

**CHRISTIAN HEALTH ASSOCIATION
OF MALAWI**

FINANCIAL STATEMENTS

31 DECEMBER 2022

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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CHRISTIAN HEALTH ASSOCIATION OF MALAWI

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors have pleasure in submitting their report together with the financial statements for the year ended 31 December 2022.

Incorporation and registered office

Christian Health Association of Malawi is incorporated in Malawi under the Trustees Incorporation Act of 1962 and is domiciled in Malawi. The Association reflects the Christian identity and coordinates the provision of health care in its member health facilities across Malawi. It is owned by two mother bodies namely: Episcopal Conference of Malawi (ECM) and the Malawi Council of Churches (MCC).

It is an umbrella organisation of Christian churches which own health facilities throughout Malawi. There were 185 member health facilities ranging from small health centres to district level hospitals and training colleges, as at the time of approval of these financial statements.

The role of Christian Health Association of Malawi is to strengthen the capacity of its member units, monitor and supervise service delivery, advocate for greater involvement of mission hospitals in the provision of health care in Malawi and mobilising financial material resources for its members units.

The registered office of the Association is
Christian Health Association of Malawi
CHAM Building
Opposite Red Cross Area 14
P.O Box 30378
Lilongwe 3

Financial performance

The results and state of affairs of the Association are set out in the accompanying statements of financial position, income and expenditure, changes in funds, and cash flows, significant accounting policies and other explanatory information.

Board of Trustees

CHAM is owned by two mother bodies, the Episcopal Conference of Malawi ("ECM") and the Malawi Council of Churches ("MCC"). These jointly form the board of trustees which is comprised of Four (4) members and they are the overseers of CHAM Assets. The mother bodies also delegate leadership authority to the Board of Directors which is responsible for the provision of policy oversight and direction in the implementation of CHAM strategic plan. CHAM secretariate is responsible for the strategic plan implementation and coordination of member units and the stakeholders.

The following Directors served during the year:-

NAME	BODY REPRESENTING	PERIOD
Rt Rev John Ryan	Chairperson	Full year
Mr. Isaac Songea	Member	Full year
Mrs Evelyn Itimu	Member	Full year
Mrs Mphatso Phiri	Member	Full year

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Board of Directors

The following Directors served during the year:-

Very Rev Emmanuel Makalande	Chairperson	Full year
Rev. Fr. Benard Silungwe	Vice Chairperson	Full year
Rev. Fr. Dr Alfred Chaima	Member	Full year
Rev. Alemekaze Kenneth Phiri	Member	Full year
Mr. Justus Kishindo	Member	Full year
Mr. Patrick Chimutu	Member	Full year
Mr. Moses Kasitomu	Member	Full year
Mrs. Rose Chamanga	Member	Full year
Mr. Moses Yakobe	Member	Full year
Dr. Ann Phoya	Member	Full year
Mr. Henry Chilingulo	Member	Full year
Mr. Duffren Msukwa	MOH Ex officio	Full year

Bankers

First Capital bank
National Bank of Malawi
Standard Bank
CDH Investment Bank

Attorneys

T.F Partners
Nasasha Building
P.O Box 724
Lilongwe

Independent auditors

The Association's independent auditors, Graham Carr, Chartered Accountants (Malawi), have expressed their willingness to continue in office as independent auditors in respect of the Association's 31 December 2023 financial statements and a resolution proposing their re-appointment will be tabled at the next Annual General Meeting.



CHAIRPERSON

31/05/2024

DATE



DIRECTORS

31/05/2024

DATE

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association as at end of the financial year and of the operating results for the period.

The Directors are also required to ensure the Association keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Trustees Incorporation Act, 1962 and the financial reporting provisions of the relevant financing agreements.

In preparing the financial statements, the Directors accept responsibility on behalf of the Association 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; and
- preparation of financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

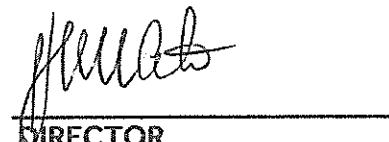
The Directors also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Association and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities or falsification of entries in the books of account.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Association and of its operating results.

The financial statements were authorised for issue by the Board of Directors on 31/05/2024 and are signed on their behalf by:



CHAIRPERSON



DIRECTOR

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHRISTIAN HEALTH ASSOCIATION OF MALAWI****ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****Opinion**

We have audited the financial statements of Christian health Association in Malawi, which comprise the statement of income and expenditure, statement of financial position, statement of changes in funds and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Christian Heath Association in Malawi as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of the relevant financing agreements and the requirements of the Trustees Incorporation Act 1962.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw your attention to Note 23 in the financial statements, which indicates that the Association has made an overall deficit of K106million (2021: deficit of K7.4 million) and net current liabilities of M225.6million (2021: net current liabilities of MK55.6 Million). The ability of the Association to continue as a going concern is dependent on continued support from its donors and the Malawi Government. Our opinion is not modified in respect of this matter.

Other matters - limitation of distribution and use

The Association's financial statements have been prepared for the responsible party to meet the user's requirements. As a result, the Association's financial statements may not be suitable for other purposes.

Our report has been prepared solely for the use of the responsible party and the user and should not be distributed to or used by any other parties.

We have modified our opinion in respect of this matter.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CHRISTIAN HEALTH ASSOCIATION OF MALAWI**

**ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Responsibilities of Directors and those charged with governance for the financial statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards(IFRS) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Association or cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Association.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRISTIAN HEALTH ASSOCIATION OF MALAWI

ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the financial statements (Continued)

- Conclude on the appropriateness of the Association's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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 a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Association with a statement that we 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 our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we 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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Graham Carr
Chartered Accountants (Malawi)
Cornwell Banda

Date: 3rd June 2024

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Audit . Tax . Advisory

Partners: Cornwell Banda, Dorothy Ngwira Mrs, Martha Nyirongo Mrs

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 MK'000	2021 MK'000
INCOME			
Grant income utilised	4	39,635,976	35,721,348
Membership fees		313,382	370,798
Drug sales		133,468	8,286
Administration fees (projects)		75,842	30,594
Other income	3	168,807	170,641
Total income		40,327,475	36,301,667
EXPENDITURE			
Operating expenses	Appendix	(797,744)	(587,736)
Project expenses	4	(39,635,976)	(35,721,348)
Total expenses		(40,433,720)	(36,309,084)
(Deficit) for the year		(106,245)	(7,417)
Other comprehensive income			
Capital grants amortisation	14	(39,615)	(45,062)
Total other comprehensive income		(39,615)	(45,062)
Total comprehensive (deficit) for the year		(145,860)	(52,479)

The notes on pages 11 to 29 form part of these financial statements

Independent audit report - pages 4 to 6

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

STATEMENT OF FINANCIAL POSITION

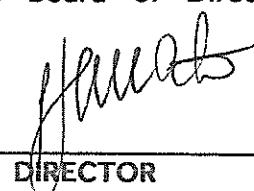
AS AT 31 DECEMBER 2022

	Note	2022 MK'000	2021 MK'000
ASSETS			
Non current assets			
Property, plant & equipment	5	2,728,057	2,262,887
Investment Properties	6	120,500	96,446
Total non current assets		2,848,557	2,359,333
Current assets			
Inventories	7	115,796	9,649
Trade & Other receivables	8	505,554	1,119,896
Project receivables	4	594,612	238,803
Cash and cash equivalents	9	1,581,284	942,412
Total current assets		2,797,247	2,310,760
Total assets		5,645,804	4,670,093
RESERVES AND LIABILITIES			
Reserves			
General Fund-Secretariat	10	51,439	51,439
General Fund-Programmes	11	4,252	4,252
Capital Reserves	12	4,525	4,525
Revaluation Reserves	13	2,782,971	2,272,505
Capital Grants	14	55,477	95,091
Accumulated deficit	15	(275,717)	(169,472)
Total reserves		2,622,947	2,258,341
Non current liabilities			
Employee Benefit	16	-	45,385
Total non current liabilities		-	45,385
Current Liabilities			
Payables	17	1,265,841	802,559
Deferred Grant Income	4	1,757,016	1,563,809
Total current liabilities		3,022,857	2,366,368
Total reserves and liabilities		5,645,804	4,670,093

The financial statements were authorised for issue by the Board of Directors on 31/05/2024 and are signed on their behalf by:



CHAIRPERSON



DIRECTOR

The notes on pages 11 to 29 form part of these financial statements
Independent audit report - pages 4 to 6

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2022

	General fund Secretariat MK'000	General fund programmes MK'000	Revaluation reserves MK'000	Capital reserve funds MK'000	Capital grants MK'000	Accumulated deficit MK'000	Total MK'000
Balance at 1 January 2021	51,439	4,252	663,490	4,525	140,153	(162,055)	701,805
Deficit for the year	-	-	-	-	(45,062)	(7,417)	(7,417)
Amortisation of Capital Grants	-	-	-	-	-	-	(45,062)
Revaluation Surplus	-	-	1,609,015	-	-	-	1,609,015
As at 1 January 2022	51,439	4,252	2,272,505	4,525	95,091	(169,472)	2,258,341
Deficit for the year	-	-	-	-	-	(106,245)	(106,245)
Amortisation of Capital Grants	-	-	-	-	(39,615)	-	(39,615)
Revaluation Surplus	-	-	510,466	-	-	-	510,466
As at 31 December 2022	<u>51,439</u>	<u>4,252</u>	<u>2,782,971</u>	<u>4,525</u>	<u>55,476</u>	<u>(275,717)</u>	<u>2,622,947</u>

The notes on pages 11 to 29 form part of these financial statements
Independent audit report - pages 4 to 6

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 MK'000	2021 MK'000
Cash inflow from operating activities		
(Deficit) for the year	(106,245)	(7,417)
Depreciation charge	21,239	45,431
Capital grant armotisation	(39,615)	(45,062)
	<hr/>	<hr/>
	(124,620)	(7,048)
Movements in working capital		
(Increase) in inventories	(106,147)	(7,657)
Decrease/(increase) other receivables	614,342	(623,260)
(Increase) in project receivables	(355,807)	(148,464)
Increase in other payables and employee benefits	417,897	161,791
	<hr/>	<hr/>
Net cash in flow/ (out) from operating activities	445,664	(624,638)
Cashflows from investing activities		
Purchase of property, plant and equipment	-	(10,411)
	<hr/>	<hr/>
Net cash (utilised in) investing activities	-	(10,411)
Cash flows from financing activities		
Increase in deferred income	193,207	1,092,545
	<hr/>	<hr/>
Net cash inflow from financing activities	193,207	1,092,545
Increase in cash & cash equivalents	638,871	457,496
Cash and cash equivalents at the beginning of the financial year	942,412	484,916
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Cash and cash equivalents at the end of the financial year (Note 9)	1,581,283	942,412
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The notes on pages 11 to 29 form part of these financial statements

Independent audit report - pages 4 to 6

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 REPORTING ENTITY

The Christian Health Association of Malawi ("CHAM") was constituted in 1966 initially called Private Hospitals Association of Malawi ("PHAM"). PHAM changed its name to CHAM in 1992 to reflect the Christian identity and to stress the focus on provision of health services.

CHAM is owned by two mother bodies, the Episcopal Conference of Malawi ("ECM") and the Malawi Council of Churches ("MCC"). These jointly form the board of trustees which is comprised of Four (4) members and they are the overseers of CHAM Assets. The mother bodies also delegate leadership authority to the Board of Directors which is responsible for the provision of policy oversight and direction in the implementation of CHAM strategic plan. CHAM secretariate is responsible for the strategic plan implementation and coordination of member units and the stakeholders.

During the period under review, CHAM Secretariat coordinated the following projects: NCA Maternal & Neonatal Child Health, Fredkorps Exchange Programme, USAID Health workers Training, Centre for Disease Control ("CDC") monitoring and coordination of HIV services, NAC VMMC project, Drug revolving fund, KFW institutional support, DCA BILKA Nutrition, Save the Children sexual reproductive health, Act Alliance coordination desk and GOM/MOH salaries.

These financial statements are for the Secretariat's activities and all other projects including the personnel emolument grant for the CHAM Health Units.

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with the financial reporting provisions of the relevant financing agreements.

The financial statements have been prepared on the historical cost basis.

2.1 Property, plant and equipment

(i) Initial recognition

Items of plant, equipment and furniture are stated at cost, net of accumulated depreciation and accumulated impairment losses.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately including major inspection and overhaul expenditure is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefit embodied in the item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as an expense when incurred.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES(Continued)

(iii) Depreciation

Depreciation is calculated on the straight line basis at rates that will reduce cost of assets to estimated residual values over the anticipated useful lives of the assets. The estimated useful lives, residual value and depreciation rates are reviewed at each year end with the effect of any changes in estimate accounted for on a prospective basis.

• Office buildings	50 years
• Motor vehicles	4 years
• Furniture & equipment	5 years

The gain or loss arising on the disposal or retirement of an item or property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of comprehensive income.

(iv) Impairment

At each reporting date, the Association reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior year. A reversal of an impairment loss is recognised as income immediately.

2.2 Inventories

Inventories are valued at the lower cost and net realisable value on first in first out basis and relates to goods purchased but not used as at period end.

2.3 Pensions and other post-employment benefits and termination benefits

Retirement benefits are provided for the Association employees through independently administered 'defined contribution funds. Contributions to the defined contribution funds are charged to profit or loss as they fall due. Once the Association makes a contribution, there are no further obligations.

All other termination benefits are recognised as an expense immediately when the Association is committed to termination of employment of an employee.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES(Continued)

2.4 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements are measured using Malawi Kwacha, as functional currency of the primary economic environment in which the Association operates. The financial statements are presented in Malawi Kwacha, which is the Association's functional and presentation currency.

(b) Transactions and balances

Transactions in currencies other than Malawi Kwacha are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the reporting date. Profits or losses arising on retranslation are dealt with in the statement of comprehensive income.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2.5 Income

Grant income

Grants income is recognised initially as deferred income when there is reasonable assurance that it will comply with the conditions attaching to it. Income that compensate for expenses incurred are recognised as revenue in the profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate for the cost of an asset are recognised in the profit or loss as revenue on a systematic basis over the useful life of the asset and the unamortised grants are carried forward as capital grants.

Rental income

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. Rental income Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an intergral part of the total rental income, over the term of the lease.

2.6 Investment property

Investment property is property held either to earn rental income, or for capital appreciation or for both but not for sale in ordinary course of business. Use in the production and supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its costs for subsequent accounting.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES(Continued)

2.7 Drug revolving fund

The Association maintains a revolving fund which aims at providing and distributing drugs to the Health Units at low cost.

The beneficiaries to this fund, the Health Units, contribute for customs clearing costs to the fund based on the levels of their requirements to cover the costs of administering the fund and facilitating the receiving and distribution of these drugs. These contributions are recognised as operating income by the Association.

2.8 Taxation

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences arising from goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.9 Provision

A provision is recognised when the Association has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation

2.10 Receivables

Receivables are measured at amortised cost.

2.11 Financial instruments

2.11.1 Financial assets

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

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial liabilities and equity instruments

2.12.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2.12.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.12.3 Financial liabilities

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

2.12.4 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future;
- It is a part of an identified portfolio of financial instruments that the Association manages together and has a recent:
 - (i) Actual pattern of short-term profit-taking; or
 - (ii) It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability 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 Association's documented risk management or investment strategy and information about the grouping is provided internally on that basis;
- it forms part of a contract containing one or more embedded derivatives and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL 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 incorporates any interest paid on the financial liability.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES(Continued)

2.12.5 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 (see 3.11.2 with interest expense recognised on an effective yield basis.

2.12.6 Financial risk management objectives

The Association has exposure to the following risks from its transactions in financial instruments:-

- Capital risk
- Foreign currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

This note represents information about the Association's exposure to each of the above risks, the Association's objectives, policies and processes for identification, measurement, monitoring and controlling risk and the Association's management of capital.

(a) Capital risk management

The entity manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Association consists of mainly equity attributable to its equity holders, comprising capital fund, revaluation reserve and general fund as disclosed in the statement of changes in equity.

(b) Foreign currency risk management

The Association undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters and the Association endeavours to settle its foreign liabilities as soon as possible so as to minimise exposure to changing exchange rates.

(c) Interest rate risk management

The Association is exposed to interest rate risk as it borrows at floating interest rates. The absence of appropriate instruments in the economy makes it impossible to hedge against interest rate risks.

The Association's interest rate risk arises on interest-bearing bank overdrafts.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES(Continued)

(d) Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in financial loss to the Association. The Association's exposure is continuously monitored and is spread over many approved counter parties.

A provision for doubtful receivables is made where there is an identified loss event which based on previous experience, indicates a reduction in the recoverability of future cash flows.

The Association's principal financial assets are bank balances and receivables. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses; represents the Association's maximum exposure to credit risk. The credit risks on bank balances are limited because the counter parties are banks with high credit ratings in Malawi.

(e) Liquidity risk management

Ultimate responsibility of liquidity risk management rests with management, which has built an appropriate liquidity risk management framework for the management of the Association's short, medium and long-term funding and liquidity requirements. The Association manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows on a daily, weekly and monthly basis and matching the maturity profiles of financial assets and liabilities.

Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cashflow statements , cash and cash equivalents consist of cash in hand and deposits in banks , net of outstanding banks overdrafts , investments with short term maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

Credit risk

CHAM has a credit policy in place and the exposure of credit risk is monitored on an on going basis. Credit evaluations are performed on all customers requiring loans.

Provisions for loans and advances

Loans and advances are stated in the statement of financial statement after the deduction of provision for doubtful debts. The provision is based upon management assessment of the loan portfolio which involves specific evaluation of loan advances taking into account economic conditions and changes in the nature and level of risk exposure.

Advance are written off once the probability of recovery becomes remote.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

SIGNIFICANT ACCOUNTING POLICIES(Continued)

Interest on advances

Interest on advances is accrued to income until such times as reasonable doubt with regard to recovery , thereafter further interest is not included in income.

Employee benefits

The organisation contributes to a defined pension scheme administered by Inde Trust Limited.

Obligations for contributions are recognised as an expense in the statement of comprehensive income.

Interest income

Interest income is recognised in the income statement for all interest bearing instruments on an accruals basis , using the effective yield method.

Foreign currency

Transactions in foreign currency are converted to Malawi kwacha at the foreign exchange rate ruling at the date of the transaction.

Foreign exchange differences arising on transactions are recognised in the profit and loss.

2.13 Related parties

The Association provides services to its member units and coordinates various projects at a fee. The services are sourcing, advancing, accounting and coordination of funds/grants to the units. Membership fees, which is 1.5% of the Government grants (salary, pension and leave grants only) payable to the Units is charged to the health units and is accounted for in the period for which they are due. An administration fee is also charged on the various projects coordinated by the Association.

2.14 Deferred income

Deferred income represents surplus arising from the project activities being carried out by CHAM. These are represented by bank balances and accrued expenses.

The net deficits on projects are not deferred. The deficits on these projects are debited/charged to the CHAM Secretariat's retained earnings in the period they arise.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash and call deposits. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

2.16 Capital fund

The fund represents the fair value of all assets and liabilities taken over from Government on the establishment of the Trust on 1st February 2013. It represents the net assets with which the Trust was initially endowed.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2.17 Critical accounting judgments and key sources of estimation and uncertainty

(a) Critical judgements in applying the Associations accounting policies

No critical judgements were made by the Board of Trustees during the current year which would have a material impact on the financial statements.

(b) Key sources of estimation and uncertainty

The key assumption concerning the future, and the key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Specific provisions

In creating a specific provision against receivables, the Board of Trustees have taken into account the past payment history of the individual customers, the state of the economy and other information which may have come to light regarding the potential impairment of the individual assets. Provisioning on this basis is subjective by nature as it requires the assessment of financial, as well as non financial information in arriving at an impairment value, which can only be borne out by future events.

(ii) Valuation of properties

The Board of Trustees have reviewed the remaining useful lives and the residual values used for the purposes of depreciation calculations in the light of the requirements for an annual review under the International Accounting Standard 16 Property, Plant and Equipment.

	2022 MK'000	2021 MK'000
3 OTHER INCOME		
Other grant income	101,579	17,224
Capital Grants Amortisation	39,615	45,062
Sundry income	-	84,837
Rental income-office block	24,127	16,189
Rent - residential houses	3,300	5,600
Interest received	187	1,729
	<hr/> 168,807	<hr/> 170,641

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4 GRANT INCOME UTILISED/ DEFERRED INCOME

	Opening balance MK'000	Receipts MK'000	Adjustments/ Refunds MK'000	Grant income utilised MK'000	Deferred income MK'000	Project receivable MK'000
CDC	1,454,533	793,753	91,418	1,903,095	436,609	-
AMREF - VAN	-	189,117	6	22,103	167,020	-
NAC HRH	(8,521)	125,531	-	117,010	-	-
Medic Mw	-	4,471	1,26	2,724	1,874	-
GIZ/DIFAEM	-	-	-	1,332	-	(1,332)
ACHAP	17,075	10,190	109	743	26,631	-
UNAIDS Current Account	4,200	-	-	4,124	76	-
Malaria - TOME	-	57,086	2	63,510	-	(6,422)
FHI360 Current Account	54,982	321,776	-	311,922	64,837	-
COVID	20,541	-	-	208	20,333	-
SMARTHEALTH	1,568	-	-	6,228	-	(4,660)
CDC Preservice	(2,253)	1,278,360	(12,056)	946,882	317,168	-
CHAZ FP	18,214	8,027	341	9,479	17,103	-
334	115,666	(20,595)	114,958	-	(19,553)	(402,432)
(87,914)	30,496,863	3,711	30,815,091	-	3,092	-
3,392	-	-	-	300	(156,920)	-
(52,035)	120,390	2,056	227,330	-	(414)	-
SLA	-	950	(699)	675	-	-
EPN	-	-	-	1,271	-	-
GIZ	1,271	-	-	-	(2,880)	-
NCA-2016	(2,880)	-	-	-	215,189	-
SLA	33,979	3,360,451	-	3,179,241	443,693	-
CDC HRH	(362,916)	2,611,644	103,986	1,909,022	42,118	-
CHEMONICS	42,081	-	38	-	-	-
	1,135,651	39,494,286	168,444	39,635,976	1,757,016	(594,612)

Project funds are funds for donor funded projects which are being administered by the Association. This is represented by funds in the relevant bank accounts. Any payments from these accounts are charged to the project accounts and are passed through the CHAM statement of comprehensive income when spent. Periodically CHAM produces separate reports for the donors as accountability for funds spent. Project income is accounted for when actually spent.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2022

5 PROPERTY, PLANT & EQUIPMENT

	Land MK'000	Buildings MK'000	Owner occupied houses MK'000	Motor Vehicle: MK'000	Furniture & Fittings MK'000	Computer/IT Equipment MK'000	Intangible Assets MK'000	Work in Progress MK'000	Total MK'000
Cost									
As at 1 January 2021	129,500	328,379	172,418	263,777	33,412	94,328	30,602	23,428	1,075,844
Additions	-	-	-	-	-	-	-	10,411	10,411
Revaluation	880,000	593,330	110,963	-	-	-	-	-	1,584,293
As at 1 January 2022	1,009,500	921,709	283,381	263,777	33,412	94,328	30,602	33,839	2,670,548
Additions	-	-	-	-	-	-	-	-	-
Revaluation	189,000	178,291	119,119	-	-	-	-	-	486,409
As at 31 December 2022	1,198,500	1,100,000	402,500	263,777	33,412	94,328	30,602	33,839	3,156,957
Depreciation									
As at 01 January 2021	-	25,969	13,793	216,585	28,524	50,757	26,602	-	362,230
Charge for the year	-	-	-	33,521	2,711	7,699	1,500	-	45,431
As at 01 December 2021	-	25,969	13,793	250,106	31,235	58,456	28,102	-	407,661
As at 01 January 2022	-	25,969	13,793	250,106	31,235	58,456	28,102	-	407,661
Charge for the year	-	-	-	13,671	2,097	3,971	1,500	-	21,239
As at 31 December 2022	-	25,969	13,793	263,777	33,332	62,427	29,602	-	428,900
Carrying amount									
As at 31 December 2022	1,198,500	1,074,031	388,707	-	80	31,900	1,000	33,839	2,728,057
As at 31 December 2021	1,009,500	895,740	269,588	13,671	2,177	35,872	2,500	33,839	2,262,887

The fair value measurements of the secretariat's leasehold and buildings as at 31 December 2022 were based on revaluation done on 14th December 2022 by T.G. Msonda and Associates, who are Chartered Property Valuers, based in Lilongwe. The basis of valuation used was open market value. The Association's valuation policy is to revalue property every year. The Association's land and buildings are stated at fair value amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses. The resultant surpluses were taken to other comprehensive income and allocated to property valuation reserve in the statement of changes in funds.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 MK'000	2021 MK'000
6 INVESTMENT PROPERTY		
Residential House	96,446	69,000
Revaluation surplus	24,054	27,446
	<hr/> 120,500	<hr/> 96,446
	<hr/> <hr/>	<hr/> <hr/>
The investment property relates to a residential house from which CHAM gets rentals.		
7 INVENTORIES		
Drugs	115,796	9,649
	<hr/> <hr/>	<hr/> <hr/>
8 TRADE AND OTHER RECEIVABLES		
Membership fees	351,181	374,989
Provision for doubtful debts	(84,049)	(68,357)
	<hr/>	<hr/>
Other debtors	179,610	88,079
Salary in advance	50	9,378
Subgrant balances	1,434	527,725
Pension Board Expenses	1,115	4,047
Unliquidated Cash advances	56,213	182,666
Prepayments	-	1,369
	<hr/>	<hr/>
	505,554	1,119,896
	<hr/> <hr/>	<hr/> <hr/>

Membership fees receivable represent amount due from CHAM health facilities. The Association provides services to its member units and coordinates various projects at a fee of 1.5% of the government grant.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 MK'000	2021 MK'000
11 GENERAL FUND -PROGRAMMES		
Balance brought forward	4,252	4,252
Balance carried forward	<u>4,252</u>	<u>4,252</u>
12 CAPITAL RESERVES		
Balance brought forward	4,525	4,525
Balance carried forward	<u>4,525</u>	<u>4,525</u>
13 REVALUATION RESERVE		
Balance brought forward	2,272,505	663,490
Arising during the year	510,466	1,609,015
Balance carried forward	<u>2,782,971</u>	<u>2,272,505</u>

This represents the surplus on revaluation of property, plant and equipment as detailed in note 5. The reserve is non-distributable and amortisation is reflected on a yearly basis to take into account the use of the related assets.

14 CAPITAL GRANTS

	Buildings	Motor Vehicles	Office Equipment	Total
COST				
As at 01 Jan. 2022	10,091	250,541	70,251	330,883
Additions	-	-	-	-
As at 31 Dec. 2022	<u>10,091</u>	<u>250,541</u>	<u>70,251</u>	<u>330,883</u>
Depreciation				
As at 01 Jan. 2022	6,434	163,499	65,859	235,792
Charge for the year	1,514	35,973	2,128	39,615
As at 31 Dec. 2022	<u>7,948</u>	<u>199,472</u>	<u>67,987</u>	<u>275,407</u>
Carrying amount				
As at 31 Dec. 2022	<u>2,144</u>	<u>51,069</u>	<u>2,264</u>	<u>55,477</u>
As at 31 Dec. 2021	<u>3,657</u>	<u>87,042</u>	<u>4,392</u>	<u>95,091</u>

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 MK'000	2021 MK'000
9 CASH AND CASH EQUIVALENTS		
Fixed deposit	31,248	27,537
Dollar account(CDC)	3,161	1,545
CDC HIV Current account	10,639	202,864
Cham units current account	216,562	228,353
Dollar Account National Bank	38,112	31,041
Core Bank Account-Standard Bank	48,418	12,727
SLA Unit	63	163,566
MOH COVID	20,333	20,541
CHAM Salaries-Standard Bank	10,790	17,327
CHAM Core National Bank	35,208	2,830
Residential Property Standard Bank	44,153	36,656
CHAM SLA First Capital	-	613
DRF-Standard Bank	6,275	4,714
CHAM Gratuity Standard Bank	4,727	4,960
CHAM Euro account	11,312	9,781
UNAIDS Current Account	-	23
CDC HRH	558,867	31,853
FH360	29,535	49,633
CDC Preservice	331,906	66,153
CCIH SCOPE	321	16,163
CHAM Pensions	11,558	13,332
AMREF Rockefeller Va	167,335	-
CHAM DAPP	563	-
	<hr/> 1,581,084	<hr/> 942,212
Petty cash	200	200
Total cash and cash equivalents as presented in the statement of cashflows	<hr/> 1,581,284	<hr/> 942,412
10 GENERAL FUND -SECRETARIATE		
Balance brought forward	<hr/> 51,439	<hr/> 51,439
Balance carried forward	<hr/> 51,439	<hr/> 51,439

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 MK'000	2021 MK'000
15 ACCUMULATED DEFICIT		
Balance brought forward	(169,472)	(162,055)
(Deficit) for the year	(106,245)	(7,417)
Balance carried forward	(275,717)	(169,472)
16 EMPLOYEE BENEFIT		
Sevearance pay		
Balance brought forward	22,782	22,782
Payments during the year	(22,782)	-
Balance as at 31/12/2022	-	22,782
Gratuity	-	22,603
Total as at 31/12/2022	-	45,385
Severance pay		
In terms of the Employment Act, severance allowance is payable to employees on termination of employment by mutual agreement, death, retirement, voluntary retirement, retrenchment or redundancy.		
Provision for severance allowance was made as at 31 December 2018 for staff that had been laid off in 2011 whose severance pay was not paid. In line with the Pensions Act, 2010 and the amended Employment Act of 2010, the amount provided for shall be remitted to a pension fund administrator to be transferred into pension not later than eight years from the effective date of the Pension Act. The Association is yet to remit all the outstanding amounts.		
17 PAYABLES		
Malawi Revenue Authority taxes	123,366	46,100
Units Salary refunds	984,916	668,898
Creditors	19,111	1,329
Other payables and accruals	104,952	50,123
Prepaid income	29,078	29,021
CHAM Sacco	-	2,671
LifeNet salaries	4,417	4,417
	1,265,841	802,559

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 RELATED PARTIES

The Association's activities are mainly to assist member units. Members pay annual membership fees to the CHAM Secretariat

CHAM also coordinates donor funded projects which also involve supply of services and other facilities on which administration fees are charged. The values of the transactions reflected as income are as follows:

	2022	2021
	MK'000	MK'000
Membership fees	313,382	370,798
Administration fees	75,842	30,594
	<hr/>	<hr/>
	389,224	401,392
	<hr/>	<hr/>

Total funds received and transferred to or on behalf of projects were K39.5 billion (2021: K36.5 billion) represented by total project grants note 4 and the figures include CHAM units salary grants.

19 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2022.

20 CAPITAL COMMITMENTS

The Association had no capital commitments as at 31 December 2022.

21 SUBSEQUENT EVENTS

There were no significant subsequent events which needed disclosure or adjusting the financial statements.

22 SIGNIFICANT ACCOUNTING JUDGEMENTS

In the process of applying the Association's accounting policies, there were no critical judgements and estimates made.

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

23 MATTER OF UNCERTAINTY RELATING TO GOING CONCERN

The Association had made a deficit of MK151 million (2021: deficit of MK7.4 million) and has net current liabilities of K270.3 million (2021: net current liabilities of K55.6 million). The going concern of the Association is dependent on the support from the donors and the Government of Malawi.

The Association is expected to continue being in business and has already operated for two years after the year end with support from donors and the Government of Malawi.

24 EXCHANGE RATES AND INFLATION

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

	2022	2021
	MK	MK
Kwacha/ GBP	1,290.02	1,189.34
Kwacha/Euro	1,125.15	997.58
Kwacha/US Dollar	1,028.48	816.91
Kwacha/Rand	60.39	61.04
Inflation rate	25.4%	11.5%

At the time of signing the financial statements
the exchange rates were as follows:-

Kwacha/ GBP	2,287.85	2,181.34
Kwacha/Euro	1,947.82	1,867.69
Kwacha/US Dollar	1,733.83	1,683.33
Kwacha/Rand	96.27	91.18

CHRISTIAN HEALTH ASSOCIATION OF MALAWI

**ADDITIONAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

*The following pages do not form
part of the financial statements*

CHRISTIAN HEALTH ASSOCIAN OF MALAWI

INCOME AND EXPENDITURE SUMMARY REPORT
FOR THE YEAR ENDING 31 DECEMBER 2022

Appendix

		2022 MK'000	2021 MK'000
EXPENDITURE			
Good Governance			
7000-7035	Board meetings - Secretariat	387	19,956
7000-7036	Board Subcommittees meetings	-	2,368
7000-7050	Conduct Annual General Meeting	-	1,241
7000-7000	Management Expenses	18,127	-
8000-8000	Operational Costs	90	-
	Sub Total	18,604	23,565
Financial Recovery and Sustainability			
6000-6010	VVMC Supplies	-	396
6000-6020	Drugs pharmaceutical supplies	50,276	500
6000-6030	Cost of Sales	-	3,740
7000-7045	Collect membership fees	-	491
7000-7020	Fundraising Costs	-	500
8000-8055	External Audits	-	4,182
7700-7720	Internal Audit	-	3,203
7000-7120	Reserved	-	1,435
7000-7000	Management Expenses	3,080	-
7700-7700	Travel Costs	1,196	-
8000-8000	Operational Costs	167	-
	Sub Total	54,719	14,447
Networking and Advocacy			
7000-7060	Attend conferences	-	13,547
7000-7125	Commemoration of Activities	-	1,552
7000-7130	Conduct Secretariat quarterly review meetings	-	186
7000-7135	Support Supervision in health Facilities	-	2,623
7000-7145	Visiting Facilities and properties	-	2,302
7000-7140	ACHAP Meetings and other external travel	-	82
7000-7065	Conduct Regional meetings	-	3,681
7700-7700	Travel Costs	589	-
8000-8000	Operational Costs	74	-
8200-8200	Projects - Salaries & Allowances	380	-
	Sub Total	1,042	23,973

CHRISTIAN HEALTH ASSOCIAN OF MALAWI

INCOME AND EXPENDITURE SUMMARY REPORT
FOR THE YEAR ENDING 31 DECEMBER 2022

Appendix

		2022 MK'000	2021 MK'000
Human Resource Management			
	Basic Salaries		
5000-5000	Salaries	328,581	152,112
	Benefits		
5500-5505	Benefits - Pension	-	16,812
5500-5510	Benefits - Gratuity	-	96,920
5500-5515	Benefits - Group life	-	1,093
5500-5520	Benefits - Medical Cover	-	31,067
5500-5535	Benefits - Fuel	-	8,250
5500-5545	Benefits - Tevet	-	549
5500-5550	Benefits - Fringe benefit tax	-	7,456
7000-7080	Recruitments	-	391
7000-7085	Social Welfare	-	139
7000-7090	Staff professional Subscriptions	-	1,689
7000-7095	Staff Development Costs	-	497
7000-7105	Staff relocation costs	-	956
7200-7230	Human resource training	-	3,172
5500-5500	Benefits	52,927	-
5600-5600	Purchase of Assets Costs	4,032	-
7000-7000	Management Expenses	11,263	-
7400-7400	Meetings	630	-
7700-7700	Meetings	124	-
8000-8000	Operational Costs	22,264	-
8200-8200	Projects - Salaries & Allowances	34,460	-
8400-8400	IEC Materials Costs	35	-
Other Compensation			
8200-8225	Allowances for interns	-	6,584
8200-8230	Casual labour	-	187
8200-8235	Units pension	-	561
	Sub Total	454,317	328,435
Coordination and Technical Support for Health Services			
7000-7015	Affiliation fees	-	1,663
7400-7406	Conduct coordination meetings with partners	-	143
7400-7410	Brief meetings	-	279
7800-7805	Awareness campaign	-	124
7800-7807	Facility based review meetings	-	1,153
7800-7820	Outreach clinics	-	12
5600	Purchase of Assets Costs	2,330	-
7000	Management Expenses	1,170	-
7200	Training Costs	126	-
8000	Operational Costs	92	-

CHRISTIAN HEALTH ASSOCIAN OF MALAWI

INCOME AND EXPENDITURE SUMMARY REPORT
FOR THE YEAR ENDING 31 DECEMBER 2022

Appendix

		2022 MK'000	2021 MK'000
Trainings			
7200-7210	Emergency preparedness & response	-	3,685
7200-7215	Conduct facility based orientation	-	1,513
7200-7225	Conduct training for health workers	-	5,045
7200-7245	Biannual HIV Care	-	104
7200-7255	Clinical Officers	-	1,350
7200-7265	Medical Assistants	-	580
7200-7275	College graduations	-	558
7200-7285	Training sessions for HCWs	-	660
7200-7305	Exchange/learning visits	-	6,526
7200-7355	Training project staff in data collections	-	857
7200-7362	Refresher training for YCBDAs	-	156
	Sub Total	3,718	24,408
Monitoring, Evaluation and Research			
7000-7160	Webhosting and domain	-	31
7000-7161	Pay fees for Emails	-	4,764
7000-7162	Pay for antivirus and firewall renewal	-	1,079
7000-7163	Software maintenance	-	432
7000-7164	Pay Fees for Website	-	1,500
7000-7070	Software licences/ renewals	-	3,225
7600-7625	Sensitisation , documentation of best practice	-	6,125
7600-7635	Report writing	-	57
766-7655	Conduct Q A/Q assessment in all colleges	-	140
7600-7660	Project evaluation	-	2,838
7700-7735	Monitoring & evaluation	-	4,064
7700-7745	Preservice HIV/AIDS	-	1,183
	Sub Total	-	25,438
Secretarial Operation Costs			
Capital Expenditure			
5600-5661	Procure Accounting package	-	5,999
5600-5670	Purchase of computer and IT Equipment	-	133
5600-5671	Purchase of computer accessories	-	307
5600	Purchase of Assets Costs	384	-
Depreciation			
5800-5840	Furniture & Equipment Depreciation	2,097	2,711
5800-5855	Motor Vehicles Depreciation	13,672	33,521
5800-5860	Intangible Assets Amortisation	1,500	1,500
5800-5865	Movable storage Depreciation	1,925	1,925
5800-5870	ICT Equipment Depreciation	2,046	5,774
5820-5875	Bad Debt Provision	15,692	-
5830-5880	Write-offs	1,705	-

CHRISTIAN HEALTH ASSOCIAN OF MALAWI

INCOME AND EXPENDITURE SUMMARY REPORT
FOR THE YEAR ENDING 31 DECEMBER 2022

Appendix

		2022 MK'000	2021 MK'000
	Other		
8000-8005	Local Travel expenses	-	4,573
8000-8010	Maintenance of Office Equipment	-	4,453
8000-8015	Vehicle Service and Maintenance	-	2,824
8000-8020	Newspapers	-	54
8000-8025	Tel/fax/email/postage and courier charges	-	2,017
8000-8030	Project administration cost	-	7,727
8000-8035	Cleaning Services	-	2,458
8000-8040	Landscape Services	-	1,381
8000-8045	Stationery supplies	-	4,122
8000-8060	Residential houses maintenance	-	184
8000-8065	City rates	-	1,893
8000-8070	Consumables	-	17,931
8000-8075	Car Park maintenance	-	2,372
8000-8080	Bank Charges	-	5,852
8000-8090	Local running fuel	-	1,640
8000-8095	Legal Fees	-	4,956
8000-8100	Water	-	207
8000-8105	Electricity	-	4,979
8000-8110	Security	-	6,757
8000-8115	IT Support	-	2,392
8000-8120	Internet subscription	-	5,460
8000-8125	Airtime/Communication	-	1,511
8000-8140	Vehicle hire	-	3,160
7000-7115	Advertising	-	3,197
5500	Benefits	7,830	-
8000	Operational Costs	17,126	-
		63,977	143,970

CHRISTIAN HEALTH ASSOCIAN OF MALAWI

INCOME AND EXPENDITURE SUMMARY REPORT
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Appendix

		2022 MK'000	2021 MK'000
Health Units Costs			
8600- 8630	Other interventions	-	3,500
5500	Benefits	10,044	-
5600	Purchase of Assets Costs	1,833	-
6000	Medical Supplies Expenses	4,022	-
7000	Management Expenses	66,507	-
7200	Training Costs	3,707	-
7400	Meetings	2,727	-
7600	Technical Activities	3,023	-
7700	Travel Costs	9,264	-
8000	Operational Costs	68,620	-
8400	IEC Materials Costs	2,190	-
8600	SLA Payments to Facilities	29,428	-
	Sub Total	201,366	3,500
Total Expenditure			
		797,744	587,736