

MALAWI UNIVERSITY OF BUSINESS AND APPLIED SCIENCES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2023

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

September, 2025

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CHAIRPERSON'S FOREWORD
For the Year Ended 31 March 2023

It is with great pleasure that I present to all our stakeholders the financial statements for the year ended 31 March 2023. This is the first full year of operations of the Malawi University of Business and Applied Sciences since its commencement on 4th May 2021, after the successful delinking of the Polytechnic from the University of Malawi. As the legal body that provides an oversight role over the University's operations, the Council of the Malawi University of Business and Applied Sciences set out to establish the regulatory and operational structures necessary for the University to succeed and provide a solid foundation for growth and success that would position MUBAS as a critical player in Malawi's effort to achieve the Malawi Vision 2063.

By the end of the year, all critical governance, academic and financial policies were approved by the Council in line with the mandate of the University. In addition, all senior management and leadership positions were filled, ensuring certainty in decision-making and allowing the Council to enforce accountability from the University's senior leadership. In addition, the Council approved the MUBAS's Strategic Plan, which would guide the long-term direction of the University up to 2030 as the MUBAS aspires to transform into an internationalised, research-intensive and entrepreneurial university with a high ranking within Malawi and globally.

To achieve this long-term strategic goal, there is a need for MUBAS to achieve financial sustainability in the long term. MUBAS received financial support from the Government through both Recurrent and Development Part II, which helped the University to set up all the necessary structures and undertake some key development projects. However, due to pressure on the public resource envelope, the ever-increasing needs of the University can only be met if the University increases its own generated resources. It is for this reason that the Council approved the Resource Mobilisation Strategy this year, intending to increase its own generated income from both mainstream activities, such as increased enrolments and consultancies, and non-traditional ones, such as the operation of commercial companies utilising the available technical expertise within the University. This led to growth in revenue from tuition fees and also the registration of the MUBAS Commercial Limited, a wholly-owned private limited liability subsidiary of the Malawi University of Business and Applied Sciences.

The University delivered its mandate of providing tertiary education to an increased number of Malawians and providing support to the industry through consultancies. These activities are answering directly the call for the Human Capital Development and Industrialisation Pillars of the Malawi Vision 2063, and the Council is happy that MUBAS is playing its pivotal role in the development of Malawi.

Finally, I would like to thank Management, all development partners and all staff for their untiring effort and support in helping the University to achieve its objectives in 2023.

……..
Mr William Mpinganjira
Chairperson of the MUBAS Council

VICE- CHANCELLOR'S REPORT
For the Year Ended 31st March 2023

It is my honour to present the financial statements of the Malawi University of Business and Applied Sciences for the year ended 31st March 2023, which have been prepared per the requirements of the Public Finance Management Act, 2022.
The financial statements have been prepared in accordance with the International Financial Report Standards (IFRS), donor terms of agreement and financial provisions, and relying on internal controls that were determined necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, in addition to the MUBAS Financial Policies and Procedures Handbook of 2022.

Elements of the financial statements have been included using the historical cost basis, with the exception of some non-current assets, which were included using both the valuation and cost bases. Impacts of the price changes or general increases in price levels have not affected the values of elements of the financial statements in the year.

According to Section 100 of the Public Financial Management Act (2022) and the Malawi University of Business and Applied Sciences Act (2019), I am the controlling officer of the Malawi University of Business and Applied Sciences, and I am responsible for managing the resources of the University. In doing so, I am responsible for putting in place control measures and risk management systems that would enable the university to achieve its mandate. Furthermore, my responsibility under the Public Financial Management Act (2022, extend to ensuring that the financial statements of the University are prepared, audited and submitted to the Secretary to the Treasury on an annual basis. It is for these reasons that I submit to you these financial statements for the year ended 31 March 2023.
The year under review has been one of both challenges and significant achievements. Despite economic uncertainties and fluctuating funding landscapes, the University has remained steadfast in its mission to deliver high-quality education, foster impactful research, and engage meaningfully with the wider community.

Mandate of the University

Established under Act 19 of 2019, the Malawi University of Business and Applied Sciences aims to competitively impart knowledge and produce transferrable skills by engaging in teaching and learning, research, consultancy and application of knowledge, skills and aptitudes to meet the professional needs of society at national, regional and global levels.

Vision

To be an inclusive, engaged, entrepreneurial, innovative and research-intensive University.

Mission

To advance knowledge, professional competencies and innovation through outstanding teaching, research, consultancy, outreach and engagement with industry and stakeholders in useful ways. The University is committed to providing a vibrant and supportive intellectual environment that produces influential, entrepreneurial and innovative graduates, driving the pace of transformation locally and globally

Strategic Objectives

For the University to realise its vision, the following strategic objectives will have to be achieved:

a. To provide accessible, equitable and relevant education
b. To conduct research and carry out consultancy activities
c. To strengthen the University resource base and the financial management system
d. To enhance governance and management systems
e. To promote an innovative and entrepreneurial culture
f. To enhance industry engagement and community outreach activities

Core Values

The organisational behaviour of the MUBAS is grounded on the following core values:

a. Excellence: The University is committed to outstanding delivery of its services in line with its mission and strategic goals.
b. Integrity: The University endeavors to be honest, ethical and professional in all interactions, inculcating the highest ethical standards in teaching, research and all other stakeholder engagement and services.
c. Discovery and Innovation: The University provides space to pursue knowledge that is based on individual and collective intelligence, curiosity, ingenuity and creativity. The University further provides a conducive environment for its stakeholders to develop and translate ideas and inventions into goods and/or services that create value.
d. Entrepreneurship: The University embraces a culture of identification, evaluation and exploitation of opportunities to introduce new goods and services.
e. Responsiveness: The University proactively responds to the needs of industry and the public through the delivery of timely and relevant demand-driven programmes and services.
f. Inclusiveness and Diversity: The University endeavors to be fair and impartial to the diverse needs of students and staff as well as other stakeholders from the wider community, irrespective of gender, tribe or race, among others, in the delivery of its programmes and services.

Achievements for 2022-2023 Financial Year

The following achievements were registered among others:

a. Successfully marketed and recruited 12 new international postgraduate students, which increases the international foothold of the University.
b. Won grants from international partners amounting to US$1.7 million, one of which is establishing a UNIPOD and a Technology Transfer Centre, which will help innovators to develop their innovations.
c. Successfully completed major rehabilitation of Ndirande Hostel with funding from the Development Part II funding.
d. Successfully implemented unitary MUBAS Conditions of Service and its unitary Salary Structure
e. Successfully graduated 1,272 final year students into the industry.
f. Contributed to the injection of forex amounting to US$1.3 million into the country through externally funded research projects, which help in the improvement of import cover for the nation.
g. Contributed to the body of knowledge through research, publications and innovation outputs.

Challenges Faced in the 2022 – 2023 Financial Year

The following are some of the challenges that made the implementation of the budget difficult in the year:

a. Persistent cash flow challenges made the University fail to clear long-standing statutory obligations despite making efforts through commitments.
b. Inadequate and outdated infrastructure in the laboratories and workshops makes it challenging to carry out some research activities that require state-of-the-art infrastructure.
c. Limited resources for teaching and learning, considering that the majority of our programs are practical and require heavy investments.
d. Lack of ODeL equipment to help in increasing equitable access.
e. Institutional transitional uncertainties (including a lack of funding for the implementation of some activities).

Financial performance highlights

Revenues

In 2022 – 2023 financial year, the Malawi University of Business and Applied Sciences had a budget amounting to K26,418,084,645, which was expected to be financed by Recurrent Subvention of K16,492,806,704, Development Part II Subvention of K1,556,183,304, Research and Project funds from donors of K1,735,786,848 and own generated income from fees amounting to K4,089,107,589 and other activities of K2,544,200,201. The University received all the Recurrent subvention amounting to K16,492,806,704, thereby registering a 100% collection, while only K730,793,756 was received in Development Part II, representing a 47% success rate. This was due to the delays by the Treasury to pay the Development Part II funds despite the submission by the University of certificates of works done amounting to K620 million, which ended up lapsing by the end of the year.

Guided by a strategic objective to increase access to higher education as espoused in the National Education Sector Investment Plan 2020 – 2030, which feeds into the Malawi 2063 First 10 Year Implementation Plan (MIP-1), the University increased its enrollment of students, which in turn increased revenue from tuition fees to K4,531,847,985, which represents a 111% success rate. Other own-generated incomes generated K1,155,146,884, which was a 45% success rate. The main factors that contributed to the low performance of other incomes were the low performance of consultancy income as the industry had little appetite to spend on consultancies, as it was recovering from the Covid 19 disruptions, and the low rental income since two hostels were undergoing rehabilitation and were not occupied by students. On the other hand, donor-funded projects performed well by reporting revenues amounting to K6,141,751,512 which was 354% above the budget.

Overall, the University achieved 107% of the budgeted revenue after realising K28,321,553,086 in this reporting year. During the year, total revenue increased by 161% to K28,321,553,086, when compared with the prior year's figure of K17,611,876,736, primarily driven by growth in the Government's support, tuition fees, research grants, and strategic partnerships.

Expenditure

Overall expenditure stood at K52,701,626,616, and it included a provision for service gratuity amounting to K24,662,263,094 owed to qualifying staff who transitioned from the University of Malawi to MUBAS. Consequently, the University reported a deficit on all operations amounting to K24,380,073,530 before movements in projects and capital funds. The service gratuity liability was an extraordinary activity for which the University was requesting support from the Government to settle it in full, and this was the first time the University was recognising it in full on the face of the financial statements. In the previous years, the amount was disclosed but not recognised.

In terms of expenditure classification, teaching and learning activities constituted the lion's share of the expenditure, with K14,578,601,541 utilised, which represented 28% of the overall expenditure. Thus, excluding the extraordinary service gratuity liability provision that has increased the Administration Expenditure. Administration cost spent K5,401,060,080 (excluding service gratuity liability provision), representing 10% of the overall expenditure, followed by project expenses at 8% with K3,996,982,100 of donor funds utilised. The remaining project funds are carried forward in the statement of financial position to be used in the subsequent year, under the same terms and conditions of grant awards. The remaining categories constituted the remaining balance of 54% of the expenditure.

Sustainability and Financial Health

The University's financial position remains cautiously healthy due to the service gratuity liability provision, which is a one-off event, as the Government is expected to help the University to settle this liability in the subsequent years. Total assets increased to K52,448,369,078, and attempts were made to settle the current liabilities as they fell due in the year.

Significant capital projects undertaken this year include the rehabilitation of some hostels and the design of the Administration, Teaching and Learning Centre. These initiatives are in line with our long-term strategic plan, aimed at modernising our facilities and ensuring that our students and staff have access to world-class resources.

Looking ahead, we remain committed to diversifying our revenue streams, strengthening donor and alumni relations, and pursuing new research funding opportunities. We continue to place strong emphasis on efficiency, accountability, and transparency in the use of our financial resources.

Acknowledgements

I extend my sincere gratitude to the University Council, management team, faculty, staff, students, and all our partners for their unwavering support and dedication. Together, we have laid a strong foundation for continued growth and excellence.

In closing, I reaffirm our commitment to advancing the University's mission and safeguarding its long-term financial sustainability. With prudent stewardship and collective effort, we are well-positioned to navigate future challenges and seize new opportunities.

……

Associate Professor Nancy Chitera

Vice-Chancellor

STATEMENT OF MANAGEMENT RESPONSIBILITIES
For the Year Ended 31st March, 2023

Management is required to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Council as at the end of the financial period and of the surplus or deficit of the University for that period.

Management confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the Financial Statements for the year ended 31st March, 2023. Management also confirms that applicable accounting standards have been followed and that the Financial Statements have been prepared on a going concern basis.

Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and which enable them to ensure that the financial statements comply with the applicable regulatory and financial reporting framework. They are responsible for safeguarding the assets of the University and, hence, for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

No other matters have come to the attention of Management to indicate that the University will not remain a going concern for at least the ensuing financial year.

Approval of financial statements

The financial statements of the University were approved for issue on…….and are signed on their behalf by:

……	**…….**
Associate Professor Nancy Chitera	Chikondi Jenala
Vice-Chancellor	**Director of Finance and Investments**

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

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 31st March, 2023, 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 10 to 13, and related accounting policies and notes to the accounts presented on pages 14 to 39.

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 31st March 2023 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 financial statements of the current period. There were no key audit matters for this audit.

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
NATIONAL AUDIT OFFICE
LILONGWE
MALAWI

Date:……

STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2023

ASSETS	Note	2023 12 Months K'000	2022 9 Months K'000
Non-current assets			
Property, plant and equipment	3a,3b,3c	39,338,946	38,682,095
Total non-current assets		**39,338,946**	38,682,095
Current assets			
Inventories	4	449,544	267,849
Receivables	5a,5b,5c,5d	6,291,132	4,811,578
Related parties	6	14,877	14,917
Cash and cash equivalents	7a,7b	6,353,871	5,405,301
Total current assets		**13,109,423**	**10,499,645**
Total assets		**52,448,369**	**49,181,740**
FUNDS AND LIABILITIES			
Funds			
Capital fund	8a	39,338,946	38,682,095
General fund	9	(23,742,621)	424,965
Funds for specific purposes (Deferred Income)	10	2,144,769	1,914,208
Total funds		**17,741,095**	**41,021,268**
Current liabilities			
Overdraft	7c	198,441	3,014
Payables	12a,12b	34,508,833	8,157,458
Total current liabilities		**34,707,274**	**8,160,471**
Total funds and liabilities		**52,448,369**	**49,181,740**

……..
Mr William Mpinganjira
CHAIR OF MUBAS COUNCIL

DATE…….

…….
Associate Prof. Nancy Chitera
VICE-CHANCELLOR

DATE…….

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

		2023 12 Months	2022 9 Months
Income	**Note**	**K'000**	**K'000**
Subvention	13	16,492,807	10,741,304
Fees and financial contribution	14	4,531,848	2,963,877
Project grants and research income	15	6,141,752	3,150,496
Other income	16	1,155,147	756,199
Total income		**28,321,553**	**17,611,877**
Expenditure			
Teaching and research	17	14,578,602	8,459,439
Student's living	18	2,036,978	1,474,637
Administration	19	30,063,323	3,125,504
Transport and travel	20	230,610	183,829
Common services	21	111,264	108,786
Management Development Centre	22	167,589	146,616
Continuing Education	23	574,423	483,303
Commercial Technical Service	24	71,184	56,021
Water and Sanitation	5	145,437	89,949
Printing Press	6	83,497	57,284
ICT Directorate	27	641,738	432,398
Project and research expenses	28	3,996,982	1,236,288
Total expenditure		**(52,701,627)**	**15,854,053**
Surplus/(Deficit) before reallocation of designated funds and transfers to capital fund		(24,380,074)	1,757,824
Designated funds		(2,144,769)	(1,914,208)
Transfers to capital fund		(704,031)	653,131
Capital expenditure		1,416,899	953,979
Release from capital fund		-	-
Surplus/(Deficit) for the year		**(25,811,975)**	**144,463**

……..
Mr William Mpinganjira
CHAIR OF MUBAS COUNCIL

DATE…….

…….
Associate Prof. Nancy Chitera
VICE-CHANCELLOR

DATE…….

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

	Capital fund K'000	General funds K'000	Designated Funds K'000	Total K'000
Balance at 01 July 2021	38,597,949	176,392	1,568,306	40,342,647
Depreciation for the year	(953,978)	-	-	(953,978)
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	**38,682,095**	**424,965**	**1,914,208**	**41,021,268**
Balance at 1st April 2022	**38,682,095**	**424,965**	**1,914,208**	**41,021,268**
Depreciation for the year	(1,416,899)	-	-	(1,416,899)
Additions to property, plant and equipment	1,804,079	-	-	1,804,079
Revaluation	-	-	-	-
Disposal	(5,904)	5,904	-	-
Adjustment prior period/write-offs	275,575	1,638,486	-	1,914,061
Net movement in designated funds	-	-	230,561	230,561
Surplus for the year	-	(25,811,975)	-	(25,811,975)
Balance at 31 March 2023	**39,338,964**	**(23,742,621)**	**2,144,769**	**17,741,095**

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

	2023 12 Months K'000	2022 9 Months K'000
Cash flows from operating activities		
Operating deficit/surplus	(25,811,975)	144,463
Less Proceed from disposal	(2,048)	(9,111)
Movements in working capital		
(Increase)/decrease in inventories	(181,695)	(31,617)
Decrease/ (increase) in receivables	(1,479,554)	(661)
(Increase)/decrease in related party balances	40	(13,466)
Decrease/(increase) in payables	26,531,376	2,369,190
Cash generated from /(used in) operations	**(1,123,856)**	**1,799,277**
Cash flows from investing activities		
Investments	-	-
Proceeds from disposal	7,952	9,111
Purchase of property and equipment	(1,804,079)	(1,011,235)
Net cash used in investing activities	**(1,796,126)**	**(1,002,124)**
Cash flows from financing activities		
Capital fund	1,804,079	1,011,235
Designated funds	230,560	345,902
General fund	1,638,486	104,108
Net movement in fund activities	**3,673,126**	**1,461,246**
Net (decrease)/increase in cash and cash equivalents	753,143	2,258,399
Cash and cash equivalents at the beginning of the financial year	5,402,287	3,143,888
Cash and cash equivalents at the end of the financial year (Note 7)	**6,155,430**	**5,402,287**

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31st March, 2023

1. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements were prepared in accordance with the *International Financial Reporting Standards* (IFRSs) and 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 makes 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 2021/22 comparative figures were restated accordingly where applicable, otherwise they were presented as they were.

2. SIGNIFICANT ACCOUNTING POLICIES

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)

2.1.1. Recognition and Initial measurement

The cost of an item of PPE is recognized as an asset when:

- It is probable that future economic benefits associated with the item will flow to the University; and
- The cost of the item can be measured reliably.

Item of PPE is initially measured at cost. Costs include costs incurred initially to acquire or construct an item of PPE and costs incurred subsequently to add to, replace part of, or service

it. If a replacement cost is 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.

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

2.1.4. 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).

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 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.

2.3. 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.

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.

2.3.1. Government subvention

Government subvention is recognised in the statement of receipts and payments upon receipt of fund allocations from the Central Government, except for the month of March 2023 in which the subvention was accrued as an asset and the actual receipt occurred in the month of April 2023.

2.3.2. 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 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 based on accrual accounting.

2.3.4. 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 cover. Unspent funds (Deferred income) are carried forward in the statement of financial position to be used in the subsequent period under the same grant award conditions.

2.3.5. Interest income

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

2.3.6. Income generating activities

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

2.4. Financial instruments

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

- 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
  - 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.

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

2.4.2. Subsequent measurement

Financial instruments at fair value through or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for 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 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.

2.5. 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.

2.6. 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.

2.7. 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.

2.8. 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 contingent liabilities are not recognized.

The amount recognised 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.

2.9. Superannuation

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

3a. Property, Plant and Equipment (PPE)

	Land	Buildings	Furniture & Fittings	Motor Vehicles	Plant & Machinery	Computers	Office Equipment	Total
	K' 000	K' 000	K' 000	K' 000	K' 000	K' 000	K' 000	K' 000
Cost/Revaluation								
At 01st April 2022	13,120,101	22,682,264	1,067,103	335,234	569,933	1,170,914	640,633	39,586,181
Adjustment								-
Additions	-	49,400	48,258	129,987	138,881	235,483	103,764	705,773
Additions (Projects)	-	975,137	-	-	39,194	83,974	-	1,098,306
Write off on revaluation	-	-	-	(66,871)	-	-	-	(66,871)
Revaluation/Impairment	-	-	-	277,316	-	-	-	277,316
Adjustment Write off	-	-	-	-	-	(1,742)	-	(1,742)
Disposal	-	-	(540)	(879)	(336)	(3,465)	(685)	(5,904)
At 31st March 2023	**13,120,101**	**23,706,801**	**1,114,821**	**674,787**	**747,673**	**1,485,164**	**743,712**	**41,593,059**
Depreciation								
At 1st April 2022	-	422,802	156,707		38,833	192,450	93,293	904,086
Charge for the Year	-	580,729	220,439	66,871	68,804	332,764	147,291	1,416,899
Write off on revaluation	-	-	-	(66,871)	-	-	-	(66,871)
Adjustment Write off	-	-	-	-	-	-	-	-
Adjustment-Reclassification	-	-	-	-	-	-	-	-
Disposal	-	-	(81)	-	(25.17)	(650)	(103)	(859)
At 31st March 2023	**-**	**1,003,531**	**377,065**	**-**	**107,612**	**524,564**	**240,482**	**2,253,255**
Net Book Value								
At 31st March 2023	**13,120,101**	**22,703,269**	**737,756**	**674,787**	**640,060**	**960,600**	**503,230**	**39,339,804**
At 31st March 2022	**13,120,101**	**22,259,462**	**910,396**	**335,234**	**531,100**	**978,464**	**547,339**	**38,682,095**

3b. Revaluation Effect on Accumulated Depreciation

Because motor vehicles are revalued on an annual basis by the selected valuers (in this case Loss Adjusters and Engineers), and due to surpluses on revaluation, the accumulated depreciation is adjusted accordingly, therefore accumulated depreciation is cleared due to this treatment.

3c. Disposals	**K'0000**
Motor Vehicles	879
Plant	336
Furniture	540
Computers	3,465
Office Equipment	685
Total	**5,904**

3d. Purchase of Plant and Equipment	K'000
Additions (Own cash Purchase)	705,773
Additions (Projects)	1,098,306
Total	**1,804,079**

Purchase of plant and Equipment (additions), is reflected into the capital fund operated by the University to indicate the finances invested in capital assets. The capital fund does not affect the general fund, as the general fund is part of the equity, showing the carrying amount of resources invested in the university.

3e. Cash flows from investing activities

These are activities to do with investments in or divesture from long term assets thereby deferring the recurring expenditure.

3f. The purchase of Property Plant and Equipment amounting to K1,804,079,000.00 comprises of the purchase of Property Plant and Equipment amounting to K705,773,000.00 from Government Funds. The amount is also referred to as capital expenditure in the statement of comprehensive income. The remaining K1,098,306,000.00 being capital expenditure from projects funds. This is highlighted in the statement of cashflows as cash outflows from investing activities.

These are funds that have been invested in physical assets for long term use. Since the University operates the capital fund which acts like "equity" for all non-current assets, the money invested in Non-Current Assets have been "spent" on investing activities and also, they were received to "finance" the investment in Non-Current Assets. This is the justifies the essence of subtracting and adding back the purchase of property under investing and financing activities.

4. Inventory

	2023 12 Months K'000	2022 9 Months K'000
Main stores	449,544	267,849
Total inventories	**449,544**	**267,849**

This is inventory in the stores and as well University clinic, whose annual inventory count was conducted. The university uses First in first out method to value its inventory.

5a. Receivables

	2023 12 Months K'000	2022 9 Months K'000
Staff advances	158,530	132,415
Trade receivables	6,132,720	4,501,438

Other receivables	317,902	324,424
Total Receivables	**6,609,153**	**4,958,277**
Provision for Bad Debts Written Off	(318,021)	(146,699)
Total receivables	**6,291,132**	**4,811,578**

5b. Trade Receivables

Valued at K6.1 billion, these are students' receivables relating to outstanding tuition fees. This belong to students who are supposed to pay on their own and those who are covered by the Higher Education Students Loans and Grants Board (HESLGB). The university has detailed schedules available in support of the amount presented.

5c. Provision for Bad Debts

The provision is based on the 12- month expected credit loss. MUBAS debtors are students who are a low credit risk at the reporting date, as they are always ready to settle their balances latest the time of collection of their certificates. Therefore 12 months expected loss is recognised in line with IFRS 9, which mandates recognition of impairment losses on a forward-looking basis.

5d. Increase in Provision for Bad Debts

	K'000	**K'000**
	318,021	146,699
Total increase during the year	**171,322**	**-**

The financial statements include a provision for doubtful debts amounting to K171.3 million in respect of two receivables of K44.3 million and K127.0 million from the Higher Education Students Loans and Grants Board (HESLGB). The former is balance of student's fees that remained unpaid in 2014 when the students' loans were being administered by the Higher Education Department of the Ministry of Finance. It migrated from outstanding balances not settled by the HESLGB, who as at the reporting date. The latter related to 2019 students balances who could not access their grades because of non-payment of fees until the Director of HESLGB committed in writing that the HESLGB would sponsor those students. Subsequently, the HESLGB has as at the date of reporting not honored their commitment.

All these cases have been reported to the Ministry of Higher Education for their intervention to get the money paid in full, but in the interim, a full provision using the expected credit loss under IFRS 9 has been made in the accounts.

6 Related Party Balances	2023 12 Months	2022 9 Months
Receivables	**K'000**	**K'000**
Bunda College	459	459
College of Medicine	(1,363)	(1,363)
Chancellor college	1,233	1,233
Kamuzu College of Nursing	(1,157)	(1,157)
University Office	15,704	15,744
Total receivables	**14,877**	**14,917**

7a. Cash and Cash Equivalents	2023 12 Months	2022 9 Months
	K'000	**K'000**
Treasury bills	21,575	20,003
Deposit accounts	1,164,413	1,220,685
Current accounts	2,722,946	2,938,891
Projects	2,444,898	1,225,665
Cash on hand	39	58
Total	**6,353,871**	**5,405,301**

7b. Cash and Cash Equivalents

MUBAS has its monthly bank reconciliations prepared for all the accounts and filed to support the account balances reported.

7c. Cash and Cash Equivalent in Statement of Cashflows

These have been presented net of the overdraft

	2023	2022
	K'000	**K'000**
Statement of Financial position	6,353,871	5,405,301
Bank overdraft	(198,441)	(3,014)
Statement of Cashflows	**6,155,430**	**5,402,287**

7d. Overdraft

These are cashbook operating overdraft which arise from the timing of particular payment against a receipt of funds in the account. For instance, the University may process a payment in its system by the reporting date before the receipt of the subvention. The cashbook would show that there is an overdraft. However, because the payment would be completed when there is

money in the account, it would go through the bank account when there is adequate cashflow for it.

Another instance is where a project has both an FCDA, which has adequate funds and an operating account into which the forex is converted and transferred for operations. At a certain point, payments can be made in the cashbook before the conversion of forex is completed. The bank would honour such payments (say K100 million) in the project's operating account if it becomes aware that the transfer of forex, which is more than the honoured payment, would be done immediately. In all cases, the overdraft is part of cash management arrangements.

	2023	2022
	K'000	K'000
Bank overdraft	**198,441**	**3,014**

8a. Capital Fund

Capital fund represents the carrying amount of all property, plant and equipment, K39,339,804,000.00 in this case. As at year end 31st March, 2023, the university had additions to non-current assets amounting to K1,804,079,000.00 comprising of K705,773,000.00 own asset purchases and K1,098,306,000.00 worth of assets purchased on behalf of the University by projects. The additions to non-current assets have also been indicated in note 3d under plant property and Equipment.

8b. Designated Funds

In accordance with the accruals principle and as well the University's Financial Regulation Policy booklet, the unspent project funds in a reporting period are carried forward in the statement of financial position to be used in the subsequent period. In addition, capital expenditure released to Capital funds is depreciated and the charges transferred from Statement of Changes in Equity to the Capital Fund in line with the same Financial Regulations Policies.

8c. Adjustment prior period/write-offs

These are revaluation adjustments for Non-Current Assets and also trade receivables, as well as prior period adjustment increases for the year (hence effect on Capital Fund and General funds).

Because the corrections happen on annual basis as the students are dropping off and coming on board. In the business in which the University operates, it is not possible to have a year without such corrections because students withdraw at different levels and there is always a lag between the students' communication of withdrawal and the official response from the University due to large volumes of students involved.

9. General Fund

General fund is an accumulation of surpluses/deficits over a period of time and also a prior period adjustment, which has a net effect of increasing assets or reducing liabilities. Although in essence they are not cash items, they are therefore readjusted in the cashflow to remove their impact.

Net Current Liabilities are reported at (K21,358,290,000), escalated due to the recognition of the provision for service gratuity amounting to K24,662,263,000.00, consequently impacting the general fund balance to report a negative balance of K23,503,060,000. The government was to shoulder the payment of the gratuity, therefore not affecting the going concern status of the University. Excluding the gratuity provision, the current ratio is 1.36 (K13,109,423/ (K34,369,272-K24,645,994) K9,623,278, and it is within acceptable levels in the industry.

10. Funds for specific purposes

	Opening Balance	Receipts	Payments	Closing Balance
Examination Fees For Departments & Centres	366,245	771,751	649,051	488,945
Sanitation Research Project - Water Research Commission	14,312	20,625	2,834	32,103
Scotland Chikwawa Health Initiative Project	33,313	78,337	76,925	34,725
Skills Development Project	755,518	210,851	6,087	960,282
Lemelson Project	15,182	39,538	4,721	49,999
Share (Sanitation and Hygiene Applied Research for Equity)	98,258	61,558	121,972	37,844
Heppsa Project	30	-	-	30
Fractal Project (Dr. B.O. Mkandawire)	339	-	-	339
Seismic Research Study (Civil Engin)	-	473	473	-
GCC Kuwala Project (Electrical)	13,390	26,193	39,583	-
Impact (ICLEI) - Dr. B. Mkandawire	-	1,654	1,654	-
Land MGMT Curriculum DVPT Pjct (Land Surveying)	4,453	-	-	4,453
Isem Project (MDC)	14,462	-	-	14,462
Circular Economy (Tilley)	(740)	2,920	2,180	-
Frank Mnthambala- PhD Project	-	132	132	-
Ease (Energy Access For Social Enterprise) Kelvin Tembo	(187)	41,400	30,341	10,872
Nest Project (Dr. T. Mkandawire)	28,991	161,242	134,273	55,960
Swarm-Drum Project (Washted)	69,902	13,196	57,518	25,580
Isem – Ted	5,448	-	-	5,448
Water Safety Planning Project	461	-	-	461
Tea-Lp Project (Dr S Kaunda)	20,910	7,746	24,826	3,829
Polytechnic Incubation Centre Project (Dr Kamwaza)	3,443	21,880	24,554	770
Polytechnic Innovation Design Studio	41,370	8,522	22,464	27,428

Commercialization Bamboo Charcoal- Sc Kaunda PhD	8,518	-	356	8,163
Harnessing Covid -19 Data-Covld Al'-(Amelia Taylor)	28,658	45,712	40,032	34,338
Covid 19 Africa Rapid Grant-(Dr P Muhagama)	1,956	40	1,996	-
Cardif/Limestone Calcine Clay Cement Project- (Dr I Kafodya)	1,526	-	-	1,526
Overcome Project (Dr F Mwale)	887	6,701	6,345	1,244
Impala Project	111,760	1,654	65,781	47,633
Peanut Butter Machine Making Project	(2,339)	-	-	(2,339)
Asim Project (Dr T Mkandawire)	(1,449)	135,493	121,531	12,514
Hygiene Hub Covid 19 Project	21,938	10,715	10,715	21,938
Save Project	(6,063)	967,873	702,579	259,231
Safe Water Translate Project	4,095	-	332	3,763
Entrepreneurship In Small Scale Mining Project	43,449	-	2	43,447
Spaces Project	19,082	116,545	25,756	109,871
Energy Net Project	2,207	19,940	8,082	14,065
Guarding Waiting Shelter (GWS) Project	13,375	56,515	41,710	28,180
V2v (Dr Kosamu) Project	5,945	-	4,315	1,631
Shema (Dr Mgawi) Project	126,528	2,724	25,866	103,385
Fuel To Pot (Mr. Kalumbi) Project	12,650	50,852	40,379	23,123
Innovation Lab UNDP Project	-	343,754	320,806	22,948
Ceangal (Dr E Phiri) Project	-	13,694	13,873	(179)
Innovation Hub (Mr. L Umali) Project	-	8,138	4,077	4,061
Soil Conservation Project-Dr A Chimpololo	-	36,952	36,591	361
Inspire Network: Building A Data Science Platform Project	-	45,423	20,975	24,448
Wash For Everyone-W4e	-	30,729	1,280	29,449
Chitetezo Project- Pi L Kambalame	-	5,827	-	5,827
Surgewater Project-Dr C Kambala	-	81,903	56,079	25,825
Nihr Global Health Research Project- Dr C Kambala	-	56,079	-	56,079
Designated Funds - Maintenance	36,384	722,260	1,247,938	(489,294)
Total Funds for specific purposes	**1,914,208**	**4,227,543**	**3,996,982**	**2,144,769**

11a. Funds for specific purposes- Skills Development Project

The Skills Development Project funds are held in a fixed deposit account that attracts interest. The funds were awaiting the conclusion of retention fees for the construction and supply of some equipment for the mining laboratory. The amount that was used in the year was less than the interest that it gained and hence the growth.

11b. Funds for specific purposes - Designated Funds – Maintenance

This is a project account funded by Development Part II budget. The balance is negative because the project accrued expenses in form of certificates of works done which were submitted to Treasury for funding. By the year-end, the University had not received the funds from the Treasury for those submitted certificates.

12a. Payables

	2023 12 Months K'000	2022 9 Months K'000
Trade payables	2,229,375	1,712,470
Other payables	4,793,806	3,305,884
Provision for service Gratuity	24,645,994	262,237
Taxes payable	2,270,805	2,299,904
Students' receivables prepayments	568,853	576,963
Total payables	**34,508,833**	**8,157,458**

12b. Provision for Service Gratuity

This was a liability resulting from resolution number FIN/06/014/2023 passed by the Finance and Investments Committee of the Council the Malawi University of Business and Applied Sciences Council in its ordinary meeting which was held on 14/04/2023 in which the committee asked management to make full disclosure of the service gratuity liability that the University owed its staff by recognising a provision in the financial statements and accruing the amount until the Government provides resources to pay off the qualifying staff who transitioned from the University of Malawi. In 2021/2022, only the amount falling due within the subsequent year was recognised on the face of the financial statements. The amount recognised in the financial statements of 2022/23 was K24,662,263,000. The Service Gratuity provision was 100% guaranteed by the Government, therefore did not impact the going concern status of MUBAS.

13 Government Subvention

	2023 12 Months K'000	2022 9 Months K'000
Annual operations	16,492,807	10,741,304
Total subvention	**16,492,807**	**10,741,304**

14 Fees and financial Contribution

	2023 K'000	2022 K'000
Undergraduate Degree Fees	3,090,114	2,485,475
Postgraduate Masters Fees	845,440	51,505
Postgraduate PhD Fees	47,018	18,001
Undergraduate Diploma Fees	122,517	61,853
Tuition Fees for Centres and Departments	426,759	347,043
Total	**4,531,848**	**2,963,877**

15 Project Grants and Research Income	2023 12 Months K'000	2022 9 Months K'000
Unspent funds from previous years	1,914,208	1,568,306
Funds received from various donors	4,227,543	1,582,190
Total project grants & research income	**6,141,752**	**3,150,496**

16 Other Income	2023 12 Months K'000	2022 9 Months K'000
Admin and consultancy	540,567	358,063
Hire of vehicles	831	317
Interest on investment	175,680	104,383
Interest on staff advances	1,574	492
Gain on disposal	2,048	1,394
Rent Income	112,749	99,220
Donations	901	246
Exchange Gains/Losses	177,400	13,707
Sundry income	143,396	178,377
Total other income	**1,155,147**	**756,199**

17 Teaching and Research	2023 12 Months K'000	2022 9 Months K'000
Salaries	8,584,458	5,076,404
Wages	182,362	85,042
TRC Incentive/Parallel	156,399	53,019
Staff Benefits & Welfare	22,767	21,477
Perks	212,530	108,895
Leave Grant	45,065	42,592
Subsistence Allowances	35,102	79,044
Allowances - Headship	3,075	2,430
Allowances - Deanship	1,320	1,080
Allowances - Acting/Resp./Duty/Warden's	4,823	49,927
Postgraduate Programmes	392,065	228,016
Gratuity	62,721	99,514
Superannuation	1,769,002	1,093,555
Printing & Stationary	6,454	9,712
Teaching Materials	377,899	232,418
Research & Publications	2,264	6,609
Phone/Fax/E-mail	1,772	1,851

Conferences & Workshops	15,055	26,268
Examination Expenses	148,328	90,997
Students Attachments - Mining Engineering	59,192	41,904
Training & Staff Development	848,955	274,854
Consultancy Charges	383,134	270,469
Project Expenses	33,881	18,742
Medical Expenses	131,420	96,405
Advertising & Recruitment	1,666	1,211
Meetings	38,964	18,909
Maintenance - Property & Premises	4,467	-
Rent Expenses	2,450	-
Tevet Levy & Contingencies	83,899	52,881
Ceremonies/Graduation/Open Days	1,332	2,885
Subscriptions	345,356	20,739
Motor Vehicle - Repairs & Maintenance	4,068	1,457
Fuel & Oils	3,762	8,464
Milage Refund	9,774	2,465
Finance Charges	4,539	3,226
Motor Insurance	-	833
Hospitality and Entertainment	-	1,133
Repairs & Maintenance –Office equipment	-	7,836
Vice principal	-	40
	13,980,318	**8,133,300**
Library		
Salaries & Wages	355,904	204,432
TRC Incentive/Parallel	14,826	4,523
Staff Benefits & Welfare	236	-
Perks	28,574	7,005
Allowances - Acting/Resp./Duty/Warden's	39,540	18,096
Leave Grant & Accrued Leave	3,948	8,959
Superannuation	83,619	42,796
Books & Periodicals	6,331	-
Training & Staff Development	17,042	8,880
Conferences & Workshops	311	1,128
Medical Expenses	9,635	6,360
Printing & Stationary	26,424	2,569
Meetings	2,896	2,113
Tevet Levy & Contingencies	4,158	2,142
Milage Refund	334	116
Subsistence Allowances	1,448	6,297

Ceremonies/Graduation/Open Days	523	141
Subscriptions	2,268	9,968
Finance Charges	267	218
Consultancy Charges	-	355
Phone/Fax/E-mail	-	40
Total Library	**598,284**	**326,138**
Total Teaching & Research	**14,578,602**	**8,459,439**

18 Student living

	2023 12 Months	2022 9 Months
(a) Utilities and outsourced services		
Students' Medicare College Contributions	302,760	174,255
Electricity	140,809	89,572
Water	369,683	275,372
Maintenance & Repairs - Equipment	2,006	1,878
Maintenance & Repairs - Building	3,434	298,917
Maintenance - Property & Premises	410,410	-
Rent Expenses	754	571
Ground Upkeep	51,698	35,565
Sanitation	11,917	19,998
Security Services	445,419	334,245
Cleaning Expenses	127,834	72,928
Students Feeding & Meal Coupon	11,000	32,080
City Rates	-	22,967
Advertising & Recruitment	-	141
Phone/Fax/E-Mail	-	1,446
	1,877,724	**1,359,935**
(b) Dispensary		
Salaries & Wages	57,014	26,866
TRC Incentive/Parallel	2,919	954
Allowances - Acting/Resp./Duty/Warden's	1,012	1,186
Leave Grant & Accrued Leave	736	556
Gratuity	5,576	4,037
Superannuation	9,266	6,082
Dispensary Supplies	52,360	52,169
Medical Expenses	1,680	1,260
Printing & Stationary	6,101	2,485
Meetings	49	364
Maintenance & Repairs – Equipment	3,736	1,023
Sanitation	16,463	14,108

Tevet Levy & Contingencies	643	326
Mileage Refund	1,146	553
Subsistence Allowances	338	1,455
Subscriptions	215	-
Staff Benefits & Welfare	-	1,282
	159,254	**114,706**
Total student living	**2,036,978**	**1,474,637**

19 Administration

Administration	**2023 12 Months K'000**	**2022 9 Months K'000**
Salaries & Wages	1,671,245	802,268
TRC Incentive/Parallel	38,417	21,010
Staff Benefits & Welfare	54,019	12,274
Perks	220,479	60,323
Allowances - Deanship	23	-
Allowances - Acting/Resp./Duty/Warden's	88,512	74,383
Leave Grant & Accrued Leave	39,987	18,919
Gratuity	24,662,263	20,509
Superannuation	338,142	156,994
Fringe Benefit Tax	2,699	7,107
Training & Staff Development	24,016	31,616
Audit Fees	6,403	10,064
Legal Fees	98,974	82,256
Consultancy Charges	26,122	6,468
Hospitality & Entertainment	503	-
Conferences & Workshops	59,728	137,207
Medical Expenses	37,205	21,875
Printing & Stationary	267,233	115,450
Advertising & Recruitment	84,624	61,530
Meetings	176,812	74,079
Phone/Fax/E-mail	25,584	26,140
Postage/Document Delivery	2,170	2,325
Maintenance & Repairs - Equipment	15,938	4,371
Rent Expenses	-	8,705
Tevet Levy & Contingencies	18,348	
PPDA Levy	10,963	70,222
Council Expenses	186,217	-
Fuel & Oils	-	23,215
Milage Refund	57,399	129,868

Subsistence Allowances	131,462	-
Passages	44	15,729
Ceremonies/Graduation/Open Days	33,234	41,768
Subscriptions	67,068	2,852
Donations	1,440	17,082
Finance Charges	71,122	422,802
Depreciation Charge - Buildings	580,729	156,707
Depreciation Charge - Furniture & Fittings	220,439	49,893
Depreciation Charge - Motor Vehicles	66,871	93,293
Depreciation Charge - Office Equipment	147,291	38,833
Depreciation Charge - Plant & Machinery	68,804	192,450
Depreciation Charge - Computers	332,764	4,204
Professional Charges	926	-
Gratuity | Maintenance	-	1,275
Motor vehicle Repair and maintenance	-	517
Bad debts and other write offs	126,984	108,920
Total Administration	**30,063,323**	**3,125,503**

20 Transport and travelling

	2023 12 Months K'000	**2022 9 Months K'000**
Salaries & Wages	45,301	39,277
TRC Incentive/Parallel	4,966	1,381
Allowance -Acting/Resp./Duty/Warden's	8,274	5,437
Superannuation	10,543	9,011
Staff Uniform	301	-
Training & Staff Development	1,090	-
Medical Expenses	1,835	1,895
Tevet Levy & Contingencies	538	451
Fuel & Oils	68,011	36,317
Milage Refund	252	213
Subsistence Allowances	31,028	33,680
Insurance & Licensing - Motor vehicles	14,601	18,058
Motor Vehicle- Repairs & Maintenance	43,870	37,149
Leave Grant & Accrued Leave	-	960
Total transport and travelling	**230,610**	**183,829**

21 Common Service

	2023 12 Months K'000	**2022 9 Months K'000**
Staff Benefits & Welfare	8,200	31,495
Students Union Activities	18,468	10,046
Students Sports Expenses	4,507	14,948

Sanitation	-	824
General Insurance	59,278	46,417
UMSA Expenses	20,810	4,929
Phone/Fax/E-mail	-	126
Total common service expenses	**111,264**	**108,786**

22 Management Development Centre	**2023 12 Months K'000**	**2022 9 Months K'000**
Salaries & Wages	59,897	42,005
Perks	10,832	5,705
Allowances - Acting/Resp./Duty/Warden's	1,161	1,167
Leave Grant & Accrued Leave	384	646
Gratuity	487	-
Superannuation	12,444	9,712
Teaching Materials	9,044	725
Consultancy Charges	9,684	31,801
Medical Expenses	1,140	1,080
Printing & Stationary	3,825	3,527
Advertising & Recruitment	3,193	969
Meetings	683	773
Phone/Fax/E-mail	68	30
Electricity	345	387
Sanitation	113	880
Tevet Levy & Contingencies	661	466
Postgraduate Programmes	-	36,365
Fuel & Oils	-	159
Subsistence Allowances	45	1,152
Ceremonies/Graduation/Open Days	47	-
Subscriptions	1,718	3,040
Finance Charges	2,787	371
Insurance & Licensing - Motor vehicles	2,230	2,560
Motor Vehicle - Repairs & Maintenance	2,212	2,031
Cleaning Expenses	-	733
Conferences & Workshops	-	334
Total Management Development Centre expenses	**167,589**	**146,616**

23 Continuing Education Centre	2023 12 Months K'000	2022 9 Months K'000
Salaries & Wages	145,933	70,010
Staff Benefits & Welfare	580	741
Perks	9,268	3,911
Allowances - Acting/Resp./Duty/Warden's	1,794	2,016
Leave Grant & Accrued Leave	2,413	1,440
Gratuity	19,879	-
Superannuation	17,667	16,294
Teaching Materials	8,965	427
Examination Expenses	18,430	29,459
Students Attachments	1,708	-
Staff Uniform	600	-
Training & Staff Development	12,315	6,857
Legal Fees	1,419	15,390
Consultancy Charges	4,832	20
Conferences & Workshops	1,639	9,197
Medical Expenses	2,400	1,710
Printing & Stationary	5,589	4,172
Advertising & Recruitment	21,394	14,537
Meetings	6,936	8,655
Phone/Fax/E-mail	3,939	6,194
Postage/Document Delivery	2,061	2,483
Electricity	3,639	1,600
Water	3,949	2,018
Maintenance & Repairs	60	-
Maintenance & Repairs	7,439	24,618
Maintenance - Property & Premises	23,177	36,967
Rent Expenses	17,963	5,103
City Rates	424	-
Security Services	10,694	6,187
Tevet Levy & Contingencies	1,468	745
PPDA Levy	809	-
Postgraduate Programmes	147,478	96,558
Fuel & Oils	5,964	1,170
Milage Refund	12,143	19,215
Subsistence Allowances	35,798	52,046
Subscriptions	7,041	1,941
Donations	1,000	650
Finance Charges	1,790	3,258

Insurance & Licensing - Motor vehicles	1,499	1,720
Motor Vehicle - Repairs & Maintenance	2,328	5,879
Ceremonies/Graduation/Open Days	-	28,460
Cleaning Expenses	-	360
Sanitation	-	545
Wages-Part timers |	-	751
Total Continuing Education Centre expenses	**574,423**	**483,304**

24 Commercial & Technical Services

	2023 12 Months K'000	2022 9 Months K'000
	34,737	22,661
Perks	10,256	5,975
Leave Grant & Accrued Leave	237	417
Superannuation	6,281	4,032
Medical Expenses	600	330
Tevet Levy & Contingencies	391	274
Subsistence Allowances	64	197
Finance Charges	653	210
Motor Vehicle - Repairs & Maintenance	17,964	20,602
Gratuity	-	1,255
Staff Uniform	-	68
Total Commercial Technical Services expenses	**71,184**	**56,021**

25 Water and Sanitation

	2023 12 Months K'000	2022 9 Months K'000
Salaries & Wages	109,756	60,709
Perks	10,832	5,975
Leave Grant & Accrued Leave	1,176	1,119
Gratuity	4,543	11,505
Superannuation	4,777	5,422
Consultancy Charges	2,016	1,376
Medical Expenses	380	180
Printing & Stationary	668	736
Meetings	957	150
Maintenance - Property & Premises	75	-
Tevet Levy & Contingencies	1,148	803
Fuel & Oils	969	276

Subsistence Allowances	1,812	368
Subscriptions	966	219
Donations	500	-
Finance Charges	12	459
Motor Vehicle - Repairs & Maintenance	4,832	573
Ceremonies/Graduation/Open Days	-	50
Milage Refund	-	28
Phone/Fax/E-mail	-	3
Total Water and Sanitation expenses	**145,437**	**89,949**

26 Printing Press

	2023 12 Months K'000	2022 9 Months K'000
Salaries & Wages	24,057	9,680
TRC Incentive/Parallel	1,402	298
Staff Benefits & Welfare	3,616	2,322
Perks	2,235	845
Leave Grant & Accrued Leave	385	1,627
Gratuity	4,952	-
Superannuation	2,096	1,030
Medical Expenses	120	90
Printing & Stationary	41,436	38,357
Meetings	391	-
Maintenance & Repairs -	1,500	107
Tevet Levy & Contingencies	116	78
PPDA Levy	368	-
Subscriptions	502	-
Finance Charges	320	215
Allowances - Acting/Resp./Duty/Warden's	-	354
Training & Staff Development	-	800
Subsistence Allowances	-	1,100
Milage Refund Printing Press	-	381
Total Printing Press expenses	**83,497**	**57,284**

27 ICT Directorate Expenses

	2023 12 Months K'000	2023 9 Months K'000
Salaries & Wages	139,995	92,251
TRC Incentive/Parallel	5,634	4,837
Perks	16,203	6,334
Allowances - Acting/Resp./Duty/Warden's	2,935	3,678

Leave Grant & Accrued Leave	1,324	1,651
Superannuation	30,161	17,974
Medical Expenses	3,780	-
Printing & Stationary	2,073	2,775
Meetings	1,944	790
Phone/Fax/E-mail	384,656	292,233
Maintenance & Repairs - Equipment	48,055	928
Tevet Levy & Contingencies	1,443	950
Milage Refund	726	-
Subsistence Allowances	1,816	3,127
Subscriptions	994	66
Gratuity	-	909
Training & Staff Development	-	1,903
Advertising & Recruitment	-	293
Staff Benefits & Welfare	-	1,698
Total ICT Directorate Expenses	**641,738**	**432,398**

28 Project And Research Expenses	**2023 12 Months K'000**	**2022 9 Months K'000**
Examination Fees for Departments & Centers	649,051	446,731
Sanitation Research Project - Water Research Commission	2,834	310
Scotland Chikwawa Health Initiative Project	76,925	42,459
Skills Development Project	6,087	31,964
Lemelson Project	4,721	49,124
SHARE (Sanitation and Hygiene Applied Research for Equity)	121,972	20,262
Seismic Research Study (Civil Engin)	473	-
GCC Kuwala Project (Electrical)	39,583	-
Impact (ICLEI) - Dr. B. Mkandawire	1,654	-
Isem Project (MDC)	-	1
Circular Economy (Tilley)	2,180	47,111
Frank Mnthambala- PhD Project	132	4,908
EASE (Energy Access for Social Enterprise) Kelvin Tembo	30,341	13,953
Nest Project (Dr. T. Mkandawire)	134,273	17,508
Swarm-Drum Project (Washted)	57,518	21,282
Water Safety Planning Project	-	3,354
Tea-Lp Project (Dr S Kaunda)	24,826	46,980

Polytechnic Incubation Centre Project (Dr Kamwaza)	24,554	41,527
Polytechnic Innovation Design Studio	22,464	12,213
Commercialization Bamboo Charcoal- Sc Kaunda Phd	356	705
Harnessing Covid -19 Data-Covid Al'- (Amelia Taylor)	40,032	30,489
Covid 19 Africa Rapid Grant- (Dr P Muhagama)	1,996	9,893
Cardif/Limestone Calcine Clay Cement Project- (Dr I Kafodya)	-	1,175
Overcome Project (Dr F Mwale)	6,345	17,026
Impala Project	65,781	2,772
Peanut Butter Machine Making Project	-	2,339
Asim Project (Dr T Mkandawire)	121,531	7,477
Hygiene Hub Covid 19 Project	10,715	1,210
Save Project	702,579	6,063
Safe Water Translate Project	332	5,577
Entrepreneurship In Small Scale Mining Project	2	26,463
Spaces Project	25,756	4,239
Energy Net Project	8,082	5,051
Guarding Waiting Shelter (GWS) Project	41,710	8,120
Shema (Dr Mgawi) Project	25,866	-
Fuel To Pot (Mr. Kalumbi) Project	40,379	3,352
Innovation Lab UNDP Project	320,806	-
Ceangal (Dr E Phiri) Project	13,873	-
Innovation Hub (Mr L Umali) Project	4,077	-
Soil Conservation Project-Dr A Chimpololo	36,591	-
Inspire Network: Building A Data Science Platform Project	20,975	-
Wash For Everyone-W4e	1,280	-
Surgewater PROJECT-DR C KAMBALA	56,079	-
Designated Funds - Maintenance |	1,247,938	300,313
Total Project and Research Expenses	**3,996,982**	**1,236,287**