,472	44,179
MASM/medical expenses	126,790	60,668
Advertising & Recruitment	62,720	21,184
Fuels and oils	53,877	22,297
Delinking Expenses	1,000	8,729
Postgraduate programmes	21,960	10,739
Conferences & workshops	24,468	43,643
Printing & Stationery	193,450	118,900
Council Expenses	113,408	56,223
Passage	1,199	-
Telephone	135,672	96,830
Repairs - office equipment	52,132	17,170
Consumables/cleaning	9,683	35,872
Meeting expenses	149,729	41,527
Postage/document delivery	828	218
Tools and other equipment	33,877	11,980
Covid 19 expenses	4,221	46,733
Staff training & development	42,764	32,157
Staff and students welfare	33,667	11,829
Meals and meal coupons	-	1,955
City and Rent Expenses	9,710	1,340
Examination expenses	14,452	24,720
Hospitality	11,869	7,262
Finance charges	38,636	42,866
PPDA Levy	-	1,064
Mileage claim	6,755	4,305
Subscriptions	16,364	13,776
Subsistence allowance	321,623	232,007
Student Uniform	1,233	11,354
Office equipment	1,949	2,510
Furniture & fittings	18,285	3,997
Repairs & maintenance - buildings	72,153	16,168



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

Research & publications	35,273	1,044
Professional charges	151,629	101,206
Legal Charges	34,806	-
Exchange loss	723	1,273
Marketing & Publications	33,999	33,856
Executive Deans & DSA & DIPSR	269,488	-
Estimated Service Gratuity as at 31 March	2,555,139	1,820,037
Depreciation Charge	1,556,296	1,236,875
Provision for Doubtful Debts	12,380	-
Write Off	34,985	16,744
Bad Debts	10,121	7,035
Total administration expenses	9,368,079	6,113,528

17. Transport and Travelling

	2023	2022
	K'000	K'000
Wages	180,975	119,922
TEVET Levy	803	523
Staff Benefits	33,350	26,807
MASM/medical expenses	7,175	5,122
Gratuity	10,416	5,047
Superannuation costs	30,414	19,946
Mileage Claim	105,682	7,375
Fuel and oils	384,275	133,648
Subsistence allowance	116,347	71,361
Motor repairs and maintenance	232,187	129,836
Motor licensing	33,663	72,149
Repairs & Maintenance - Buildings	6,562	-
Maintenance - Buildings	7	-
Consumables and cleaning vehicles	82	133
Printing & Stationery	631	451
Hiring vehicles	996	685
Phone/fax/e-mail	106	106
Tools & Other Equipment	2,772	-
Staff Uniform	-	1,078
Training & staff development	2,785	2,314
Total transport and traveling	1,149,228	596,503



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

18. ICT Department

	2023	2022
	K'000	K'000
Salaries	139,385	115,872
TEVET/Levy	1,478	1,226
Perks/Staff Benefits	20,058	12,502
Superannuation costs	28,355	23,074
Gratuity	3,319	1,895
MASM/Medical expenses	3,664	3,179
General expenses		
Telephone	152,553	131,301
Stationery	5,303	2,989
Training & staff development	235	-
Repairs - office equipment	1,600	12,670
Meetings	1,330	1,319
Postage & Document delivery	7	-
Subsistence allowance	13,615	15,464
Conference & Workshops	-	859
Subscriptions	375	-
Total for ICT Department	<u><u>371,277</u></u>	<u><u>322,350</u></u>

19. Common Service & IGA Expenses

	2023	2022
	K'000	K'000
Student sports expenses	13,003	4,582
General insurance	125,541	60,775
Fringe Benefits Tax	106,187	159,686
Staff Sports Expenses	12,551	382
Subscriptions	-	-
Ceremonies/graduation/open days	1,171	6,826
IGA expenses	23,754	22,512
Total common service and other charges	<u><u>282,207</u></u>	<u><u>254,763</u></u>



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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

20. KUHeS SBUs Expenses

KUHeS Sports Complex

	2023	2022
	K'000	K'000
Operation expenses	563,528	402,064
Total Sports Complex Centre expenses	<u>563,528</u>	<u>402,064</u>

KUHeS Private Clinic

Operational expenses	781,226	529,282
Total KUHeS PVT Clinic expenses	<u>781,226</u>	<u>529,282</u>

KUHeS Funeral Parlour

	<u>96,900</u>	<u>37,769</u>
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David Livingstone Memorial Clinic (DLMC)

Operational expenses	115,952	85,732
Total DLMC expenses	<u>115,952</u>	<u>85,732</u>

Total SBUs Expenses

	<u>1,557,606</u>	<u>1,054,848</u>
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FOR THE YEAR ENDED 31 MARCH 2023 'continued'

21. Project and Research Expenses

	2023	2022
	K'000	K'000
ACEPHEM	653,861	439,228
ACT-BT Project	-	16,840
AESA-RISE Project	40,376	17,525
AMARI	37,037	26,222
Antibiotic in Miscarriage Surgery	8,642	8,578
ARCADE	4,565	-
BT Clinical Research	516,082	166,165
Building Family Medicine	110,519	114,426
Building Heart & Lung Project	34,680	131,669
CDC HIV Fellowship	-	10,668
CDC IMEM	3,126	15,788
CDC Partnership project	11,049	56,192
CEBHA+Project	176,310	287,369
Centre for Reproductive Health	144,858	96,057
CHAIN	101,900	71,628
ELMA Anaesthesia Grant	183	2,514
COM-IDRC IMCHA	44,914	20,475
COST Africa	-	1,424
COSYST	4,133	-
Diabetic Clinic	-	948
SOAR Dreams	-	99
Duke University	273	191
EU Develop Countries Clinical Trials	1,394	478
Gates Malaria	533,600	650,795
Global Health Project	15,813	-
HBGDKI	2,463	-
Helse TB Project	554,758	451,046
HIV EHPSA MSM Project	-	542
HIV Implementation Research Training	98,677	86,171
ICMER 2	672,804	508,532
IKMC Project	110,824	29,198



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ILINS FANTA Project	267	737
Ilins Project	179,297	186,136
Infectious Disease	103,151	45,907
Intermittent Preventive Therapy	1	-
Kusamala Project	-	12
MAC ENTO Studies Project	999,007	554,005
Majete Malaria Project	204	204
Malaria Decision Support System	216	22
Malarid PMC	11,435	21,792
MARCH Study	1,618	14,189
Maternal Child Health	34,267	36,562
Mazira Project	268	157
Mental Health Departmental Project	6,451	6,430
MIEHCAP Project	-	1,471
MORDOR Study	122,010	40,978
NAC BDS Study	932	-
NORHED ASCA Project	22,798	6,233
NORHED Surgery	7,128	12,115
Pharmacy Expansion Project	-	188
Premier Postgraduate	2,136	41,163
Research Ethics Committee	97,409	47,466
Research Support Centre	134,316	33,055
SACORE Grant	81,385	22,900
Scottish Collaboration	287	206
Small grants	639,174	324,636
SPCD Project	8,532	7,424
St. Louis Nutrition	44,729	16,934
Sugarfact	1,699	450
Surg Africa	89,679	12,778
THRU Project	38,842	38,967
Traypanogen Project	15,186	21,304
AEVGI	-	640
Thanzi la onse	69,824	198,778
GAVI	85,588	203,786
MVIP	2,147,534	1,419,960



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PHNG GSK	1,374,770	367,930
STHP	4,273	21
P 20	2,534	11
Maldent	221,594	183,161
Nutritional Sub Study	1,825	133
PEER Cancer	150,435	206,211
NEST	1,135,344	1,151,880
CPMZ	-	835
Rapaed	2,320	5,094
Drink	33,515	7,044
IMPROVE 2	1,719	110,547
MITS	23,774	2,278
Generation MW	113,013	49,026
Maternal near Miss Project	-	35,074
CHEER	434,339	497,221
Alert Study	92,831	51,776
Smokeless	55,665	23,508
CDC Healers	773,953	419,028
SCATHIM	127,489	149,933
TFGH Covid 19 vaccination	249,575	94,621
Bloodsafe Study	41,667	60,166
Impress Study	313,766	128,443
KUHes Corruption Project	97,100	18,564
Pericovid Project	-	154
Norhed II Project	216,766	77,495
Immunogenicity Project	42,856	2,922
EDCTP Impala	326,505	57,259
Norhed Price	114,381	45,924
Football Nurse	123,693	22,568
HEPU Project	44,238	24,441
HEPU HSJP	220,834	43
COVID 19 Self Testing Study	117,929	95,563
Case Control Project	219,721	83,139
SAVE Project	26,635	-
Thanzi La Mawa	104,789	-



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GELA Project	57,040	-
PROMISE Project	189,600	-
SACEV Project	6,952	-
ICEMR 2 Sub Study	99,094	-
Remind AYA Study	-	-
COVID Stanford	256	-
COVID TMM	127,822	-
Youth Excel	2,466	-
IVAR Study	-	-
Total Blantyre Campus	<u>16,121,289</u>	<u>10,500,366</u>
Community Based Implementation on HIV	397	36,421
Public Sector Investment Programme	29,114	250,344
Norhed	70,861	8,108
ELMA Funds	-	-
Group Antenatal Care Project	266,998	215,090
Lugina Funds	515	-
Still Birth Project	151,543	18,550
KCN Research Project	7,271	28,679
Hope for the Future	296	264
NEPI	-	-
APPHC Project	271	21,495
ENHEIT Project	-	57,051
SUCCEED	128,942	17,056
Melinda Gates	-	-
Miscellaneous Project & Research Expenses	710,736	304,982
Student Funds	673,119	421,949
Sub Total – LL Campus Projects	<u>2,040,063</u>	<u>1,379,989</u>
Total Project And Research Expenses	<u>18,161,352</u>	<u>11,880,355</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023 'continued'

22. Grants Received

	2023	2022
	K'000	K'000
ACEPHEM	370,956	304,886
AMARI Project	10,225	25,043
BT Clinical Research Project	351,038	342,692
Building Family Medicine	-	229,413
Building Heart & Lung Project	34,212	124,091
CEBHA+ Project	206,273	-
CDC Partnership Project	-	46,115
Centre For Reproductive Health	147,093	94,727
CHAIN Project	94,566	44,712
COM - IDRC IMCHA Project	-	8,997
Gates Malaria Project	252,845	461,900
Helse Nord TB Project (HNTI)	505,830	399,268
HIV Implementation Research Training (M-HIRST)	93,559	32,210
ICMER 2 Project	320,548	524,189
IKMC Project	-	77,444
ILINS Project	295,526	125,605
Infection Diseases Project	163,608	11,862
MAC ENTO Studies Project	634,839	738,715
Malarid PMC Project	-	45,286
Martenal Child Health	53,280	61,542
MaRCH Study	-	5,403
Mental Health Project	8	10
MORDOR Project	68,484	68,000
NORHED ASCA Project	1,665	-
NORHED Surgery Project	-	2,378
Small grants project	620,937	354,806
SPCD Project (COM Scotland Malawi Psychiatry)	2	-
St. Louis Nutrition Project	-	15,646
Surg Africa	104,863	-



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THRU Project	-	32,707
Traypanogen Project	-	35,976
Thanzi la Onse Project	91,206	197,877
GAVI	205,541	174,817
MVIP Project	1,833,308	1,984,196
PHNG GSK Project	913,920	623,838
Maldent Project	183,475	198,157
PEER Cancer Project	95,759	223,923
NEST Project	1,279,509	1,235,334
Rapaed Project	12,537	-
IMPROVE 2 Project	-	82,373
MITS Project	12,784	8,230
Generation MW Project	118,471	51,356
Maternal Near Miss Project	-	45,882
CHEER Project	426,818	489,567
Alert Study Project	-	85,479
Smokeless Project	32,394	38,379
CDC HEALERS Project	690,872	469,161
SCATHIM Project	45,603	185,643
TFGH Covid -19 vaccination	315,961	62,503
Bloodsafe Study	50,173	52,359
Impress Study	327,889	164,074
KUHeS Corruption Project	44,771	-
Pericovid project	-	16,510
Norhed II Project	240,749	126,278
Immunogenicity Project	-	189,607
EDCTP Impala Project	61,359	504,711
Norhed Price	140,506	70,720
Football Nurse	102,795	81,714
HEPU Project	21,757	25,513
HEPU HSJF Project	107,354	107,354
COVID 19 Self Testing Study	131,197	142,292
Case Control Project	-	477,412



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SAVE Project	125,380	-
Thanzi La Mawa	246,821	-
GELA Project	163,211	-
PROMISE Project	284,886	-
SACEV Project	589,449	-
ICEMR 2 Sub Study	119,685	-
Remind AYA Study	75,319	-
COVID Stanford	57,079	-
COVID TMM	162,337	-
Youth Excel	46,039	-
IVAR Study	23,865	-
Sub Total for Blantyre Database Grants Received	13,711,136	12,328,882
Lilongwe Database Grants Received		
Norhed Project	76,244	29,841
Group Antenatal Care Project	390,720	203,595
Still birth Project	129,494	54,671
APPHC Project	-	16,000
SUCCEED	271,250	-
ENHEIT Project	-	50,344
Students funding	643,839	424,544
Other projects	1,346,486	377,554
Sub Total for Lilongwe Database Grants Received	2,858,033	1,156,549
Total Grants Received	16,569,169	13,485,431



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NOTES TO THE FINANCIAL STATEMENTS
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23. DISCLOSURES

23.1. Contingent Gratuity Liability

The Council of the former University of Malawi resolved to abolish the service gratuity to which only staff with 20 years of continuous service and above would be entitled to receive their gratuity. Following this development, a liability provision amounting to **K10,236,874,629** has been recognized in the financial statements, while service gratuity for staff under 20 years of continuous service amounting to **K10,005,211,568** is hereby disclosed as contingent liability.

23.2. Contingent Legal Liability

There is an ongoing legal case between the KUHeS Sports Complex Centre and its former General Manager whose outcome may result in unrecoverable staff loan and legal charges for the unpaid end of contract benefits which the former General Manager claimed.

24. Subsequent Events

Subsequent to the reporting date, KUHeS conducted a student's debtors' reconciliation exercise which has resulted in the adjustment of the student debtors opening balances. The adjustment has been recognized in the General Fund. Apart from this, no other events have occurred requiring adjustment to or disclosure in the financial statements.

