

MULANJE MISSION HOSPITAL

FINANCIAL STATEMENTS

30 JUNE 2014

MULANJE MISSION HOSPITAL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

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TULANJE MISSION HOSPITAL

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

STATEMENT OF SYNOD HEALTH BOARD RESPONSIBILITIES

The International Auditing Standards requires those charged with governance of entities to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the hospital as at the end of the financial year and of the operating results for that year.

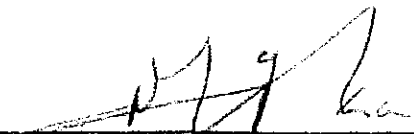
They also require those charged with governance to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the hospital and enable them to ensure that the financial statements comply with any applicable legal instruments and accounting Standards.

In preparing the financial statements the trustees accept responsibility for the following:

- maintenance of proper accounting records;
- selection of suitable accounting policies and applying them consistently;
- making judgments 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;
- preparation of financial statements on a going concern basis unless it is inappropriate to presume that the hospital will continue in business.

The Board also accepts responsibility for taking such steps as are reasonably open to them to safeguard the assets of the hospital and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities.

The Board are of the opinion that the financial statement gives a true and fair view of the state of the financial affairs of the hospital and of its operating results.



CHAIRPERSON

20.6.15

Date



MEDICAL DIRECTOR

20.06.15

Date

**AUDITOR'S REPORT
TO THE SYNOD HEALTH BOARD OF
MULANJE MISSION HOSPITAL**

**ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

We have audited the accompanying financial statements of Mulanje Mission Hospital, which comprise of the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Bases for qualified opinion

An annual assessment of the estimated useful lives and residual value of property, plant and equipment to determine depreciable amounts as required by International Accounting Standard 16 was not done and therefore we have been unable to satisfy ourselves as to the carrying amount of property, plant and machinery at 30 June 2014.



**TO THE SYNOD HEALTH BOARD OF
MULANJE MISSION HOSPITAL**

**ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

Qualified opinion

In our opinion, except for the effects of the matters disclosed in the bases for qualified opinion paragraphs, the financial statements give a true and fair view of the financial position of Mulanje Mission Hospital as of 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and Trustees Incorporation Act, 1962.

Graham Carr

GRAHAM CARR
20 June 2015

MULANJE MISSION HOSPITAL

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Page	2014	2013
		K	K
Income			
Grants and donations	20	788,822,419	568,542,409
Hospital income	21	88,169,655	69,048,850
Other income	22	<u>18,117,676</u>	<u>22,128,052</u>
Total income		<u>895,109,749</u>	<u>659,719,312</u>
Expenditure			
Personnel costs	29	274,357,888	188,249,460
General administration	30	74,691,226	59,827,985
Hospital expenses	31	495,546,984	274,306,716
Transport and travelling	31	15,055,218	13,756,923
Repairs and maintenance	31	10,973,402	8,075,457
PHC expenditure	32	64,191,294	62,854,463
Palliative Care expenditure	32	<u>8,254,625</u>	<u>13,576,832</u>
Total expenditure		<u>(943,070,636)</u>	<u>(620,647,837)</u>
Operating (deficit)/surplus		(47,960,887)	39,071,475
Exchange difference		<u>6,659,842</u>	<u>11,858,667</u>
(Deficit)/surplus for the year		<u>(41,301,045)</u>	<u>50,930,142</u>

*The notes on pages 8 to 19 form part of these financial statements
Auditor's Report - Page 2 and 3*

MULANJE MISSION HOSPITAL

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 K	2013 K
ASSETS			
Non-current assets			
Property, plant and equipment	4	253,073,922	260,713,302
Current assets			
Inventories	5	350,517,151	128,240,640
Receivables	6	15,440,706	18,941,614
Cash and cash equivalents	7	68,696,658	43,095,636
Total current assets		<u>434,654,516</u>	<u>190,277,889</u>
Total assets		<u>687,728,438</u>	<u>450,991,191</u>
FUNDS AND LIABILITIES			
Funds			
General fund		(9,749,532)	23,912,133
Capital fund		<u>284,625,644</u>	<u>292,265,024</u>
Total funds		274,876,112	316,177,157
Non-current liabilities			
Severance pay provision	8	9,462,645	9,188,732
Deferred income	9	47,386,604	21,454,790
Deferred inventory grant	10	<u>314,637,870</u>	<u>65,237,851</u>
Total non-current liabilities		371,487,119	95,881,373
Current liabilities			
Bank overdraft	7	7,760,704	4,540,310
Payables	11	<u>33,604,503</u>	<u>34,392,351</u>
Total current liabilities		<u>41,365,207</u>	<u>38,932,661</u>
Total funds and liabilities		<u>687,728,438</u>	<u>450,991,191</u>

The financial statements were authorised for issue by the Synod Health Board on 20.06.2015 and signed on its behalf by :


CHAIRPERSON


MEDICAL DIRECTOR

MULANJE MISSION HOSPITAL

STATEMENTS OF CHANGES IN FUNDS AS AT 30 JUNE 2014

	General fund K	Capital fund K	Total K
Balance as at 1 July 2012	253,028	264,993,987	265,247,015
Surplus for the year	50,930,142	-	50,930,142
Fixed assets			
-donations	(51,148,543)	51,148,543	-
Disposals	3,501,400	(3,501,400)	-
Depreciation on disposals	(3,501,400)	3,501,400	-
Depreciation charge	<u>23,877,506</u>	<u>(23,877,506)</u>	<u>-</u>
Balance as at 30 June 2013	<u>23,912,133</u>	<u>292,265,024</u>	<u>316,177,157</u>
Balance as at 1 July 2013	23,912,133	292,265,024	316,177,157
Deficit for the year	(41,301,045)	-	(41,301,045)
Fixed assets			
-donations	(19,433,046)	19,433,046	-
Depreciation charge	<u>27,072,425</u>	<u>(27,072,425)</u>	<u>-</u>
Balance as at 30 June 2014	<u>(9,749,532)</u>	<u>284,625,644</u>	<u>274,876,112</u>

General fund

The general fund represents accumulation of surplus/deficit over a period of time from the Hospital's operations.

Capital fund

The capital funds represents the value of donated assets net of accumulated depreciation charges and any funds for capital projects that have not been utilised.

MULANJE MISSION HOSPITAL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
	Notes	K	K
Cash flows from operating activities			
(Deficit)/surplus for the year		(41,301,045)	50,930,142
Depreciation	4	27,072,425	23,877,506
Interest received		(1,809,767)	(1,496,079)
		<u>(16,038,387)</u>	<u>73,311,569</u>
Movement in working capital			
Increase in inventories		(222,276,511)	(327,651)
Increase in receivables		3,500,907	(4,809,627)
(Decrease)/increase in payables		(787,848)	10,204,004
		<u>(235,601,839)</u>	<u>78,378,295</u>
Cash (used in)/ generated by operations			
Interest received		1,809,767	1,496,079
		<u>(233,792,072)</u>	<u>79,874,374</u>
Net cash (used in)/ generated by operating activities			
Cashflows from investing activities			
Purchase of property, plant and equipment	4	(19,433,046)	(51,148,543)
Disposals		-	1,308,365
		<u>(19,433,046)</u>	<u>(49,840,178)</u>
Cashflows from financing activities			
Increase/(decrease) in deferred income		25,931,813	(4,687,650)
Increase/(decrease) in deferred inventory		249,400,019	(12,831,786)
		<u>275,331,832</u>	<u>(17,519,436)</u>
Net cash generated from/(used in) financing activities			
Net increase in cash and cash equivalents			
		22,106,715	11,206,396
Cash and cash equivalents at the beginning of financial year			
		<u>38,555,326</u>	<u>27,348,930</u>
Cash and cash equivalents at the end of the financial year			
	7	<u><u>60,662,041</u></u>	<u><u>38,555,326</u></u>

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1 GENERAL INFORMATION

The Hospital was established by the Blantyre Synod of the Church of Central African Presbyterian (CCAP) to provide basic health services around rural communities of Mulanje District.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 Standards and Interpretations adopted with no effect on financial statements

Amendments to IFRS 7 *Disclosures - Transfers of Financial Assets* effective for annual periods beginning on or after 1 July 2011.

The amendments to IFRS7 did not have a significant

2.2 Standards and Interpretations in issue not yet adopted

The Hospital has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 1 -
Presentation of Items of
Other Comprehensive
income Effective for annual periods beginning on or after 1 July 2012. The amendments to IAS 1 introduce new terminology for the Statement of Comprehensive Income and Income statement. Under the amendments to the standard, the Statement of Comprehensive Income is renamed as a statement of profit or loss and other Comprehensive Income and the Income Statement is renamed as a Statement of Profit or Loss.

IFRS 9 (as amended in 2010) *Financial Instruments* effective for annual periods beginning on or after 1 January 2013. IFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

IFRS 13 Fair Value
Measurement *Fair Value Measurement* effective for annual periods beginning on or after 1 January 2013. The IFRS establishes a single source of guidance for fair value measurements and disclosures about fair value measurements.

The directors anticipate that the application of IFRS 13 may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

Amendments to IFRS 7
Disclosures - Offsetting
financial assets and
financial liabilities Effective for annual periods beginning on or after 1 January 2013. The amendments require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

Amendments to IAS 32 -
Offsetting financial assets
and financial liabilities Effective for annual periods beginning on or after 1 January 2014. The amendments clarify existing application issues relating to the offset of financial assets and liabilities requirements. Specifically the amendments clarify the meaning of 'currently has a legally enforceable right of set - off and 'simultaneous realisation and settlement'.

The Trustees anticipate that the application of the amendments to IAS 32 and IFRS 7 may result in more disclosures being made with regard to offsetting financial statements and financial liabilities in the future.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3 ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in all material respects.

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

3.2 Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets.

3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Donations in cash

Local and international donations are recognised when received. Funds that have not been utilised at the year end are credited to deferred income.

Patient income

Revenue from patient income is accounted for on accruals basis.

Donations in kind

Donations in kind comprise of consumable and non- current assets

These are valued at market value where it is available or the donated value

Interest receivable

Interest income is recognised on a time - proportion basis using the effective interest method.

3.4 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, determination from market-based evidence by appraisal undertaken by professional valuers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense of the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of the asset

the properties revaluation reserve relating to a previous revaluation of the asset.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.4 Property, plant and equipment (continued)

Depreciation on revalued buildings is charged to income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to accumulated profits.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the hospital's policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of valuation of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Buildings	20 years
Motor vehicles	5 years
Equipment	10 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

3.5 Impairment of property, plant and equipment

The carrying amounts of the hospital's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An 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 the income statement.

3.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including and appropriate portion of fixed and variable overhead expenses, are assigned to inventories held 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 cost of completion and costs necessary to make the sale.

3.7 Inventory grants

Inventories donated or purchased with donor funds are consumed over the period. Accordingly the value of these inventories are credited to an inventory grant and amortised to the statement of income and expenditure.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.8 Financial instruments

The term financial instruments includes financial assets and financial liabilities. These are initially recognised at cost, which is the fair value of the consideration paid or received to acquire the asset or liability, respectively. Subsequent to initial recognition all financial assets are measured at fair value except for the hospital's originated loans and receivables (not held for trading), held to maturity investments and other financial assets whose fair value cannot be reliably measured. Where these assets have a fixed maturity, they are measured at amortised cost using the effective interest rate method. Those that do not have a fixed maturity are measured at cost less, where applicable, provision for permanent diminution in value.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Bank balances and cash comprise cash on hand and demand deposits and other short-term liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are measured at fair value.

3.9 Financial assets

Investments are recognised and derecognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe establishment by the market concerned, and are initially measure at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into as financial assets as at fair value through profit or loss (FVPL). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or where appropriate, a shorter period.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

3.9 Financial assets

Financial assets at FVPL

Financial assets are classified as at FVPL where the financial asset is either held for trading or it is designated as at FVPL.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon recognition if:

Such designation eliminated or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

Financial assets at FVPL

The financial asset forms part of a group of financial assets or financial liabilities or both which is managed and its performance is evaluated on a fair value basis, in accordance with the hospital's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVPL.

Financial assets at FVPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporated interest earned on the financial asset.

3.10 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities (including borrowings) are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the organisation's obligations are discharged, cancelled or they expire.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

3.11 Foreign currencies

Transactions in currencies other than Malawi Kwacha are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when their fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where changes in fair value are recognised directly in equity.

3.12 Pension fund

The hospital operates a non-contributing, defined contribution pension scheme, through INDETRUST Limited for the benefit of its permanent employees. CHAM Contributions are charged to the income statement.

3.13 Provisions

Provisions are recognised when the hospital has a present obligation (legal or constructive) as a result of a past event, it is probable that the hospital will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, 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 of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

3.14 Critical accounting judgements and key sources of estimation uncertainty

a Critical judgements in applying the hospital's accounting policies

There were no critical judgement areas in applying the hospital's accounting policies.

b Key sources of estimation uncertainty

In terms of the current interpretation by the courts of Employment Act, severance allowance is payable in full to employees on termination of employment by mutual agreement, death, retirement, voluntary retirement, retrenchment or redundancy without allowing any set off of employer's pension scheme contributions against severance allowance due.

In preparing the financial statements, the trustees have considered the matter and have applied the wider perspective which requires that all emoluments be considered in making the provision.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

4 PROPERTY, PLANT AND EQUIPMENT

	Hospital buildings K	Staff houses K	Hospitals and household equipment K	Motor vehicles K	Motor cycles K	Total K
Cost						
As at 1.07.2012	177,719,184	99,276,770	49,983,055	27,439,543	2,066,094	356,484,647
Additions	27,683,731	-	19,548,812	-	3,916,000	51,148,543
Disposals	-	-	(3,501,400)	-	-	(3,501,400)
As at 30.06.2012	<u>205,402,915</u>	<u>99,276,770</u>	<u>66,030,467</u>	<u>27,439,543</u>	<u>5,982,094</u>	<u>404,131,789</u>
As at 1.07.2013	205,402,915	99,276,770	66,030,467	27,439,543	5,982,094	404,131,789
Additions	827,494	-	16,464,083	-	2,141,468	19,433,046
As at 30.06.2014	<u>206,230,409</u>	<u>99,276,770</u>	<u>82,494,550</u>	<u>27,439,543</u>	<u>8,123,562</u>	<u>423,564,835</u>
Depreciation						
As at 1.07.2012	51,719,148	30,212,256	25,203,598	14,548,610	1,358,770	123,042,382
Charge for the year	10,166,683	4,963,838	4,887,757	3,414,698	444,529	23,877,506
Disposal	-	-	(3,501,400)	-	-	(3,501,400)
As at 30.06.2012	<u>61,885,831</u>	<u>35,176,094</u>	<u>26,589,955</u>	<u>17,963,308</u>	<u>1,803,299</u>	<u>143,418,488</u>
As at 1.07.2013	61,885,831	35,176,094	26,589,955	17,963,308	1,803,299	143,418,488
Charge for the year	10,311,520	4,963,838	7,341,817	3,338,448	1,116,801	27,072,425
As at 30.06.2014	<u>72,197,351</u>	<u>40,139,933</u>	<u>33,931,772</u>	<u>21,301,756</u>	<u>2,920,100</u>	<u>170,490,913</u>
Carrying amount						
As at 30.06.2014	<u>134,033,058</u>	<u>59,136,837</u>	<u>48,562,778</u>	<u>6,137,787</u>	<u>5,203,462</u>	<u>253,073,922</u>
As at 30.06.2013	<u>143,517,084</u>	<u>64,100,676</u>	<u>39,440,512</u>	<u>9,476,235</u>	<u>4,178,795</u>	<u>260,713,302</u>

The land on which the buildings are is in the name of Blantyre Synod of the Church of Central Africa Presbyterian (CCAP). Title deeds are with the Synod.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	K	K
5 INVENTORIES		
Pharmacy stocks	332,302,495	114,154,607
General store	16,680,340	7,726,309
WFP store	1,534,316	6,359,723
Total inventories	<u>350,517,151</u>	<u>128,240,640</u>
6 RECEIVABLES		
Trade receivables	21,327,290	14,942,370
Staff loans and advances	5,121,933	3,777,111
Sundry customers	350,000	298,282
Prepayments	30,000	1,904,753
	26,829,223	20,922,517
Provision for doubtful debts	<u>(11,388,517)</u>	<u>(1,980,903)</u>
Total receivables	<u>15,440,706</u>	<u>18,941,614</u>
7 CASH AND CASH EQUIVALENTS		
Current account - local	17,525,212	16,631,098
Current account - feda	46,816,197	23,697,846
Deposit account	306,483	268,770
Investment account	3,795,239	2,294,915
Cash in hand	50,010	43,605
Fuel-Top up cards	203,517	159,401
	68,696,658	43,095,636
Bank overdraft	<u>(7,760,704)</u>	<u>(4,540,310)</u>
Total cash and cash equivalents	<u>60,935,954</u>	<u>38,555,326</u>

The overdrawn account represent the cash book balance and not the actual overdrawn bank account.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

	2014	2013
	K	K
8 SEVERANCE PAY		
Balance at 30 June 2014	<u>9,462,645</u>	<u>9,188,732</u>

Following the enactment of the Pension Act 2011, Severance allowance was calculated and compared against pension balances. The balance has not yet been paid to the pension fund.

9 DEFERRED INCOME		
Balance at 30 June	<u>47,386,604</u>	<u>21,454,790</u>

This represents unspent foreign donations represented by funds in foreign denominated bank accounts at 30 June 2014, refer to detailed analysis on page 27.

10 DEFERRED INVENTORY GRANT		
Balance at 30 June	<u>314,637,870</u>	<u>65,237,851</u>

This represents donated inventories not yet utilised at 30 June 2014.

11 PAYABLES		
Trade payables	27,273,908	24,644,229
Sundry suppliers	704,754	1,530,217
Pension benefits payable (Indetrust)	112,083	260,173
Accrued expenses	2,602,760	3,974,786
Withholding tax and other	1,743,329	3,886,003
PAYE	1,167,669	36,031
Staff water & electricity control	-	60,911
Total payables	<u>33,604,503</u>	<u>34,392,351</u>

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

12 RELATED PARTY TRANSACTIONS

The hospital had the following related party transactions with the entities that were established by the Blantyre Central African Presbyterian (CCAP)

Related party transactions

	2014	2013
	K	K
Medical services provided		
Mulanje Mission Paliative Care	188,365	1,549,422
Mulanje Mission Primary Health Care	133,712	45,862
Payables		
Mulanje Mission CCAP	168,000	17,598
Mulanje Mission College of Nursing	-	29,969
Mulanje Mission Production Unit	-	120,000
CCAP BT - Grace Bandawe	17,850	-
Receivables		
Mulanje Mission CCAP	18,298	17,598
Mulanje Mission College of Nursing	1,265,760	685,153
Mulanje Mission Community Day Sec. Sch	1,020	1,020
Mulanje Mission Production Unit	546,390	6,382,900
CCAP Blantyre Synod	259,211	81,181

Transactions were carried out at arms length.

13 FINANCIAL RISK MANAGEMENT

a) Introduction and overview

The Hospital has exposure to credit risk from its use of financial instruments.

This note presents information about the Hospital's exposure to credit risk and the Hospital's objectives, policies and processes for measuring and managing the risk.

b) Risk management framework

The Board has overall responsibility for the establishment and oversight of the Hospital's risk management framework. The Board is responsible for developing and monitoring Hospital's risk management policies in their specified areas.

The Hospital's risk management policies are established to identify and analyse the risk faced by the Hospital, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and services offered. The Hospital through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles

and obligations.

MULANJE MISSION HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)

13 FINANCIAL RISK MANAGEMENT (continued)

The Board is responsible for monitoring compliance with the Hospital's management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Hospital.

c) Credit risk

Credit risk is the risk of financial loss to the Hospital if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Hospital's trade receivables.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

d) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at reasonable cost.

Liquidity risk arises mainly from the Hospital's trade payables.

e) Capital risk management

The hospital's objectives when managing capital are to safeguard the hospital's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure. The hospital's overall strategy remains unchanged from 2013.

The hospital's objectives in managing its capital are:

- to match the profile of its assets and liabilities, taking account of the risks inherent in its operations,
- to maintain financial strength to support new business growth,
- to satisfy the requirements of its stakeholders,
- to retain financial flexibility by maintaining strong liquidity and access to a range of capital markets,
- to allocate funds efficiently to support growth, and to minimise exposures to movements in exchange rates.

In order to maintain or adjust the capital structure, the hospital may adjust its level of operations to put in check on expenditure.

14 CAPITAL COMMITMENTS

There were capital commitments of K32,435,000 as at 30 June 2014 (June 2013 : K33,499,000) as follows: -

MULANJE MISSION HOSPITAL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014 (CONTINUED)**

	2014	2013
	K	K
14 CAPITAL COMMITMENTS (continued...)		
Furniture - Chairs, desks & filing cabinets	335,000	1,000,000
Hospital fence	3,500,000	1,500,000
Renovation - MMH 18 & 34	6,000,000	-
Hospital equipment - oxygen concentrators	600,000	3,500,000
Computer equipment/IT replacement programme	2,500,000	-
Generator	-	2,500,000
Row of flats	10,000,000	-
New pump & sewage system	3,000,000	-
Upgrading accounting package	1,500,000	
Renovation theatre - phase 1	-	8,000,000
Renovation theatre - phase 2	-	4,000,000
Theatre equipment	-	2,500,000
Clinical equipment	-	2,000,000
Water tanks	-	1,185,000
Solar Power	5,000,000	7,314,000
	<u>32,435,000</u>	<u>33,499,000</u>

15 CONTINGENT LIABILITIES

The hospital has guaranteed National Bank of Malawi loans to staff amounting to K1.9 Million which may become payable by the hospital should the staff default.

16 SUBSEQUENT EVENTS

Subsequent to the reporting date, no events have occurred necessitating adjustments to or disclosures in the financial statements.

17 EXCHANGE RATES AND INFLATION

The average of the year end buying and selling rates of foreign currencies most affecting the performance of the Board are stated below, together with the increase in the National Consumer Price Index which represents an official measure of inflation.

	2014	2013
	K	K
Kwacha/GBP	660.75	518.22
Kwacha/USD	394.74	337.88
Kwacha/Eur	534.37	433.49
Inflation Rate	24%	27%

MULANJE MISSION HOSPITAL

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Page	2014	2013
		K	K
INCOME			
Grants and donations			
CHAM			
CHAM salaries and wages		163,408,882	107,795,062
CHAM SWAP top up allowances		42,765,100	29,908,283
CHAM professional allowance		2,079,400	2,077,300
CHAM Special medical allowance		2,109,900	2,096,800
CHAM pension		16,564,149	11,285,150
CHAM leave grant		2,192,500	1,986,000
Total CHAM grants		<u>229,119,930</u>	<u>155,148,594</u>
Cash donations	26	135,400,153	182,685,157
Donations in kind	28	<u>424,302,336</u>	<u>230,708,658</u>
Total grants and donations		<u><u>788,822,419</u></u>	<u><u>568,542,409</u></u>

MULANJE MISSION HOSPITAL**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	K	K
INCOME		
Hospital income		
General		
Consultation	5,438,815	4,956,815
Laboratory	3,342,895	2,112,700
Drugs & Supplies	36,692,096	28,324,132
Radiology/X-ray	2,277,740	1,953,880
Hospital Days	3,380,875	1,835,990
Martenity Services	1,144,850	1,975,443
Procedures	2,949,600	2,559,760
Dental	436,310	340,705
Private		
Consultation Private	5,232,800	3,083,600
Laboratory - Private	836,670	518,980
Drugs & Supplies - Private	5,112,273	3,319,555
Radiology/X-ray - Private	498,350	382,750
Hospital days - Private	2,293,400	1,404,650
Martenity Services - Private	256,620	291,050
Procedures - Private	613,430	611,540
Dental - Private	88,300	114,300
Service level Agreement		
Antenatal Clinic Fee - SLA	1,180,354	1,066,806
Mother & Neonatal Health - SLA	13,699,672	8,605,576
Malaria	201,701	2,586,366
Acute Respiratory Infections	275,088	1,205,778
Acute Diarrhoea Diseases	-	21,381
Malnutrition	5,000	26,124
Fracture & Wound Treatment	7,259	33,566
Abcess	12,287	47,168
Blood Transfusion	-	55,080
Refferals to QECH	1,847,475	1,217,520
Outreach	335,160	312,210
Dental Refferals from MDH	3,485	65,625
Radiology/ TB contact tracing	7,150	19,800
Total hospital income	<u><u>88,169,655</u></u>	<u><u>69,048,850</u></u>

MULANJE MISSION HOSPITAL

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	K	K
OTHER INCOME		
House rent – Blantyre house	1,613,315	1,785,000
House rent (staff houses & Buildings)	6,160,670	4,595,598
Interest on savings	1,809,767	1,496,079
Hire of vehicle	307,360	187,261
Health booklets	48,695	138,784
Discount received for cash	10,727	4,396,907
Students affiliation fee	4,788,264	6,079,029
Disposal proceeds	1,419,787	150,000
Bad debts recovered	86,882	-
Sundry Income	1,872,208	3,299,395
Total other income	<u>18,117,676</u>	<u>22,128,052</u>

MULANJE MISSION HOSPITAL

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 K	2013 K
Donations in cash		
Allan Davidson	343,532	-
African Palliative Care	1,285,261	-
Alicia Cullingford	-	164,754
Beit Trust	-	7,501,734
Belfast Royal Academy	2,264,074	-
Ben Jacker	124,071	-
Blacksburg Presbyterian Church - USA	4,388,970	4,504,630
Bond University Student Association	-	9,567
BT Synod - Uchembere Network	4,016,781	3,026,928
Burton Laura	-	212,019
Caxton Fx Ltd	-	1,032,930
CCAP BT Synod	404,200	-
Charles Good	81,048	-
Child Survival in Malawi	803,615	544,240
Chisambo Tea Estate Ltd	50,000	-
Christian Health Association of Malawi (CHAM)	-	10,097,358
Christina Reis - Brazil	-	-
Church of Scotland	7,120,185	8,880,745
CSIM, CoS, EMMS international	5,407,207	-
D.M. Manson	22,381	20,888
Deekay Suppliers Limited	-	10,001
Deloitte	50,000	-
Diac Prot Gem	-	8,490,448
Dublin Presybeterian Church	86,623	-
Dr Roland van De Ven	-	173,397
Dr Ruth Shakespeare	773,958	-
Eastern Produce MW (EPM)	-	500,000
EMMS International - United Kingdom	25,554,111	38,407,889
English Reformed Church - Amsterdam	18,848,151	11,316,360
Fadde Groot	-	171,506
Farmers Organisation Limited	50,000	30,000
Formby Reformed church - United Kingdom	591,596	-
Freeworld Plascon Mw Limited	-	30,000
FHSSA Funds - Palliative care	1,557,955	-
Gift Bond University	314,926	-
Gift Paid Over	556,583	-
Green Colour Photo Studio	-	130,000
Gregagh Presb. Church	-	234,083
Balance carried forward	<u>74,695,227</u>	<u>95,489,475</u>

MULANJE MISSION HOSPITAL**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	K	K
Donations in cash		
Balance brought forward	74,695,227	95,489,475
Hapuwani Village Lodge	50,000	-
Harriet Ball	-	164,754
Hilland Presybeterian Church	1,737,165	-
Ian Bonongwe	-	205,000
ICCO	7,689,458	-
J Wortley - Church od Scoltland	-	52,000
John McMillan Women's Missionary Society - Canada	-	44,506
Jones Katangwe	50,000	-
JB Suzi & Co	50,000	-
Ken & Ruth Rice	109,760	-
Kingfisher Associates	50,000	30,000
Knight Frank LTD	-	30,000
Kris Offset Printers	-	30,000
Likhubula Partnership - \$615	-	264,572
Link Building Products	20,000	20,000
Lujeri Tea Estate	50,000	-
M.N.C. John	-	97,892
Makande Tea and Coffee Estate	50,000	-
Malawi Revenue Authority	-	120,000
Malawi Savings Bank LTD	-	30,000
Marion Medical Mission - USA	740,000	500,000
Mark Beuarmont	-	637,689
MarK camerron	-	444,076
Medical Association & Com	-	43,416
Medical Benevolence Foundation - USA	-	1,686,204
Mlango Foundation	520,000	410,000
Mr and Mrs A O Davison - UK	-	329,660
Mr E. Mlaviwa	-	50,000
Mr Harod Lungu	-	10,000
Mulanje Motel Ltd	-	30,000
National Bank of Malawi	-	30,000
Balance carried forward	<u>85,811,611</u>	<u>100,774,243</u>

MULANJE MISSION HOSPITAL

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 K	2013 K
Donations in cash		
Balance brought forward	85,811,611	100,774,243
NICO Life	50,000	-
Nico General Insurance	50,000	-
Norbrook, High Kirk Dunoon	222,885	47,297
Norbrook Lab Ltd	-	48,576
Oak Foundation	-	15,050,825
Paul Gordon & Davison	326,127	79,373
Peoples Trading Centre	-	30,000
Peter Schimt	-	42,475
Pittsburg Presbyterian Church	-	175,581
PLAN Malawi	30,665,389	17,530,749
Poonan Dasani	-	10,001
Premars Holdings	-	203,600
Presbyterian Church - Ireland	-	660,647
Presbyterian Church - United States of America	4,371,917	3,730,125
Presbyterian Church of Canada	-	3,487,138
Presybterian World Service - Canada	10,265,429	-
Proffessor C Good	-	175,000
PWS&D Canada	206,702	4,173,910
Rabecca Lambert	590,451	-
Rana Sharif	-	1,074,400
Real General Insurance Co Ltd	50,000	100,000
Real Insurance Co. MW LTD	-	30,000
Sophie Newton	16,652	-
Stewardship SVS LTD	-	2,007,085
Sunset Hill Presbyterian Church	454,969	284,161
Tanna & company Solicitors	1,002,844	566,438
Tiling Solutions LTD	-	30,000
United General Insurance	-	30,000
Unknown	110,537	212,803
Unknown - \$1477.5	-	484,634
Winnie Ma	321,767	-
Balance carried forward	134,517,279	151,039,062

MULANJE MISSION HOSPITAL

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	K	K
Donations in cash		
Balance brought forward	134,517,279	151,039,062
Unknown - \$1536.9	-	507,398
Unknown - \$2463	-	783,262
Unknown	61,875	-
Unknown - MKW	-	30,000
Vijay Kotecha	-	30,000
Vrienden voor (Friends of Africa) Mulanje - the Netherlands	-	26,791,199
Whiteabby Presybterian Church in Ireland	820,999	266,637
Wilde Ganzen	-	2,498,606
Winnie Lingima	-	44,626
World University Serv. Canada (WUSC)	-	694,367
Total donations in cash - foreign	<u>135,400,153</u>	<u>182,685,157</u>

MULANJE MISSION HOSPITAL

**DETAILED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 K	2013 K
Deferred donated Income - in cash		
Amsterdam University - affiliation fee	-	1,379,656
Belfast Royal acadamy - primary school funds	-	2,264,074
Blackburgh Presbyterian Church - hospital womens health	-	1,171,430
Blackburgh Presbyterian Church - primaty health care activities	1,214,991	660,332
Child Survival in Malawi - Orphan care	3,444,397	403,925
Church of Scotland - HIV nutrition	2,123,517	754,691
CSIM, Church of Scotland, EMMS International - primary health care act	-	5,407,207
EMMS - palliative & primary health care	7,733,715	-
English Reformed Church - Amsterdam - Capacity building	442,840	142,376
FHSSA - palliative care	224,143	-
Ruth & Ken - maleward renovation	510,773	-
ICCO - palliative care	19,098,117	-
Norbrook, high kirk Dunoon - general	-	222,885
Paul Gordon & Davison - general	-	326,127
Peacework - affiliation fee	-	227,815
Plan - Malawi	5,135,148	-
Popovic - affiliation fee	-	214,608
Presbyterian church - USA	1,380,169	-
PWS&D Canada - primary health care activities	6,078,774	6,285,476
Slavin - affiliation fee	-	214,608
Sunset Hills United Presybeterian - general	-	454,969
Tanna & Company	-	1,002,844
Winnie Ma- general	-	321,767
	<u>47,386,584</u>	<u>21,454,790</u>

MULANJE MISSION HOSPITAL

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 K	2013 K
DONATIONS IN KIND		
Andrew Mc Clements - nexcare	10,800	-
Australia- Australia - Drugs & supplies	-	56,554
Banja La Mtsogolo - Inplant/Trocers	-	173,947
Belfast Royal Acadamy - baby blankets, shirts, suits jerseys and hats	-	41,600
Blantyre Synod - steam boiler, bicycle ambulance	-	364,995
Brother Brothers -drip stand, mattresses, sunction machine,wheel chair, hand was	4,642,501	2,023,414
Caiy Site Imaging - Scanner DP 20	-	18,100
CHAM - Assorted drugs & medical supplies, duongle	64,057	337,966
CHAM CDC - desktop computersnd accessories, printer, motor bikes	-	4,029,500
Church of Christ - wheel chairs	60,000	-
CMST via Ministry of Health - MG - assorted drugs and medical supplies	1,550,011	31,466,697
Colonel Justus Mulolo - assorted drugs & medical supplies	-	381,881
Diamedica UK Ltd - theatre equipment	7,813,865	-
Dr Binda - ink catridge (tonner) and spectacles	78,000	-
Dr Reyner Ter Haar	-	270,891
Dr Ruth Shakespeare- Canon printer	-	55,111
George Woolson - bed sheets & pillow cases	50,000	739,500
GIZ/GTZ- gloves, gogles, aprons, gumboots and binliners	-	35,584
Global Links - USA - drugs and assorted medical supplies	-	218,306
H Parker Health Centre - assorted drugs & medical supplies	-	38,949
Jean Wallace - - baby vests, blankets, dolls,hats, boots	750	-
Joan Richardson - baby vests, blankets, dolls,hats, boots	-	14,250
M Bowman & Christine Rown tree - soap, baby hats, boots, blankets and	2,800	5,500
Malawi Workgroup leenwarden - IDA Order	-	5,640,268
Margret Potter and Mary Bowman - baby dolls, boots, vests, showels and	112,096	26,975
Medisurge Limited - nebuliser	48,000	-
Mirachi Presybeterian AMS - baby vests, blankets, dolls,hats, boots	-	54,600
Mulanje DHO & Malawi Government- drugs, food and assorted items	19,105,767	27,171,303
Nkhonya Active Youth Club - local brooms	2,100	-
Pharmacare Pharmaceuticals - medical supplies	82,200	369,900
Pittsburgh church -examination latex gloves	3,929,986	-
Presbyterian Church of Ireland - stationery, bicycles, solar equipment, baby cloth	239,650	2,043,229
Sathia Sai - jumbo spring scales	9,699	-
TNM Ltd	342,059	-
Unicef via Ministry of Health - MG - Microscope, assorted HIV drugs and medic	381,987,243	153,528,176
WFP via Ministry of Health - MG - foodstuffs and drugs	3,970,752	1,421,462
World University Service of Canada - (WUSC) Malawi - dayun ambulance	200,000	180,000
Total donation in kind	424,302,336	230,708,658

MULANJE MISSION HOSPITAL

**DETAILED EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

PERSONNEL COSTS	2014	2013
	K	K
Salaries and wages	168,376,471	109,318,899
Swap top up allowance	45,786,438	30,186,834
Professional allowance	2,124,495	1,923,395
Special Medical allowance	2,182,891	2,010,886
Pension contributions	16,278,375	11,285,150
Leave grants	2,200,500	2,105,292
Incentive allowance	22,195,811	20,095,891
Incentive in kind - nurses meals	3,504,377	-
Casual wages/locum	5,115,500	4,479,510
Overtime	643,878	1,101,082
Commuted leave	114,165	298,358
School fund-bursary	72,000	132,300
Staff welfare	1,402,581	2,365,023
Staff free treatment - OPD	2,073,571	1,466,725
Staff free treatment - Admission	779,400	743,620
Severance provision	273,713	-
Death gratuity	1,233,720	671,028
Contract gratuity	-	65,468
Total salaries and benefits	<u>274,357,888</u>	<u>188,249,460</u>

MULANJE MISSION HOSPITAL
DETAILED EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	K	K
GENERAL ADMINISTRATION AND OVERHEADS		
Utilities		
Electricity	6,413,428	4,009,674
Water charges	3,076,225	2,739,590
Heating and lighting	616,834	557,103
Telephone and postage	2,402,524	2,322,387
Fees & Subscriptions		
CHAM fees	3,414,448	1,805,028
Audit fees - prior year	265,674	36,950
Audit fees - current year	1,500,000	1,200,000
Legal charges & penalties	(23,790)	4,055,575
Consultancy fees	1,607,433	192,584
Other Subscriptions and donations	2,836,349	878,623
Other overheads		
Office stationery	3,181,764	3,716,358
Management and other meetings	108,180	193,703
Hospitality	351,197	646,176
Advertising and recruitment	265,908	313,823
Insurance - buildings and other	1,022,745	851,719
Bank charges	770,339	645,070
General expenses	223,693	722,957
Casual labour third party	1,675,890	389,850
Taxation	2,427,978	417,552
Training & development		
Tuition fee & development cost	4,487,837	4,363,157
Training - travelling & accommodation costs	1,293,351	4,931,454
Workshop costs	247,460	415,520
Bad debts		
Bad debts expenses	9,457,852	297,482
Depreciation		
Depreciation - hospital buildings	10,311,520	10,166,683
Depreciation - staff houses	4,963,839	4,963,839
Depreciation - hospital equipment	7,337,297	5,135,900
Depreciation - motor vehicles	3,338,449	3,414,698
Depreciation - motor bikes	1,116,801	444,529
Total general administration and overheads	<u>74,691,226</u>	<u>59,827,985</u>

MULANJE MISSION HOSPITAL**DETAILED EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	K	K
Hospital expenses		
Sanitation & General Cleaning - Soap	3,683,954	1,919,797
Sanitation & General Cleaning - Material	2,328,087	1,343,111
Linen	1,188,333	2,974,219
Uniforms	682,206	1,526,253
Drugs and clinical supplies - HIV drugs GOVT	382,302,527	159,333,556
Drugs and clinical supplies - Other GOVT	18,431,807	6,866,498
Drugs and clinical supplies - Donation	338,833	1,951,705
Drugs and clinical supplies - General	86,591,237	98,391,578
Total hospital expenses	<u>495,546,984</u>	<u>274,306,716</u>
Transport and travelling		
Motor vehicle maintenance & servicing	5,149,679	3,499,304
Motor vehicle fuel and oils	7,159,451	6,231,159
Motor vehicle insurance	1,176,157	2,140,711
Motor vehicle licence	-	11,000
Transport /travel cost -public	974,731	461,950
Transport and travel - subsistence allowance	595,200	884,400
Transport hire	-	528,400
Total transport and travelling	<u>15,055,218</u>	<u>13,756,923</u>
Repairs and maintenance		
Equipment & Electrical - repairs & maintenance	3,489,809	3,493,525
Building - repairs & maintenance	4,889,123	1,941,209
Staff houses - repairs & maintenance	2,073,175	1,690,976
Water system - repairs & maintenance	481,005	936,549
Maintenance tools	40,291	13,197
Total repairs and maintenance	<u>10,973,402</u>	<u>8,075,457</u>

MULANJE MISSION HOSPITAL

**DETAILED EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	K	K
PHC expenditure		
Aids Control Unit (ACU)	24,499,869	17,414,206
Environmental Health Care (EHC)	15,615,144	13,714,256
Mother Child Health (MCH)	5,616,855	16,678,550
Nutrition Rehabilitation Unit (NRU)	7,721,630	5,124,492
Orphan Care Training Centre (OCTC)	10,637,945	8,316,221
PHC sundry expenses	99,850	1,606,737
Total PHC expenditure	<u>64,191,294</u>	<u>62,854,463</u>
Palliative Care expenditure		
Patient costs - medical bill	3,773,357	6,464,362
Welfare bereavement	-	33,868
Locum	7,500	12,500
Hospitality/Refreshments & others	-	6,600
Home visit	60,000	45,942
Mentorship/Training costs	3,047,279	327,914
Likuni phala	1,105,649	1,443,551
PAL - Medical supplies	260,839	4,672,096
Local travel	-	150,000
Salary	-	420,000
Total PHC expenditure	<u>8,254,625</u>	<u>13,576,832</u>