

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

Ref. MED/1/1/2022

27th October, 2023

The Vice Chancellor
Malawi University of Business and Applied Sciences
Private Bag 303
Chichiri
Blantyre 3

Dear Madam,

**AUDIT OF MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2022**

I write to inform you that the audit of Malawi University of Business and Applied Sciences Financial Statements for the year ended 31st March, 2022 was completed.

Therefore, I hereby submit the Financial Audit Report for the year audited.
Please acknowledge receipt.

Yours faithfully,

Chimwemwe Ng'oma
For: AUDITOR GENERAL



DFI.
Acknowledged
receipt
Blaise
29/11/2023

CC: Controller of Statutory Corporations,
Department of Statutory Corporations
P. O Box 30061
Capital City
Lilongwe 3.

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

: The Assistant Auditor General,
P.O Box 395,
Blantyre.



MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2022

National Audit Office

P.O Box 30045

Capital City

Lilongwe 3

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR END 31 MARCH 2022

TABLE OF CONTENTS

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES	1
AUDITOR GENERAL'S REPORT	3
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE	7
STATEMENT OF CHANGES IN FUNDS	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Malawi University of Business and Applied 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 the Malawi University of Business and Applied Sciences (MUBAS) 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 MUBAS keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of MUBAS 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 MUBAS 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 MUBAS and its operating results during the period under review.


.....
ASSOCIATE PROF. NANCY CHITERA
VICE-CHANCELLOR

DATE 16/08/2023


.....
PROF. G KANYAMA PHIRI
CHAIR OF MUBAS COUNCIL

DATE 25/08/23

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
MUBAS Council Members

1. Professor George Kanyama Phiri – Chairperson
2. Mrs. Elizabeth Mafeni – Vice Chairperson
3. Dr Dwight Kambuku – Member
4. Dr. Rachel Sibande – Member
5. Mrs. Cynthia B. Zawanda – Member
6. Associate Professor Nancy Chitera – Vice-Chancellor and Member
7. Associate Professor Mphatso Kamndaya – Acting Chair of Executive Deans - Member
8. Dr. McDonald Mafuta Mwale – Secretary to the Treasury – ex-officio
9. Mrs. Chikondano Mussa – Secretary for Education – Ex-officio
10. Mr. Peter Simbani – Comptroller of Statutory Corporations – Ex-officio
11. Mr. Lloyd Kambwiri – Registrar – Secretary to the Council

Management

1. Associate Professor Nancy Chitera – Vice-Chancellor and Member
2. Professor Ishmael Kosamu – Deputy Vice-Chancellor
3. Mr. Lloyd Kambwiri – Registrar – Secretary to the Council
4. Mr. Chikondi Jenala – Acting Director of Finance and Investments
5. Dr. Getrude Sitolo – Director of Students Affairs
6. Dr Dorothy Eneya – University Librarian
7. Executive Deans of Schools (5 of them and not yet filled)

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.

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

AUDITOR GENERAL

AUDITOR GENERAL'S REPORT

TO THE COUNCIL OF MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES (MUBAS) FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Opinion

I have audited the accompanying financial statements of the Malawi University of Business and Applied Sciences (MUBAS) which comprise the Statement of Financial Position as at 31 March 2022 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 10 to 32.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Malawi University of Business and Applied Sciences (MUBAS) as at 31 March 2022 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 Polytechnic 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 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.

The Council Member's 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 Malawi University of Business and Applied Science's (MUBAS) 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 Malawi University of Business and Applied Science's (MUBAS) Financial Statements.

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

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

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

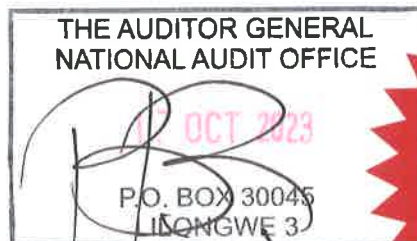
I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

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

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



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

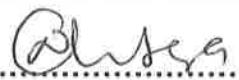
Date:.....

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST MARCH, 2022

	Note	2022 9 Months K'000	2021 12 Months K'000
Income			
Subvention	3	10,741,304	11,740,702
Fees and financial contribution	4	2,963,877	1,886,183
Project grants and research income	5	3,150,496	3,938,254
Other income	6	756,199	730,595
Total income		17,611,877	18,295,735
Expenditure			
Teaching and research	7	8,459,439	9,483,333
Student's living	8	1,474,637	1,267,323
Administration	9	3,125,504	3,945,444
Transport and travel	10	183,829	130,270
Common services	11	108,786	61,817
Management Development Centre	12	146,616	154,340
Continuing Education	13	483,303	504,692
Commercial Technical Service	14	56,021	49,292
Water and Sanitation	15	89,949	75,882
Printing Press	16	57,284	48,746
ICT Directorate	17	432,398	426,638
Project and research expenses	18	1,236,288	2,369,756
Total expenditure		15,854,053	18,517,534
Surplus/(Deficit) before reallocation of designated funds and transfers to capital fund		1,757,824	(221,799)
Designated funds		(1,914,208)	(1,568,498)
Transfers to capital fund			
Capital expenditure		(653,131)	(558,978)
Release from capital fund		953,979	1,318,918
Surplus/(Deficit) for the year		144,463	(1,030,358)

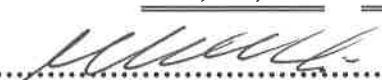
MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 9 Months K'000	2021 12 Months K'000
ASSETS			
Non-current assets			
Tangible			
Property, plant and equipment	19	38,682,095	38,597,949
Total non-current assets		38,682,095	38,597,949
Current assets			
Inventories	20	267,849	236,232
Receivables	21	4,811,578	4,151,396
Related parties	22	14,917	1,451
Cash and cash equivalents	23	5,405,301	3,262,126
Total current assets		10,499,645	7,651,204
Total assets		49,181,740	46,249,153
FUNDS AND LIABILITIES			
Funds			
Capital fund	24	38,682,095	38,597,949
General fund	25	424,965	176,392
Funds for specific purposes	26	1,914,208	1,568,306
Total funds		41,021,268	40,342,647
Current liabilities			
Overdraft	23	3,014	118,237
Payables	27	8,157,458	5,788,268
Total current liabilities		8,160,471	5,906,505
Total funds and liabilities		49,181,740	46,249,153



 ASSOCIATE PROF. NANCY CHITERA
 VICE-CHANCELLOR

DATE 16/08/2023



 PROF. G. KANYAMA PHIRI
 CHAIR OF MUBAS COUNCIL

DATE 25/08/23

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31ST MARCH 2022

	Capital fund K'000	General funds K'000	Designated Funds K'000	Total K'000
Balance at 01 July 2020	30,158,204	(12,545,831)	1,806,812	19,419,185
Depreciation for the year	(1,318,918)			(1,318,918)
Additions to property, plant and equipment	1,340,817			1,340,817
Revaluation	8,441,518			8,441,518
Disposal	(1,130)			(1,130)
Adjustment prior period/write-offs	(22,542)	13,752,580		13,730,038
Net movement in designated funds	-		(238,506)	(238,506)
Surplus for the year	-	(1,030,358)		(1,030,358)
Balance at 30 June 2021	<u>38,597,949</u>	<u>176,392</u>	<u>1,568,306</u>	<u>40,342,647</u>
Balance at 01 July 2021	38,597,949	176,392	1,568,306	40,342,647
Depreciation for the year	(953,979)			(953,979)
Additions to property, plant and equipment	1,011,235			1,011,235
Revaluation				-
Disposal	(8,068)			(8,068)
Adjustment prior period/write-offs	34,958	104,110		139,068
Net movement in designated funds			345,902	345,902
Surplus for the year	-	144,463		144,463
Balance at 31 March 2022	<u>38,682,095</u>	<u>424,965</u>	<u>1,914,208</u>	<u>41,021,268</u>

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
Cash flows from operating activities		
Operating deficit/surplus	144,463	(1,030,358)
Less Proceed from disposal	(9,111)	(1,982)
Movements in working capital		
(Increase)/decrease in inventories	(31,617)	(187,836)
Decrease/ (increase) in receivables	(83,218)	(1,721,784)
(Increase)/decrease in related party balances	(13,466)	(3,284)
Decrease/(increase) in payables	1,792,227	(11,456,744)
Cash generated from /(used in)operations	1,799,277	14,401,987
Cash flows from investing activities		
Investments	-	-
Proceeds from disposal	9,111	1,982
Purchase of property and equipment	(1,011,235)	(1,340,817)
Net cash used in investing activities	(1,002,124)	(1,338,835)
Cash flows from financing activities		
Capital fund	1,011,235	1,340,817
Designated funds	345,902	(238,506)
General fund	104,108	13,752,580
Funds for specific purposes	1,461,246	14,854,892
Net (decrease)/increase in cash and cash equivalents	2,258,399	(885,931)
Cash and cash equivalents at the beginning of the financial year	3,143,888	4,029,819
Cash and cash equivalents at the end of the financial year (Note 23)	5,402,287	3,143,888

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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 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.

1.4 Comparative figures

It is normal practice to present prior year financial accounts as comparatives to the current year financial statements. To enhance comparability and consistent application of accounting policies, the 2020/21 comparative figures were for 9 months due to changes in government calendar and the 2021/2022 was a complete 12 months' year and the same has been indicated in the financial statements where applicable.

The Malawi University of Business and Applied 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 Property, Plant and Equipment (PPE)

2.2.1 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.

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

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 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.

2.2.2 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 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.

2.2.3 Depreciation

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful 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 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 derecognised.

The estimated 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.

	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 de-recognition of an item of PPE is included in surplus of deficit when the item is derecognized. The gain or loss arising from de-recognition of an

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

item of PPE is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

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, but 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.

2.2.4 Impairment

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. Impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised 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).

Impairment of Investment with Alliance Capital

The University had an investment with Alliance Capital which had a carrying amount of K94,613,923.57 as at 31st March 2022. Considering the state of asset manager, Alliance Capital, which had been suspended from trading by the Reserve Bank of Malawi due to their failure to follow the rules, as well as subsequent liquidation by the High Court-Commercial Division, it is unlikely that the University will recover the funds in full or at all. On review of the investment, MUBAS has made a provision for impairment of the total amount of K94,613,923.57 in the 2021/2022 financial statements.

2.3 Foreign currency transactions

Foreign currency transactions are translated into Malawi Kwacha at spot rate. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Malawi Kwacha at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income and expenditure. 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.

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

2.4 Income

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

2.4 Income (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 recognised only to the extent of the expenses recognised that are recoverable.

2.4.1 Government subvention

Government subvention is recognised in the statement of receipts and payments upon receipt of fund allocations from Central Government, except for the month of June in which the subvention was accrued as an asset and the actual receipt occurred in the month of July 2021.

2.4.1.1 Government grants

Government grants are recognised 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 recognised 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

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

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.

2.4.2 Fees and financial contributions

Fees and financial contributions are recognized in the financial statements based on accruals accounting.

2.4.3 Project grants and research income

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

2.4.4 Interest income

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

2.4.5 Income generating activities

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

2.5 Financial instruments

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

- Amortised cost - a financial asset is measured at amortised cost if both of the following conditions are met:
 - the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income-financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Fair value through profit or loss-any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

2.5.1 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 determinable, 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 either as income or expenditure, transaction costs are included in the initial measurement of the instrument.

2.6.2 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 a period.

Loans and receivables are subsequently measured at amortised 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 and expenditure 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 analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

are recognized in surplus or deficit, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in funds.

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

2.7 Receivables

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

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, 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.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable 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 realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 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 contingent liabilities are not recognized.

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

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 receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liability

The Council of the University of Malawi resolved to abolish the service gratuity which was applicable to all tenured staff who would serve for at least 20 years of service. Following this development, a provision amounting to K262,237 has been recognized in the financial statements for qualifying staff who would exit in 2022 – 2023 financial year. A contingent liability of K17,034,303 is also being disclosed for all other staff who are still in service of the University and their service gratuities will be due after more than a year.

2.11 Superannuation

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

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
3 Government subvention		
Annual operations	10,741,304	11,740,702
Total subvention	10,741,304	11,740,702
4 Fees and financial Contribution		
Undergraduate Degree Fees	2,485,475	1,584,155
Postgraduate Masters Fees	51,505	50,871
Postgraduate PhD Fees	18,001	11,948
Undergraduate Diploma Fees	61,853	66,433
Tuition Fees for Centres and Departments	347,043	172,776
Total	2,963,877	1,886,183
5 Project grants and research income		
Unspent funds from previous years	1,568,306	1,806,812
Funds received from various donors	1,582,190	2,131,442
Total project grants and research income	3,150,496	3,938,254
6 Other income		
Admin and consultancy	358,063	305,389
Hire of vehicles	317	1,488
Interest on investment	104,383	106,710
Interest on staff advances	492	663
Gain on disposal	1,394	1,982
Rent Income	99,220	78,920
Donations	246	18,574
Exchange Gains/Losses	13,707	24,238
Sundry income	178,377	192,633
Total other income	756,199	730,595
7 Teaching and research		
Salaries	5,076,404	5,910,925
Wages	85,042	87,939
TRC Incentives/parallel	53,019	51,690
Staff benefits & welfare	21,477	19,482
Perks	108,895	118,686
Leave grant	42,592	57,303
Headship allowance	2,430	2,975
Deanship allowance	1,080	1,565
Acting/responsibility/duty/warden allowances	49,927	37,826
Allowance - Vice Principal	40	140
Postgraduate programmes	228,016	291,162

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
<i>Continued.....</i>		
Gratuity	99,514	81,390
Superannuation	1,093,555	1,263,708
General expenses		
Printing & stationery	9,712	4,081
Teaching materials	232,418	213,365
Research & Publications	6,609	8,826
Phone/fax/e-mail	1,851	2,059
Conferences and workshops	26,268	14,001
Hospitality, entertainment & medical expenses	1,133	-
Project expenses	18,742	3,029
Repairs and maintenance - office equipment	7,836	5,778
Subscription	20,739	
Advertisement & recruitment	1,211	757
Examination expenses	90,997	64,591
Rent Expenses	-	4,780
Ceremonies/graduation/open days	2,885	3,427
Motor vehicle insurance	833	1,199
Meeting expenses	18,909	16,938
Subsistence allowance	79,044	95,732
Motor vehicle Maintenance & repairs	1,457	1,924
Tevet levy & contingencies	52,881	52,355
Student attachment/ liveout	41,904	-
Staff training and development	274,854	337,121
Medical expenses	96,405	127,670
Mileage refund	8,464	5,982
Fuels & oils	2,465	3,758
Bank charges	3,226	2,790
Consultancy charges	270,469	136,860
Donations	-	-
Library		
Salaries & Wages-Library	204,432	232,497
TRC Incentive/Parallel-Library	4,523	3,487
Perks-Library	7,005	9,525
Allowances - Acting/Resp./Duty/Warden's -Library	18,096	19,384
Leave Grant & Accrued Leave-Library	8,959	5,643
Superannuation-Library	42,796	49,333
Training & Staff Development- Library	8,880	4,230
Consultancy Charges- Library	355	-
Conferences & Workshops Library	1,128	27895
Medical Expenses -Library	6,360	9,095

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
<i>Continued.....</i>	K'000	K'000
Printing & Stationary-Library	2,569	14,880
Meetings- Library	2,113	1,039
Phone/Fax/E-mail- Library	40	0
Tevet Levy & Contingencies - Library	2,142	2515
Milage Refund - Library	116	362
Subsistence Allowances - Library	6,297	2,379
Ceremonies/Graduation/Open Days-Library	141	-
Subscriptions - Library	9,968	
Finance Charges - Library	218	230
Books & periodicals	-	595
Staff benefit	-	1956
Gratuity	-	3,644
Maintenance & repairs - equipment	-	234
Total Teaching and Research	8,459,439	9,483,333

8 Student living

Utilities and outsourced services

Students' Medicare College Contributions Utilities	174,255	-
Advertising & Recruitment - Utilities & Outsourced Service	141	-
Phone/Fax/E-mail - Utilities & Outsourced Services	1,446	
Electricity - Utilities & Outsourced Services	89,572	157,994
Water - Utilities & Outsourced Services	275,372	249,995
Maintenance & Repairs - Building - Utilities & Outsourced	1,878	71,623
Maintenance - Property & Premises - Utilities & Outsource	298,917	29,921
Rent Expenses - Utilities & Outsourced Services	571	-
Ground Upkeep-Outsourced Services & Utilities	35,565	-
City Rates Outsourced Services	22,967	-
Sanitation Utilities & Outsourced Services	19,998	9,683
Security Services - Utilities & Outsourced Services	334,245	264,547
Cleaning Expenses - Utilities & Outsourced Services	72,928	68,337
Milage Refund Utilities & Outsourced Services	-	248,117
Students Feeding & Meal Coupon - Utilities & Outsourced	32,080	44,545
Dispensary		
Salaries & Wages - Dispensary	26,866	30,694
TRC Incentive/Parallel - Dispensary	954	620
Staff Benefits & Welfare - Dispensary	1,282	4,101
Allowances - Acting/Resp./Duty/Warden's Dispensary	1,186	-

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
<i>Continued.....</i>		
Leave Grant & Accrued Leave - Dispensary	556	556
Gratuity - Dispensary	4,037	2,704
Superannuation - Dispensary	6,082	7,129
Dispensary Supplies - Dispensary	52,169	65,491
Medical Expenses - Dispensary	1,260	1,680
Printing & Stationary - Dispensary	2,485	1,058
Meetings - Dispensary	364	-
Maintenance & Repairs - Equipment - Dispensary	1,023	71
Sanitation - Dispensary	14,108	4,522
Tevet Levy & Contingencies - Dispensary	326	185
Milage Refund - Dispensary	553	204
Subsistence Allowances - Dispensary	1,455	2,492
Conference and workshop	-	652
Staff Uniform	-	61
Subscription	-	340
Total student living	1,474,637	1,267,323
9 Administration		
Salaries & Wages Administration	802,268	998,171
TRC Incentive/Parallel Administration	21,010	13,719
Staff Benefits & Welfare Administration	2,274	71,690
Perks Administration	60,323	63,259
Allowances - Acting/Resp./Duty/Warden's - Administration	74,383	64,689
Leave Grant & Accrued Leave –Administration	18,919	59,186
Gratuity- Administration	20,509	429,939
Superannuation - Administration	156,994	902,568
Fringe Benefit Tax - Administration	7,107	4,837
Examination Expenses - Administration	-	-
Staff Uniform - Administration	1,275	1,197
Training & Staff Development - Administration	31,616	11,917
Audit Fees - Administration	10,064	6,482
Legal Fees - Administration	82,256	5,028
Consultancy Charges - Administration	6,468	12,132
Conferences & Workshops - Administration	137,207	59,439
Medical Expenses -Administration	21,875	28,995
Printing & Stationary - Administration	115,450	110,749
Advertising & Recruitment - Administration	61,530	18,990
Meetings - Administration	74,079	76,557
Phone/Fax/E-mail - Administration	26,140	24,779
Postage/Document Delivery - Administration	2,325	711
Maintenance & Repairs - Equipment Administration	4,371	50,233

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
<i>Continued.....</i>	K'000	K'000
Rent Expenses Administration	-	2,480
Tevet Levy & Contingencies Administration	8,705	8,652
Council Expenses Administration	70,222	-
Fuel & Oils Administration	-	158
Milage Refund Administration	23,215	10,832
Subsistence Allowances Administration	129,868	167,860
Ceremonies/Graduation/Open Days Administration	15,729	10,415
Subscriptions Administration	41,768	45,555
Donations Administration	2,852	3,382
Finance Charges Administration	17,082	23,442
Motor Vehicle - Repairs & Maintenance Administration	517	1,372
Depreciation Charge - Buildings Administration	422,802	-
Depreciation Charge - Furniture & Fittings - Administration	156,707	-
Depreciation Charge - Motor Vehicles Administration	49,893	-
Depreciation Charge -Office Equipment Administration	93,293	1,318,918
Depreciation Charge -Plant & Machinery Administration	38,833	-
Depreciation Charge - Computers Administration	192,450	-
Professional Charges Administration	4,204	10
Bad debts and Other writes	108,920	(662,899)
Total administration	3,125,504	3,945,444
10 Transport and travelling		
Salaries & Wages Transport & Travelling	39,277	38,481
TRC Incentive/Parallel Transport & Travelling	1,381	-
Allowances - Acting/Resp./Duty/Warden's Transport	5,437	5,709
Leave Grant & Accrued Leave Transport & Travelling	960	730
Superannuation Transport & Travelling	9,011	8,840
Medical Expenses Transport & Travelling	1,895	2,280
Tevet Levy & Contingencies Transport & Travelling	451	373
Fuel & Oils Transport & Travelling	36,317	17,518
Milage Refund Transport & Travelling	213	-
Subsistence Allowances Transport & Travelling	33,680	16,573
Insurance & Licensing Motor vehicles Transport & Travel	18,058	16,614
Motor Vehicle Repairs & Maintenance Transport & Travel	37,149	23,084
Staff Training	-	68
Total transport and travelling	183,829	130,270

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
11 Common service		
Staff Benefits & Welfare Common Services	31,495	9,360
Wages-Part timers Common Services	-	
Students Union Activities Common Services	10,046	3,790
Students Sports Expenses Common Services	14,948	2,306
Phone/Fax/E-mail Common Services	126	
Rent Expenses Common Services	-	
Sanitation Common Services	824	
Students Feeding & Meal Coupon Common Services	-	
General Insurance Common Services	46,417	46,361
UMSA Expenses Common Services	4,929	
Total common service expenses	108,786	61,817
12 Management Development Centre (MDC)		
Salaries & Wages MDC	42,005	48,666
Perks MDC	5,705	7,252
Allowances - Acting/Resp./Duty/Warden's MDC	1,167	771
Leave Grant & Accrued Leave MDC	646	582
Superannuation MDC	9,712	11,137
Teaching Materials MDC	725	
Consultancy Charges MDC	31,801	30,237
Conferences & Workshops MDC	334	2,402
Medical Expenses MDC	1,080	1,605
Printing & Stationary MDC	3,527	243
Advertising & Recruitment MDC	969	2,827
Meetings MDC	773	384
Phone/Fax/E-mail MDC	30	298
Electricity MDC	387	464
Water MDC	-	4,000
Sanitation MDC	880	233
Tevet Levy & Contingencies MDC	466	530
Cleaning Expenses MDC	733	
Postgraduate Programmes MDC	36,365	34,875
Fuel & Oils MDC	-	643
Milage Refund Management Development Centre	159	417
Subsistence Allowances MDC	1,152	556
Subscriptions MDC	3,040	783
Finance Charges MDC	371	376
Insurance & Licensing - Motor vehicles MDC	2,560	3,597
Motor Vehicle - Repairs & Maintenance MDC	2,031	141
Staff benefit		410
Postage/document delivery		678

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
<i>Continued.....</i>		
Repairs & Maintenance equipment MDC		233
Total Management Development Centre expenses	146,616	154,340
13 Continuing Education Centre (CEC)		
Salaries & Wages CEC	70,010	86,621
Staff Benefits & Welfare CEC	741	1,171
Perks CEC	3,911	7,460
Allowances - Acting/Resp./Duty/Warden's- CEC	2,016	1,075
Leave Grant & Accrued Leave - CEC	1,440	1,293
Gratuity CEC	-	18,285
Superannuation CEC	16,294	15,642
Wages-Part timers CEC	751	
Teaching Materials CEC	427	9,174
Examination Expenses CEC	29,459	21,491
Training & Staff Development - CEC	6,857	5,700
Legal Fees CEC	15,390	-
Consultancy Charges CEC	20	3,198
Conferences & Workshops CEC	9,197	20,324
Medical Expenses CEC	1,710	1,680
Printing & Stationary CEC	4,172	7,732
Advertising & Recruitment CEC	14,537	9,393
Meetings CEC	8,655	13,593
Phone/Fax/E-mail CEC	6,194	6,952
Postage/Document Delivery CEC	2,483	2,895
Electricity CEC	1,600	500
Water CEC	2,018	3,159
Maintenance & Repairs - Building CEC	24,618	9,033
Maintenance - Property & Premises - CEC	36,967	3,022
Rent Expenses CEC	5,103	21,279
Sanitation CEC	545	3,116
Security Services CEC	6,187	6,263
Tevet Levy & Contingencies CEC	745	700
Cleaning Expenses CEC	360	5,510
Postgraduate Programmes CEC	96,558	103,187
Fuel & Oils Continuing Education Centre	1,170	3,371
Milage Refund Continuing Education Centre	19,215	20,860
Subsistence Allowances CEC	52,046	71,977
Ceremonies/Graduation/Open Days - CEC	28,460	320
Subscriptions CEC	1,941	9,834
Donations CEC	650	
Finance Charges CEC	3,258	3,783

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
<i>Continued.....</i>	K'000	K'000
Insurance & Licensing - Motor vehicles-CEC	1,720	2,666
Motor Vehicle - Repairs & Maintenance- CEC	5,879	1,333
City rates	-	220
Equipment- Repairs & Maintenance - CEC	-	883
Total Continuing Education Centre expenses	483,303	504,692
14 Commercial Technical Service		
Salaries & Wages - Polytechnic Commercial & Technical Service	22,661	26,608
Perks - Polytechnic Commercial & Technical Services	5,975	7,209
Leave Grant & Accrued Leave Polytechnic Commercial & Te	417	237
Gratuity - PCTS	1,255	-
Superannuation Polytechnic Commercial & Technical Servi	4,032	4,700
Staff Uniform PCTS	68	51
Medical Expenses - Polytechnic Commercial & Technical Ser	330	-
Tevet Levy & Contigencies -Polytechnic Commercial & Tech	274	271
Subsistence Allowances - Polytechnic Commercial & Technic	197	62
Finance Charges - Polytechnic Commercial & Technical Serv	210	252
Motor Vehicle - Repairs & Maintenance-Polytechnic Comme	20,602	8,575
Consultancy	-	857
Meeetings	-	350
Equipment Maintenance	-	120
Total Commercial Technical Services expenses	56,021	49,292
15 Water and Sanitation		
Salaries & Wages Water and Sanitation	60,709	46,482
Perks Water Sanitation & Health Technology	5,975	7,209
Leave Grant & Accrued Leave - Water and Sanitation	1,119	-
Gratuity - Water and Sanitation	11,505	1,707
Superannuation Water and Sanitation	5,422	6,415
Consultancy Charges - Water and Sanitation	1,376	885
Medical Expenses Water and Sanitation	180	353
Printing & Stationary Water and Sanitation	736	3,636
Meetings WASHTED	150	187

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
<i>Continued.....</i>	K'000	K'000
Phone/Fax/E-mail Water and Sanitation	3	598
Tevet Levy & Contingencies - Water and Sanitation	803	489
Fuel & Oils Water and Sanitation	276	-
Milage Refund Water and Sanitation	28	40
Subsistence Allowances - Water and Sanitation	368	1,055
Ceremonies/Graduation/Open Days WASHTED	50	188
Subscriptions Water and Sanitation	219	290
Finance Charges Water and Sanitation	459	637
Motor Vehicle - Repairs & Maintenance WASHTED	573	5,029
Donation	-	60
Property- Repairs & Maintenance WASHTED	-	622
Total Water and Sanitation expenses	89,949	75,882
16 Printing Press		
Salaries & Wages Printing Press	9,680	8,850
TRC Incentive/Parallel Printing Press	298	60
Staff Benefits & Welfare Printing Press	2,322	1,279
Perks Printing Press	845	1,235
Allowances - Acting/Resp./Duty/Warden's Printing Press	354	-
Leave Grant & Accrued Leave Printing Press	1,627	295
Superannuation Printing Press	1,030	1,213
Training & Staff Development Printing Press	800	-
Conferences & Workshops Printing Press	-	308
Medical Expenses Printing Press	90	120
Printing & Stationary Printing Press	38,357	29,885
Meetings PRINTING PRESS	-	469
Maintenance & Repairs - Equipment Printing Press	107	1,300
Tevet Levy & Contingencies Printing Press	78	-
Milage Refund Printing Press	381	55
Subsistence Allowances Printing Press	1,100	2,885
Finance Charges Printing Press	215	253
Staff Uniform	-	540
Total Printing Press expenses	57,284	48,746
17 ICT Directorate		
Salaries & Wages - ICT Centre	92,251	100,643
TRC Incentive/Parallel - ICT Centre	4,837	1,910
Staff Benefits & Welfare - ICT Centre	1,698	-

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
<i>Continued.....</i>	K'000	K'000
Perks ICT Directorate	6,334	5,452
Allowances - Acting/Resp./Duty/Warden's ICT Directorate	3,678	1,780
Leave Grant & Accrued Leave - ICT Centre	1,651	1,087
Gratuity - ICT Centre	909	-
Superannuation - ICT Centre	17,974	20,298
Training & Staff Development - ICT Centre	1,903	-
Medical Expenses - ICT Centre	2,775	3,280
Printing & Stationary - ICT Centre	-	3,283
Advertising & Recruitment - ICT Centre	293	-
Meetings - ICT Centre	790	525
Phone/Fax/E-mail - ICT Centre	292,233	228,119
Maintenance & Repairs - Equipment - ICT Centre	928	57464.906
Tevet Levy & Contingencies - ICT Centre	950	787
Subsistence Allowances - ICT Centre	3,127	832
Subscriptions - ICT Centre	66	875
Consultancy	-	210
Mileage refund	-	94
Total ICT directorate expenses	432,398	426,638
18 Project And Research Expenses		
Asim Project(Dr T Mkandawire)	7,477	-
Cardif/Limestone Calcine Clay Cement Project- (Dr Kafodya)	1,175	4,040
Circular Economy(Tilley)	47,111	1,433
Commercialisation Bamboo Charcoal- Sc Kaunda Phd	705	3,881
Covid 19 Africa Rapid Grant-(Dr P Muhagama)	9,893	38,792
Designated Funds - Maintenance	300,313	11,889
EASE(Energy Acss For Social Enterprise)Kelvin Tembo	13,953	-
Energy Net Project	5,051	4,116
Entreprenuership In Small Scale Mining Project	26,463	-
Examination Fees For Departments & Centres	446,731	733,627
Fractal Project (Dr. B.O. Mkandawire)	-	-
Frank Mnthambala-Phd Project	4,908	36,274
Fuel To Pot (Mr Kalumbi) Project	3,352	-
Guarding Waiting Shelter (Gws) Project	8,120	644,706
Harnessing Covid -19 Data-Covld Al'- (Amelia Taylor)	30,489	14,529
Heppsa Project	-	8,582
Hygiene Hub Covid 19 Project	1,210	-
Impact (Iclei) - Dr. B. Mkandawire	-	5,788
Impala Project	2,772	720

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
<i>Continued.....</i>	K'000	K'000
Isem - Ted	-	6,060
Isem Project (Mdc)	1	-
Land Mgmt Curriculum Dvpt Pjct (Land Surveying)	-	54,192
Lemelson Project	49,124	-
Nest Project (Dr. T. Mkandawire)	17,508	68,021
Overcome Project -(Dr F Mwale)	17,026	-
Peanut Butter Machine Making Project	2,339	1,857
Polytechnic Incubation Centre Project (Dr Kamwaza)	41,527	29,310
Polytechnic Innovation Design Studio	12,213	-
Safe Water Translate Project	5,577	49,700
Sanitation Research Project - Water Research		
Commission	310	39,597
Save Project	6,063	14,287
Scotland Chikwawa Health Initiative Project	42,459	83,755
Seismic Research Study (Civil Engin)	-	2,772
SHARE (Sanitation And Hygiene Applied Research		
For Equity)	20,262	110,828
Shema (Dr Mgawi) Project	-	207,377
Skills Development Project	31,964	122,343
Spaces Project	4,239	11,692
Swarm-Drum Project (Washted)	21,282	21,620
Tea-Lp Project (Dr S Kaunda)	46,980	-
V2v (Dr Kosamu) Project	4,335	3,012
Water Safety Planning Project	3,354	1,971
Water Spout		32,986
Total Project And Research Expenses	1,236,288	2,369,756

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

At 1st July 2021	-	-	-	-
Charge for the Year	422,802	49,893	481,284	953,979
Write-off on revaluation	-	(49,893)	-	(49,893)
Adjustment	-	-	-	-
Disposal	-	-	-	-
At 31st Mar 2022	422,802	-	481,284	904,086
Carrying Amount				
At 31st Mar 2022	35,379,563	335,233	2,967,299	38,682,095
At 30th June 2021	35,411,853	335,267	2,850,829	38,597,949

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
		9 Months	12 Months
		K'000	K'000
20	Inventories		
	Main stores	267,849	236,232
	Total inventories	267,849	236,232
21	Receivables		
	Staff advances	132,415	70,603
	Trade receivables	4,501,438	2,996,495
	Other receivables	324,424	1,216,691
	Total Receivables	4,958,277	4,283,789
	Provision for Bad Debts Written Off	(146,699)	(132,393)
	Total receivables	4,811,578	4,151,396
22	Related Party Balances		
	Receivables		
	LUANAR	459	459
	KUHES-COM	(1,363)	(1,363)
	UNIMA	1,233	1,125
	KUHES KCN	(1,157)	(1,270)
	University Office (Old UNIIMA)	15,744	2,500
	Total receivables	14,917	1,451
23	Cash And Cash Equivalents		
	Treasury bills	20,003	17,781
	Deposit accounts	1,220,685	1,100,158
	Current accounts	2,938,891	631,637
	Projects	1,225,665	1,512,463
	Cash on hand	58	88
	Total	5,405,301	3,262,126
	Bank overdraft	(3,014)	(118,237)
		5,402,287	3,143,888

24. Capital Fund

Capital fund represents the carrying amount of all property, plant and equipment.

25. General Fund

General fund represents an accumulation of surpluses or deficit over a period of time.

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

26 Funds for specific purposes

A/C Code	Description	Final Balance	Receipts	Payments	Adjustment	Closing Balance (Tb)
7574-000-P	Asim Project(Dr T Mkandawire)	-	6,028,495	7,477,336	-	- 1,448,840
7570-000-P	Cardif/Limestone Calcine Clay Cemen Project- (Dr I Kafodya)	2,701,430	-	1,175,216	-	1,526,214
7556-000-P	Circular Economy(Tilley)	46,259,399	111,257	47,110,976		- 740,320
7567-000-P	Commercialisation Bamboo Charcoal- Sc Kaunda Phd	175,870	9,047,346	705,100	-	8,518,116
7569-000-P	Covid 19 Africa Rapid Grant-(Dr P Muhagama)	8,613,688	3,235,402	9,893,463	-	1,955,627
7700-000-P	Designated Funds - Maintenance	140,771,932	195,925,447	300,312,936	-	36,384,443
7558-000-P	Ease(Energy Acess For Social Enterprise)Kelvin Tembo	3,923,082	16,175,396	13,953,437	1,514,548	- 186,575
7580-000-P	Energy Net Project	-	7,258,865	5,051,395	-	2,207,470
7578-000-P	Entreprenuership In Small Scale Mining Project	-	69,912,000	26,463,356	-	43,448,644
7502-000-P	Examination Fees For Departments & Centres	202,818,535	610,157,414	446,731,254		366,244,695
7545-000-P	Fractal Project (Dr. B.O. Mkandawire)	339,110	-	-		339,110

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

7557-000-P	Frank Minthambala-Phd Project	4,869,687	-	4,907,888	38,201	-
7584-000-P	Fuel To Pot (Mr Kalumbi) Project	-	16,002,007	3,351,929	-	12,650,078
7547-000-P	Gcc Kuwala Project	7,374,715	-	-	6,014,993	13,389,708
7581-000-P	Guarding Waiting Shelter (Gws) Project	-	21,495,535	8,120,270	-	13,375,265
7568-000-P	Harnessing Covid -19 Data-Covld AI' - (Amelia Taylor)	9,959,176	49,187,400	30,488,610	-	28,657,966
7542-000-P	Heppsa Project	30,000	-	-	-	30,000
7575-000-P	Hygiene Hub Covid 19 Project	-	23,148,161	1,210,495	-	21,937,666
7548-000-P	Impact (Iclei) - Dr. B. Mkandawire	-	-	-	-	-
7572-000-P	Impala Project	-	114,532,330	2,772,130	-	111,760,200
7562-000-P	Isem - Ted	5,448,210	-	-	-	5,448,210
7551-000-P	Isem Project (Mdc)	14,462,713	-	570	-	14,462,143
7549-000-P	Land Mgmt Curriculum Dvpt Pjct (Land Surveying)	4,452,971	-	-	-	4,452,971
7530-000-P	Lemelson Project	41,941,868	22,364,825	49,124,367	-	15,182,326
7559-000-P	Nest Project (Dr. T. Mkandawire)	21,744,815	24,753,665	17,507,701	-	28,990,779

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

7571-000-P	Overcome Project -(Dr F Mwale)	17,913,220	-	17,025,885	-	887,334
7573-000-P	Peanut Butter Machine Making Project	-	-	2,338,500	-	2,338,500
7565-000-P	Polytechnic Incubation Centre Project (Dr Kamwaza)	2,489,241	42,480,668	41,526,509	-	3,443,400
7566-000-P	Polytechnic Innovation Design Studio	16,128,543	32,709,470	12,213,405	4,745,250	41,369,859
7577-000-P	Safe Water Translate Project	-	9,671,638	5,576,843	-	4,094,795
7513-000-P	Sanitation Research Project - Water Research Commission	14,621,097	-	309,524	-	14,311,573
7576-000-P	Save Project	-	-	6,062,655	-	6,062,655
7520-000-P	Scotland Chikwawa Health Initiative Project	63,428,922	12,343,673	31,978,133	- 10,480,977	33,313,486
7546-000-P	Seismic Research Study (Civil Engin)	-	-	-	-	-
7540-000-P	Share (Sanitation And Hygiene Applied Research For Equity)	116,822,979	1,697,231	16,329,952	- 3,932,457	98,257,801
7583-000-P	Shema (Dr Mgawi) Project	-	126,527,842	-	-	126,527,842
7529-000-P	Skills Development Project	750,178,609	23,560,278	31,963,532	13,742,426	755,517,781
7579-000-P	Spaces Project	-	23,321,434	4,239,390	-	19,082,044
7560-000-P	Swarm-Drum Project (Washted)	73,509,974	17,673,766	21,281,906	-	69,901,834

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

7564-000-P	Tea-Lp Project (Dr S Kaunda)	1,406,664	66,482,516	46,979,669	-	20,909,511
7582-000-P	V2v (Dr Kosamu) Project	-	10,280,573	4,335,460	-	5,945,113
7563-000-P	Water Safety Planning Project	3,765,633	-	3,354,348	50,000	461,286
Total		1,568,305,921	1,556,084,635	1,221,874,137	11,691,983	1,914,208,401

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES
NOTES TO THE FINANCIAL STATEMENTS..... (Continued)
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	9 Months	12 Months
	K'000	K'000
27 Payables		
Trade payables	1,712,470	1,491,987
Other payables	3,305,884	2,329,266
Provision for service Gratuity	262,237	262,237
Taxes payable	2,299,904	1,704,777
Students receivables prepayments	576,963	
Total payables	8,157,458	5,788,268