



**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

**National Audit Office
Lilongwe 3**

October, 2018

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Statement of Council Members' Responsibilities	1
Auditor General's Report	2-4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9-43

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.

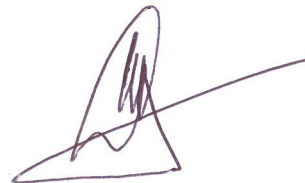
Members of the Council also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the college and to maintain adequate systems of internal control to prevent and detect fraud and other irregularities.

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 12/04/19.....



FINANCE OFFICER

DATE 12/04/19.....

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

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LILONGWE 3
MALAWI

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, 2018**

Opinion

I have audited the accompanying financial statements of the College of Medicine which comprise the Statement of Financial Position as at 30 June 2018 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 43.

In my opinion, the financial statements present fairly, in all material respects, the financial position of College of Medicine as at 30 June 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and best public sector accounting practice.

Basis for Opinion

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

Key Audit Matters

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

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

The Council Members' Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Report Standards (IFRS), Donor terms of agreement and financial provisions and for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the College's Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these College's Financial Statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

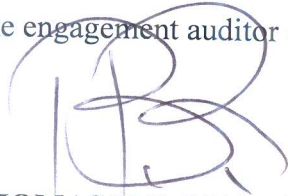
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

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,

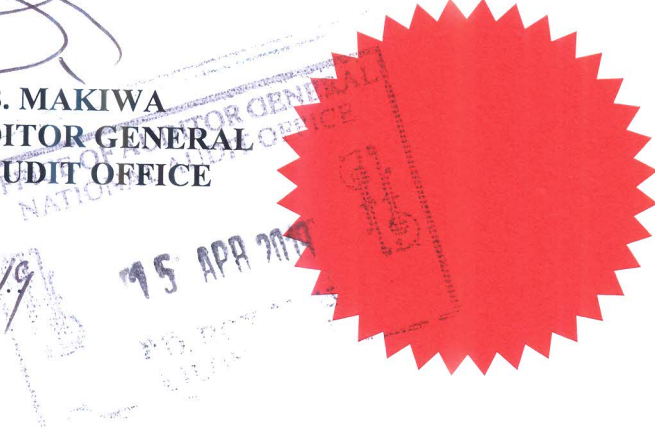
I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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: 15/07/19



UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 K'000	2017 K'000
Revenue			
Subvention	3	4,609,244	4,044,430
Fees		2,055,231	1,474,438
Projects grants and research income	4	13,576,790	10,303,201
Other income	5	596,813	245,370
Sports Complex Centre income		400,050	226,640
Total income		<u>21,238,129</u>	<u>16,294,079</u>
Expenditure			
Teaching and research	6	3,724,994	2,837,719
Student living	7	1,115,601	823,417
Administration	8	1,748,698	1,440,681
Transport and travelling	9	169,920	178,937
ICT Department	10	221,550	203,538
Common service / other charges	11	62,059	45,885
Sports Complex expenses	12	388,881	200,927
Guest House	13	19,036	9,874
COM Private clinic	14	57,630	-
Provision for bad debts (NAC RCC Grant)		157,095	-
Project and research expenses	15	<u>8,988,317</u>	<u>6,159,020</u>
Total expenditure		<u>(16,653,781)</u>	<u>(11,899,999)</u>
Surplus before designated funds		4,584,349	4,394,080
Designated funds		(4,588,473)	(4,144,182)
Capital expenditure (Note 16)		(580,868)	(852,937)
Release from capital fund		<u>577,386</u>	<u>801,424</u>
Surplus/(Deficit) for the year		<u>(7,606)</u>	<u>198,385</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 K'000	2017 K'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	<u>20,946,869</u>	<u>16,765,422</u>
Current assets			
Inventories	17	1,475	1,649
Receivables	18	2,241,924	2,124,803
Cash and cash equivalents	19	<u>6,957,397</u>	<u>5,980,060</u>
Total current assets		<u>9,200,796</u>	<u>8,106,512</u>
Total assets		<u>30,147,666</u>	<u>24,871,934</u>
FUNDS AND LIABILITIES			
Funds			
Capital funds	20	4,984,699	5,140,972
Revaluation reserves		15,962,169	11,624,449
General funds	21	960,532	989,168
Designated funds	22	<u>6,457,345</u>	<u>5,883,921</u>
Total funds		<u>28,364,745</u>	<u>23,638,510</u>
Current liabilities			
Bank overdraft	19	7,461	190,257
Payables	23	<u>1,775,460</u>	<u>1,043,167</u>
Total current liabilities		<u>1,782,921</u>	<u>1,233,424</u>
Total funds and liabilities		<u>30,147,666</u>	<u>24,871,934</u>



PRINCIPAL

DATE...12/04/19.....



FINANCE OFFICER

DATE...12/04/19.....

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF CHANGES IN FUNDS AND RESERVES
FOR THE YEAR ENDED 30 JUNE 2018

	Capital fund K'000	Revaluation Surplus K'000	General funds K'000	Designated Funds K'000	Total K'000
Balance at 01 July 2016	5,014,504	11,624,449	820,409	4,265,609	21,724,971
Capital assets procured during the period main and project	1,014,204	-	-	-	1,014,204
Depreciation charge for the year main & projects	(890,901)	-	-	-	(890,901)
Fixed assets disposal (Main & Projects)	(19,142)	-	-	-	(19,142)
Accumulated depreciation on disposal	22,307	-	-	-	22,307
Prior year adjustments	-	-	(29,626)	-	(29,626)
Surplus/(Deficit) for the year	-	-	198,385	-	198,385
Net movement	-	-	-	1,618,312	1,618,312
Balance at 30 June 2017	<u>5,140,972</u>	<u>11,624,449</u>	<u>989,168</u>	<u>5,883,921</u>	<u>23,638,510</u>
Balance at 01 July 2017	5,140,972	11,624,449	989,168	5,883,921	23,638,510
Capital assets procured during the period	580,868	-	-	-	580,868
Depreciation charge for the year	(738,491)	-	-	-	(738,491)
Fixed assets disposal	(12,666)	-	-	-	(12,666)
Accumulated depreciation on disposal	14,015	-	-	-	14,015
Prior year adjustments	-	-	(21,031)	-	(21,031)
Revaluation surplus	-	4,337,720	-	-	4,337,720
Surplus/(Deficit) for the year	-	-	(7,606)	-	(7,606)
Net movement	-	-	-	573,424	573,424
Balance at 30 June 2018	<u>4,984,699</u>	<u>15,962,169</u>	<u>960,532</u>	<u>6,457,345</u>	<u>28,364,745</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE, 2018

	2018	2017
	K'000	K'000
Cash flows from operating activities		
Operating cash flows before movements in working capital	(7,606)	198,385
Movements in working capital		
Decrease /(Increase) in inventories	174	792
Decrease in receivables	(118,488)	(434,944)
Project funds receivables	1,365	(21,544)
Increase in payables	<u>732,292</u>	<u>(3,188)</u>
Cash (used in)/generated from operations	607,737	(260,499)
Cash flow from investing activities		
Purchase of property, plant and equipment	<u>(580,868)</u>	<u>(852,937)</u>
Net cash used in investing activities	(580,868)	(852,937)
Net cash flow before financing	(26,869)	(1,113,436)
Cash flows from financing activities		
Designated funds	573,428	1,618,312
General fund	(21,031)	-
Capital fund	<u>580,868</u>	<u>852,937</u>
Net cash flow from financing activities	1,133,266	2,471,249
Net increase in cash and cash equivalents	1,160,134	1,357,812
Cash and cash equivalents at the beginning of the financial year	<u>5,789,802</u>	<u>4,431,990</u>
Cash and cash equivalents at the end of the financial year (note 19)	<u>6,949,936</u>	<u>5,789,803</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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 2018**

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 2018

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 2018**

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, 2017 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 2018

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 2018

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 2018

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.

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

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 2018

2.0 SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

2.6 Cash and cash equivalents

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

2.7 Inventories

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

2.8 Provisions and contingencies

Provisions are recognized when:

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

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

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE**

**NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018**

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.

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

3 GOVERNMENT SUBVENTION

	2018	2017
	MK'000	MK'000
Annual operations	4,609,244	4,044,430
Total subvention	<u>4,609,244</u>	<u>4,044,430</u>

4 PROJECT GRANTS AND RESEARCH INCOME

Unspent funds from previous years	4,144,182	3,067,903
Adjustment from reconciliation of opening balance	(161,959)	-
Grants received (<i>note 24</i>)	9,066,702	6,813,426
Research projects - processing and administration fees	20,984	24,384
Interest received	19,197	34,624
Income from building	11,791	177
Other income	370,157	206,247
Exchange gain	105,738	156,440
Total project grants and research income	<u>13,576,790</u>	<u>10,303,201</u>

5 OTHER INCOME

Interest earned	154,412	114,441
Catering sales	116	1,500
Com private clinic	1,215	-
Conferences/workshops	25,241	36,966
Donations & grants	5,838	17,565
Prepaid income	18,156	-
Research admin fees	270,000	-
Exchange gain	464	3,142
Sundry income	121,374	71,756
Total other income	<u>596,813</u>	<u>245,370</u>

Sports Complex Centre Income	400,050	226,640
	<u>400,050</u>	<u>226,640</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

6. TEACHING AND RESEARCH

	2018	2017
	K'000	K'000
Salaries	2,265,659	1,874,877
Tevet Levy	27,284	27,226
Telephone	15,417	15,551
Stationery	27,021	40,320
Staff training & development	20,898	28,672
Postgraduate programmers – training	17,292	26,382
Repairs - other equipment	-	2,532
Postage/document delivery	500	468
Perks	121,633	112,805
Passages	-	5,452
Meeting expenses	155,844	43,889
Clinical allowances	324,035	-
Gratuity	68,159	12,333
<u>General expenses</u>		
Examination expenses	33,250	22,259
Advertising	-	107
Maintenance -property & premises	1,995	2,532
Allowances - acting/resp./duty/warden's	-	350
Consumables/cleaning	7,576	42,373
Teaching materials	61,357	54,710
Student attachments	16,387	5,443
Conferences & workshops	2,249	542
Fuels & oils	8,228	1,476
Mileage claim	1,277	1,775
Subsistence Allowance	42,570	39,607
Finance charges	2,693	3,235
Medical expenses	43,829	33,509
Superannuation costs	308,074	268,769
Furniture and fittings	127	3,279
Hiring of vehicles	-	318
Exchange loss	-	22,259
Maintenance of buildings	3,339	-
Professional charges	2,036	-

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

6. TEACHING AND RESEARCH (*Continued*)

	2018	2017
	K'000	K'000
Subscriptions	1,091	1,137
<u>Library</u>		
Salaries	94,197	82,455
Tevet Levy	1,064	1,419
Perks	14,569	16,273
Superannuation costs	20,103	18,941
Subsistence allowance	4,066	1,799
<u>General expenses</u>		
Books	354	14,467
Training & development	618	500
Stationery	2,181	6,529
Subscriptions	478	10,619
Masm/medical expenses	2,689	2,852
Mileage refund	-	112
Meetings	4,012	1,371
Phone/fax/e-mail	96	375
Professional charges	712	-
Repairs – other equipment	-	8,079
Postage/document delivery	20	-
Office equipment & cleaning	15	-
Total teaching and research	<u>3,724,994</u>	<u>2,837,719</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

7. STUDENT LIVING

	2018 K'000	2017 K'000
Wages	19,264	14,807
Tevet Levy	233	308
Staff benefits	631	-
Superannuation costs	3,888	7,419
<u>General expenses</u>		
Meals & meal coupon	74,061	150,402
Allowances - acting/resp./duty/warden's	-	4,017
Phone/fax/e-mail	-	855
Repairs – other equipment	-	13,434
MASM/medical expenses	45,756	17,314
Student Welfare	149	96
Meetings	856	-
Printing stationery	2,690	4,471
Student Union activities	24,838	3,031
Electricity	164,736	146,299
Water	244,885	148,078
Repairs-buildings	236,575	70,915
Repairs – property & premises	-	1,134
Repairs office equipment	18,491	-
Cleaning services & consumables	100,968	117,089
Security services	175,138	123,749
Furniture & fittings	2,438	-
Mileage refund	6	-
Total student living expenses	<u>1,115,601</u>	<u>823,418</u>

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

8. ADMINISTRATION

	2018 K'000	2017 K'000
Salaries	421,667	335,663
Staff benefits outside payroll	80,932	13,563
Staff benefits	34,730	46,240
Superannuation costs	75,139	58,495
<u>General expenses</u>		
Advertising	22,534	12,822
Fuels and oils	43,545	14,229
Ceremonies/graduation/open	-	1,330
TEVETA Levy	4,670	5,362
Postgraduate programmes	10,951	8,906
Conferences & workshops	18,695	496
Stationery	59,648	55,713
Passage	-	1,170
Telephone	11,207	30,331
Repairs - office equipment	246	985
Consumables/cleaning	4,384	6,450
Meeting expenses	67,587	39,593
Postage/document delivery	2,357	5,142
Tools and other equipment	9,212	5,672
Council expenses	4,382	-
Staff training & development	19,002	37,971
Staff and students welfare	4,701	2,577
Meals and meal coupons	73,100	19,129
City and Rent Expenses	14,734	69,649
Examination expenses	3,951	7,953
Hospitality	4,017	1,037
Finance charges	41,968	36,042
MASM/medical expenses	15,956	11,176
Mileage claim	181	499
Gratuity	5,990	3,899
Subscriptions	1,945	2,832
Subsistence allowance	72,124	38,687
Student Uniform	2,530	1,234

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

8. ADMINISTRATION (*continued*)

	2018	2017
	K'000	K'000
Office equipment	251	7,549
Professional charges	42,591	36,606
Mangochi campus IGA expenses	-	19,783
Exchange loss	1,237	351
Depreciation Charge-Buildings	355,244	366,064
Depreciation Charge- Motor Vehicle	39,320	16,570
Depreciation Charge- Furniture; Fittings	<u>177,966</u>	<u>118,911</u>
Total administration expenses	<u>1,748,698</u>	<u>1,440,681</u>

9. TRANSPORT AND TRAVELING

Wages	44,479	37,565
TEVET Levy	444	650
MASM/medical expenses	968	856
Superannuation costs	8,556	8,715
General expenses		
Training & Staff Development	240	910
Mileage claim	-	83
Fuel and oils	17,720	41,239
Subsistence allowance	27,807	16,244
Allowances Acting/Resp./Duty/Warden's	-	7,022
Motor repairs and maintenance	49,488	54,712
Motor licensing	17,164	10,739
Consumables and cleaning vehicles	2,987	106
Phone/fax/e-mail	<u>67</u>	<u>96</u>
Total transport and traveling	<u>169,919</u>	<u>178,937</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

10 ICT DEPARTMENT

	2018 K'000	2017 K'000
Salaries	58,680	47,643
TEVET/Levy	720	913
Perks/Staff Benefits	5,806	11,405
Superannuation costs	7,387	1,691
MASM/Medical expenses	1,608	1,329
<u>General expenses</u>		
Telephone	123,342	115,627
Stationery	20	865
Training & staff development	906	-
Repairs - office equipment	3,691	2,964
Consumables & cleaning materials	-	2,799
Mileage Refund	-	20
Meetings	1,550	6,713
Subsistence allowance	8,997	7,398
Conference & Workshops	-	1,653
Subscriptions	290	-
Gratuity	8,553	2,518
Total for ICT Department	<u>221,550</u>	<u>203,538</u>

11 COMMON SERVICE/OTHER CHARGES

Student sports expenses	2,389	200
General insurance	30,625	23,558
Fringe Benefits Tax	20,863	9,258
Legal Charges	4,699	11,479
Staff Sports Expenses	2,100	1,390
Ceremonies/graduation/open days	1,384	-
Total common service and other charges	<u>62,059</u>	<u>45,885</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

12 SPORTS COMPLEX CENTRE

	2018	2017
	K'000	K'000
TEVET/Levy - Sports Complex Centre	-	1,621
Operation expenses	<u>388,881</u>	<u>199,306</u>
Total Sports Complex Centre expenses	<u>388,881</u>	<u>200,927</u>

13 GUEST HOUSE - MOUNT PLEASANT

Salaries and wages	-	1,866
TEVET/Levy	-	141
Gratuity/ Staff Benefits	-	5,881
Electricity	-	181
Water	1,517	361
Meetings	1,210	-
Maintenance and repairs – equipment	4,496	-
Consumables and cleaning materials	-	1,260
City rates	117	-
Meals and meal coupon	90	14
Subscriptions	187	-
Finance charges	167	134
MASM/Medical expenses	-	36
<u>IGA Expenses</u>		
Mangochi campus IGA expenses	<u>11,253</u>	<u>-</u>
Total Guest House expenses	<u>19,036</u>	<u>9,874</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

14 COM PRIVATE CLINIC

	2018 K'000	2017 K'000
Salaries & wages	25,906	-
TEVET/Levy	227	-
Superannuation	3,379	-
Printing & Stationery	3,173	-
Phone/fax/e-mail	1,992	-
Meetings	556	-
Maintenance and repairs – equipment	13,886	-
Maintenance and repairs – building	6,821	-
General Insurance	439	-
Subscriptions	921	-
Finance charges	131	-
MASM/Medical expenses	199	-
Total Guest House expenses	<u>57,630</u>	<u>-</u>

UNIVERSITY OF MALAWI
 COLLEGE OF MEDICINE
 NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
 FOR THE YEAR ENDED 30 JUNE 2018

15 PROJECT AND RESEARCH EXPENSES

	2018	2017
	K'000	K'000
Abortion Study	58,060	-
ACEPHEM	399,717	57,836
ACT-BT Project	20,727	-
ADAPT Project	53,466	7,516
AESA-RISE Project	16	-
Africare	78,486	-
AMARI	-	43,151
Antibiotic in Miscarriage Surgery	37,983	-
ARCADE project	84,399	30
Beanish Project	-	53,560
BMFG Xenomonitoring Project	-	329
BT Clinical Research	127,068	
Building Family Medicine	97,396	
BSc Int. Med, Gyenae & Anaesthesia	865	1,976
Building Heart & Lung Project	37,861	-
AIMS Project	-	68,176
Capacity Build in Research Grants	6,477	112
CBM Project	112,701	53
CDC HIV Fellowship	914	3,056
CDC IMEM	723,007	681,327
CDC Partnership project	354,896	253,908
CDCC	17,627	58,804
Centre for Bioethics	-	2,949
CEBHA+Project	34,278	
Centre for Reproductive Health	197,358	97,244
CHAIN	220,771	70,275
CHPI Project	167	
COM-IDRC IMCHA	63,896	-
CHR Investment Account	-	54
Cryotherapy	58,766	-
Diabetic Clinic	8,308	110
SOAR Dreams	106,370	-
CHRAIC	-	759
COM CAPACITY	-	12
COST Africa	329	36,039

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

15 PROJECT AND RESEARCH EXPENSES (*Continued*)

	2018 K'000	2017 K'000
CORDAID Project	-	1,571
COSYST Project	-	6,105
CRH NAC Project	-	(1,463)
Dept Zero-to be reallocated	-	1,957
Diabetic child	-	8,615
Diabetic child	-	8,615
Duke University	2,398	16,551
ELMA CPAP	312,055	180,223
EMTCT Project	18,828	67,583
EU Develop. Countries Clinical Trials	-	67,765
ETATMBA Project	23,396	149
EU Beamish Project	61,656	-
EU Develop. EDCTP	438,487	-
F75 Study	16	6,369
FANTA 2 Illins Project	-	10,770
Fanta MiTrack Project	-	72,293
Gates EED	50,679	-
Gates Malaria	633,602	888,930
Global Health Project	25,623	85,135
HBGDKI Project	11,879	62,311
Health Management Unit	2,493	439
Health Systems Strengthening Project	-	10
Helse TB Project	228,36	136,619
HISP	-	9,174
HIV EHPSA MSM Project	191	21,610
HIV Implementation Research Training	63,519	26,934
Human Africa Trypanomiasis	-	-
ICMER	281,983	514,262
IKMC Project	59,161	-
ILINS FANTA Project	183	-
Ilins Project	159,402	72,360
IMMPAQKT Project	35,475	35,968
Infectious Disease	2,767	1,225
Intermittent Preventive Therapy	344	1,482
Kusamala Project	26,000	-

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

15 PROJECT AND RESEARCH EXPENSES (*Continued*)

	2018	2017
	K'000	K'000
Life Long Project	85	111
Lungwena Umoyo Project	215	4,777
MAC ENTO Studies Project	21,908	53,501
MAC Laboratory	4,945	7,836
Majete Malaria Project	371,776	369,346
Malaria Decision Support System	5,830	8,022
Gates EED Study	-	12,696
Malarid	18,728	17,733
Malarid PMC	162,367	102,617
MaRCH Study	2,974	16,353
Maternal Child Health	81,509	90,866
Mazira Project	622,161	-
MCDC PHD Fellowship	11,897	16,574
Mental Health Departmental Project	3,109	6,776
MIEHCAP Project	92,832	53,864
IDRC IMCHA Project	-	48,152
MLW Research Programme	-	(71)
Molecular Surveillance	13,574	149
Malaria Decision Support System	-	8,022
MORDOR Study	45,634	89,194
NAC BDS Study	407,696	193,512
NACCAP	45,890	88,420
Norad Program for Masters	406	12,977
NORHED ASCA Project	55,603	61,441
NORHED Surgery	159,383	186,498
Norway/SIDA Phase 4	241,186	28,020
PEPFAR Project main	-	7,361
Liaison Officers Scottish	-	15,238
Performance Based Project	542	2,983
Pharmacy Expansion Project	322,616	
Pregact Study	-	1,709
Premier Postgraduate	8,726	2,050
PURE	-	-
QAAM Project	1,005	1,047
QMMP Project	-	630
Research Ethics Committee	24,419	42,898

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

15. PROJECT AND RESEARCH EXPENSES (*Continued*)

	2018	2017
	K'000	K'000
Research Support Centre	156,279	88,107
SACORE Grant	127,695	104,968
Savings Brains/Pamaned Project	-	2,599
Sayana Press Study Project	12,473	82,123
Scottish Collaboration	105	-
Securing Water Resources in Rural	(26)	43
Small grants	158,177	119,392
SOAR Project	12,382	-
SPCD Project	23,833	1,569
St. Louis Nutrition	101,092	166,789
Sugarfact	84,416	23,776
Surg Africa	108,486	-
Tampere University	-	1,106
TESA	4,457	142
PURE	-	42
THRU Project	4,649	11,712
THRU/Pfizer Project	-	-
Traypanogen Project	48,602	26,265
Umbrella Fund CRH	-	(29)
UNC Project	551	149
United Front for Body Rights	166	145
Universal financial risk	204	293
Urban Malaria	175	4
World Child Cancer Foundation	7,828	10,988
World diabetes Foundation	-	3,758
Centre for Bioethics	2,569	-
Depreciation Charge	-	281,518
Project and research expenses total	<u>8,988,317</u>	<u>6,159,020</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

16 PROPERTY, PLANT AND EQUIPMENT

	Land K'000	Buildings K'000	Work in Progress Buildings K'000	Motor Vehicles K'000	Furniture, Fittings & Equipment K'000	Total K'000
Cost						
At 01 July 2016	457,608	15,373,707	141,814	733,268	1,763,778	18,470,175
Disposal & Write-off	-	-	-	(17,304)	(1,838)	(19,142)
Additions – Projects	-	-	13,334	13,800	177,618	204,752
Additions – Main	-	-	350,559	82,850	211,964	645,373
Transfers- within Projects	-	36,209	(26,790)	-	(9,419)	-
Sports Complex	-	19,161	-	21,000	123,918	164,079
At 30 June 2017	457,608	15,429,077	478,916	833,614	2,266,021	19,465,237
At 01 July 2017	457,608	15,429,077	478,916	833,614	2,266,021	19,465,237
Disposal & Write-off	-	-	-	(1,299)	(11,367)	(12,666)
Additions – Main	-	89,905	38,781	126,390	322,980	578,056
Transfers- within Projects	-	445,262	(445,262)	-	-	-
Revaluation reserve-Main	1,888,592	1,117,095	-	225,878	208,815	3,440,380
Revaluation reserve Sports Complex	-	205,613	-	-	-	205,613
Reevaluation reserve –projects	-	306,451	-	144,948	240,328	691,728
Additions Sports Complex	-	-	-	-	2,812	2,812
At 30 June 2018	2,346,200	17,593,404	72,435	1,329,532	3,029,588	24,371,159
Depreciation						
At 01 July 2016	-	358,213	-	489,194	983,814	1,831,221
Charge for the year projects	-	41,399	-	62,321	177,798	281,518
Charge for the year main	-	366,064	-	16,571	118,911	501,545
Charge for the year sports complex	-	324	-	5,556	12,480	18,361
Acc. Depreciation Sports Complex	-	8,402	-	8,704	72,371	89,477
Adjustment due to disposal	-	-	-	(20,887)	(1,420)	(22,307)
At 30 June 2017	-	774,402	-	561,459	1,363,954	2,699,815
At 01 July 2017	-	774,402	-	561,459	1,363,954	2,699,815
Charge for the year projects	-	44,057	-	21,522	95,526	161,104
Charge for the year main	-	355,244	-	39,320	177,966	572,530
Charge for the year sports complex	-	1,953	-	904	1,999	4,856
Adjustment due to disposals & write off	-	(315)	-	(8,714)	(4,986)	(14,015)
At 30 June 2018	-	1,175,340	-	614,491	1,634,459	3,424,290
Carry amount At 30 June 2018	2,346,200	16,418,064	72,435	715,041	1,395,129	20,946,869
At 30 June 2017	457,608	14,654,676	478,916	272,156	902,067	16,765,422

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

The properties were revalued as at 30 June 2015 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 2015 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

	2018	2017
	K'000	K'000
Consumables	976	890
Stationery	499	759
Total inventories	<u>1,475</u>	<u>1,649</u>

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

18 RECEIVABLES

Staff advances	90,366	119,074
Inter-colleges	513	513
Student receivables	1,167,284	790,732
Other receivables	226,275	229,061
Subvention grant	-	181,637
Cash Imprest	5,577	24,568
Sports Complex	48,834	33,644
Project funds receivables	466,677	468,042
Project receivables & cash imprest	236,400	277,532
	<u>2,241,926</u>	<u>2,124,803</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

19 CASH AND CASH EQUIVALENTS

	2018 K'000	2017 K'000
Sports complex funds	24,304	11,564
Foreign currency denominated accounts	220,840	162,295
Current accounts	1,327,452	720,641
Deposit accounts	828,136	719,540
Project accounts	<u>4,556,665</u>	<u>4,364,578</u>
Sub-total	6,957,397	5,980,060
Bank overdrafts – Other	-	(18,456)
Bank overdrafts – Projects	<u>(7,461)</u>	<u>(171,801)</u>
Sub-total	<u>(7,461)</u>	<u>(190,257)</u>
Cash and cash equivalents as at 30 June 2018	<u>6,949,937</u>	<u>5,789,803</u>

The bank overdraft amount is not an overdraft facility negotiated at the bank; rather it reflects the cashbook balances which were overdrawn as at 30 June 2017. Some bank accounts were not overdrawn while others which were really overdrawn were just temporal since the corresponding FCDA accounts had funds.

20 CAPITAL FUND

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

21 GENERAL FUND

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

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

22 FUNDS FOR SPECIFIC PURPOSE

	2018 K'000	2017 K'000
ACEPHEM	77	-
ADAPT-RSC (ADJUST)	2,229	2,229
AEVGI	5,107	-
African Malaria Network Trust (AMANET)	211	211
African Mental Health Research Initiative	-	111
AIMS Project	6	1,934
ARCADE project	289	289
Bill & Melinda Gates (BMGF Xenomonitoring Project)	15	15
Birth Defects Surveillance Study	-	74,208
Build Mental Health	3,121	3,121
Burkitts Project	30,358	194
CAPGAN Conference	249	249
Care for Child Development	28	28
CDC IMEM	-	101
CEBESA	191	191
Centre for Reproductive Health	21,801	13,344
Chawel Plands Limited (project)	278	278
Dept Funds-School of Pharmacy	5,673	-
COM Breicht Study	3,687	3,687
COM Development Account	50,479	7,770
COM MDICP	1,445	1,445
COM Medical Outreach	25	25
Continued Diabetes Care Capacity (CDCC)	2,490	2,413
CYROTHERAPY	-	2,151
David Livingstone Scholarships	7,141	7,141
Department funds – Admin fee projects	24,160	24,403
Dept Funds – Malaria research	-	152
Dept Funds – Obs/Gynae	645	-

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

22 FUNDS FOR SPECIFIC PURPOSE (*Continued*)

	2018 K'000	2017 K'000
Dept Funds - Anaesthesia	5,042	5,042
Dept Funds – Anatomy	34,254	72,134
Dept Funds – Biochemistry	65,650	53,710
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	9,395	9,543
Dept Funds – IT Department	303	6,583
Dept Funds – Library	10,140	9,003
Dept Funds – Medicine	5,485	5,027
Dept Funds – Microbiology	23,751	19,209
Dept Funds – Physiology	5,909	2,870
Dept Funds – Paeds	9,133	9,133
Dept Funds – Surgery	2,333	2,937
Dept Funds – Undergraduate Deans Office	6,825	6,553
Dept Funds – Malaria Research	152	-
Dept Funds Psychiatry	47	47
Dept Funds – MPH Programme	29,766	-
Eanett	310	310
EMTCT Project	2,608	2,608
Gates Malaria Project	5,973	126,616
Glycerol Project	21	21
Grant for Promotion of Optimum Feeding	532	532
Guest House-Clearing account	3,539	3,539
H3Africa Project-Welcome Trust	292	292
HBC Diana Fund	1,625	1,625
HIV Policy Development	385	385
HIV Prevention Strategy	36	36
HIV Staging	76	76
Human Subjects Protection	2,133	2,133
Inaugural Lecturer	2,353	2,433
MIEHCAP	2,366	-
Mmed Opthamology	-	39,876

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
FOR THE YEAR ENDED 30 JUNE 2018

22 FUNDS FOR SPECIFIC PURPOSE (*Continued*)

	2018 K'000	2017 K'000
Beanish Project/HBC Project/ SAFHI Grant-Queen Margret	-	2,190
CIPHER Project	-	284
COM Research Account – Admin Fees	938,565	673,547
COMED Alumni Association	24	24
COM ACTS / Student allowances	700	-
CRISPOS	318	-
Icemr	-	2,858
ILINS-TUMCHIP Project	-	69,183
Informatics account	102,828	111,885
John Hopkins Project	2,535	2,535
Life Long Medical Education Project	8	8
Liverpool grant	327	327
London school funds for medical students	376	376
Lungwena Child Survival Study	1,095	1,095
Medical Council of Malawi-Index fees	28	28
MEPI-MMED	-	14,334
Malaria Decision Support	179	-
Motivation Project	1,203	1,203
MOVE Project(Duke University)	2,074	2,074
Mw HIV Implementation Research Scientist Training Program	-	930
NAC Funds	-	83
NACCAP/ILINIS Project	-	8
NACCAP Advance	132	174
Nankumba Safe Motherhood Research	490	490
OBS & Gyna MMED Fellowship/Family Medicine MMED	136,309	93,427
Orthopaedic Drug Account	33	33
Paediatrics Fellowship MMED Programme	78,702	6,193
PEPFAR Study Project	-	51,666
Performance Based Project	598	598
Postgraduate Funds	2,585	2,585
Premier Postgraduate Project	-	2,516
DIORAPHTE Project	19,435	-
Public Health Nutrition Group	-	5,353
Quality of Antimalarial & Antibiotic Medicine in Malawi	32	-

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2018

22 FUNDS FOR SPECIFIC PURPOSES (Continued)

	2018 MK'000	2017 MK'000
Rota Vaccine Project	1,669	1,669
Sayana Press Study	-	4,616
Schistosomiasis Survey Project	9	9
SLAB/RICE-CPAP Study	12,098	6,272
Small Grants	-	4,727
ST Andrews University Scotland-BMSHP Workshop	-	6,741
St Louis Nutrition SF HIV Project	-	3,239
UMSU	69	69
UNC Project	5,168	5,168
UNIMA @ 50	-	529
United general insurance claims for construction	30	30
University Entrance Examinations	1,740	1,740
University of Malawi Staff Sports Association	146	-
Welcome trust	-	3,492
WHO Long Term Institutional Grant	683	683
World Child Cancer	-	2,133
World diabetes fund	23,719	23,712
	1,728,623	1,643,374
Other project funds for specific purposes	140,253	96,365
Funds for specific purposes before unspent funds for project	1,868,876	1,739,739
Unspent funds for projects as at 30 June 2018		
Abortion Study	(57,561)	-
ACEPHEM	369,099	742,144
ACT – BT Project	22,810	-
ADAPT Study	(5,826)	42,276
AESA – RISE Project	36,130	-
Africare	57,531	-
AMARI	109,539	16,190
Antibiotic in Miscarriage Surgery (AIMS)	39,099	(1,026)
ARCADE Project	(79,752)	4,629
BMFG Xenomonitoring Project	-	-

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2018

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

Brecht Project	-	-
Bsc Int. Med, Gynae & Anaesthesia	-	853
BT Clinical Research Project	59,055	-
Building Family Medicine	41,208	-
Building heart & Lung project	(27,154)	-
Capacity Build in Research Grants	(7,911)	(1,555)
Care for Development Project	-	-
CBM Project	-	-
CDC HIV Fellowship	872	5
CDC IMEM	(30,381)	(51,355)
CDC Partnership	(14,766)	(37,646)
CDCC	567	17,621
CEBHA+ Project	21,322	-
Centre for Reproductive Health	67,410	111,693
CHAIN	29,812	5,426
CHIP Project	537	704
CHRAIC	-	-
Clinical Trial Management	-	-
COM – IDRC IMCHA	90,905	2,171
COM Capacity	-	-
CORDAID Project	-	-
COST Africa Project	80,046	85,156
COSYST	4,222	4,200
CRH Investment Account	53,801	24,385
Cryotherapy	22,881	-
Diabetic Clinic	(7,593)	(4,372)
SOAR DREAMS	38,125	-
DUKE / MOVE University	9,546	11,892
ELMA CPAP Project	125,226	74,323
EMTCT Project	64,577	65,140
ETATMBA Project	-	16,513
EU Beanish Project	41,919	35,099
EU Develop. Countries Clinical Trials Partnership (EDCTP)	37,867	217,141
F75 Study	1,592	1,550
Fanta Mi-Track	-	-

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2018

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

Gates EED	333,844	383,975
Gates Malaria Project	344,023	294,080
Global Health	6,504	6,664
HBGDKI Project	34,537	46,370
Health Management Unit	35,873	6,854
Health Systems Strengthening Project (Queen Margaret)	(8,696)	(8,696)
Helse TB Project	80,057	83,249
HISP	-	-
HIV EHPSA MSM Project	3,909	4,060
HIV Implementation Research Training	49,523	9,707
Human Africa Trypanomiasis	-	-
ICMER	(44,729)	101,557
IKMC Project	58,841	-
ILINS Fanta Project	27,076	27,183
ILINS Project	127,654	120,735
IMMPAQKT	11,811	21,373
Infection Disease	(9,897)	(7,134)
Intermittent Preventive Therapy	196,147	139,466
Kusamala Project	(6,537)	-
Liaison Officers Scottish	-	-
WHO Life Long Project	(37)	-
Lungwena Umoyo project	54	269
MAC ENTO Studies	6,880	73,125
MAC Laboratory	5,653	11,702
Majete Malaria project	-	47,631
Malaria Decision Support System	174,241	158,260
Malarid	114,219	124,876
Malarid PMC	-	160,621
MARCH Study	4,066	7,028
Maternal Child Health	(28,647)	4,239
Mazira Project	(19,071)	-
MCDC Phd Fellowship	10,742	10,873
Mental Health Project	28,106	30,980
MIEHCAP Project	(953)	3,283
MLW Research Programme	-	-
Molecular Surveillance	(15,994)	(2,436)

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2018

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

MORDOR Project	41,507	65,057
NAC BDS Study	42,546	6,009
NAC CRH Project	-	-
NACCAP	75,740	64,277
Norad Program for Masters	(406)	-
NORHED ASCA	73,475	91,901
NORHED Surgery	70,609	41,648
Norway / SIDA Phase 4	182,567	44,721
PANBIOME	-	-
PEPFAR Project	-	-
Performance Based project	(1,402)	(861)
Pharmacy Extension Project	78	-
PK-PD Models Study	-	-
Pregact Study	(9,420)	(9,420)
Premier Postgraduate	386,049	96,907
PURE	-	-
QAAM Project	-	-
QMMP Project	-	-
Research Ethics Committee	(125,527)	(101,111)
Research Support Centre	(189,829)	(150,358)
SACORE Grant	46,885	59,504
Save the Children S27 Project	-	-
Savings Brains / Pamaned Project	(32,909)	(32,909)
Sayana Press Project	746	12,969
Scottish Collaboration	26,936	27,002
Securing Water in Rular Malawi	(26)	(26)
Small Grants Project	198,652	120,597
SOAR Project	15,100	-
SPCD Project	(9,540)	7,450
St Louis Nutrition Project	45,035	13,821
Sugarfact	35,599	48,001
Surg Africa	116,653	-
TESA Project	535	4,457
THRU Project	525,563	8,951
THRU / Pfizer Project	-	-
Trypanogen Project	(421)	6,917

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2018

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

Umbrella Fund CRH	-	-
UNC Project	(1,191)	(640)
United Front for Body Rights	2,326	2,492
Universal Financial Risk	(184)	-
Urban Malaria	37,962	37,943
World Children Cancer Foundation	77,062	84,506
World Diabetes Foundation	-	-
Centre for Bioethics	(9,600)	(7,145)
COM Research Projects – Processing & Admin Fees	43,763	33,763
COMREC	23,784	2,801
CBM SENT Project (P3226)	8,907	93,148
Income from Building	11,791	=
Unspent Funds for Projects as at 30 June 2018	4,588,473	4,144,182
Total Funds for Specific Purposes	<u>6,457,349</u>	<u>5,883,921</u>

UNIVERSITY OF MALAWI
COLLEGE OF MEDICINE

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE YEAR ENDED 30 JUNE 2018

23 PAYABLES

	2018	2017
	MK'000	MK'000
Trade	412,302	274,404
Other	232,509	98,359
Accruals	45,888	36,088
Prepaid Income	202,713	-
PAYE	546,496	105,275
Withholding tax	51,411	20,313
Sports complex payables	123,432	66,644
Projects	<u>160,709</u>	<u>442,084</u>
Total payables	<u>1,775,460</u>	<u>1,043,167</u>