



Aleksandr Consulting
Certified Public Accountants and Business Advisors

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

**FINANCIAL STATEMENTS
For The Year Ended
30 June 2021**

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

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LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

TRUSTEES REPORT

For The Year Ended 30 June 2021

Nature of business

Lilongwe Institute of Orthopaedics and Neurosurgery (LION) is a trust incorporated under Trustees Incorporation Act of Malawi on 12 April 2017. The Ministry of Health of Malawi is collaborating with Haukeland University Hospital of Norway and LION to establish USD40million Orthopaedic and Neurosurgery Institute at Kamuzu Central Hospital in Lilongwe. LION's objectives are:

- a) To provide state of the art musculoskeletal and neurosurgical care to the people of Malawi;
- b) To be a centre of excellence for high quality training of orthopaedic and neuro-surgeons for Malawi and to teach other health care workers orthopaedic, neurosurgical and trauma care;
- c) To conduct quality research in the areas of muscularskeletal, neurosurgical and trauma services;
- d) To establish and construct a modern orthopaedic and neurosurgery facility on the grounds of Kamuzu Central Hospital;
- e) To properly perform such conditional tasks or duties complementary or necessary to the performance of its objects;

Financial performance

The results and state of affairs of LION are set out in the accompanying statement of financial position, statement of profit or loss, statement of changes in equity, statement of cash flows and notes to the financial statements.

Registered office

The registered office is at Kamuzu Central Hospital, Lilongwe and P.O Box 31653 Lilongwe 3.

Trustees

List of Trustees who held office during the year are:

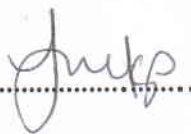
1.	Grace Mkupu	Independent	Board Chairperson
2.	Dr Charles Mwansambo	Ministry of Health	
3.	Mr Isaac Chiundira	Ministry of Justice	
4.	Dr Jonathan Ngoma	Kamuzu Central Hospital	
5.	Dr Carlos G Valera	Kamuzu Central Hospital	
6.	Prof Nyengo Mkandawire	College of Medicine	
7.	Mr Charles Khaula	FEDOMA	
8.	Christopher Ngulube	Malawi Orthopaedic Associatio	
9.	Morgan Tembo	Independent	
10.	Mr Jon W Dahl	Haukeland University Hospital	
11.	Dr Uma Grob	AO Alliance Foundation	
12.	Dr Sven Young	CEO LION	Secretary

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

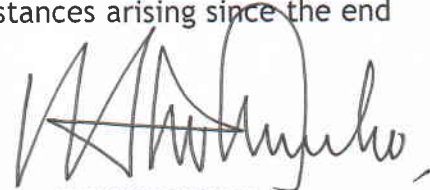
TRUSTEES REPORT
For The Year Ended 30 June 2021

Events After the Reporting Period

The Trustees are not aware of any other matter or circumstances arising since the end of the financial year.



Trustee



Trustee

Date:

22/10/21

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF TRUSTEES RESPONSIBILITIES
For The Year Ended 30 June 2020

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust as at the end of the particular year and of the operating results for that year.

The Trustees are also required to ensure that the Trust keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Trustees Incorporation Act and other related regulatory requirements.

In preparing these 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; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in business for the foreseeable future.

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

Going Concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Approval of the Financial Statements

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Trust and of their operating results.

The financial statements of the Trust, as indicated above, were approved by the Board of Trustees on and were signed on its behalf by:

.....
Trustee

[Handwritten signature]
22/10/24

.....
Trustee



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INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

Opinion

We have audited the financial statements of Lilongwe Institute Of Orthopaedics And Neurosurgery (LION) which comprise the statement of financial position as at 30 June 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as per pages 10 to 23.

In our opinion, the Trust's financial statements present fairly, in all material respects, the financial position of the Trust as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Trustees Incorporation Act and other Laws and Regulations.

Basis for 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 LION Trust in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Malawi, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Entities 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.





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In preparing the financial statements, management is responsible for assessing the Trust'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 management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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 judgment 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management'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 Trust'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 Trust 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 fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity's or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Trust's audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance 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 a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public internal benefits of such communication.



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The engagement partner on the audit resulting in this independent auditor's report is
Jimmy Chafuwa Gondwe - Malawi Accountants Board registration number CA/RP/018

Aleksandr

Aleksandr Consulting
Certified Public Accountants and Business Advisors
Lilongwe (Malawi)

Date: 22nd October 2021

[Signature]
SIGNED BY: Jimmy Chafuwa



LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF PROFIT OR LOSS
For The Year Ended 30 June 2021
In Thousand Malawi Kwacha

	Note	<u>2021</u>	<u>2020</u>
INCOME			
Income	1	139,058	46,235
Other income		2,412	11
Total Income		141,471	46,246
EXPENDITURE			
Administration expenses	2	94,584	19,677
Program expenses	3	44,474	26,558
Total Expenditure		139,058	46,235
Surplus For The Year		2,412	11

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF FINANCIAL POSITION

As At 30 June 2020

In Thousand Malawi Kwacha

	Note	<u>2021</u>	<u>2020</u>
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	4,676,218	2,081,675
Total Non-Current Assets		4,676,218	2,081,675
Current Assets			
Account and other receivables	5	0	0
Cash and cash equivalents	6	5,367	13,789
Total Current Assets		5,367	13,789
Total Assets		4,681,585	2,095,464
EQUITY AND LIABILITIES			
Equity			
Capital grant		4,667,303	2,081,675
General fund		2,423	11
Total Equity		4,669,726	2,081,686
Current Liabilities			
Overdraft	7	0	0
Deferred income	8	2,917	13,778
Account and other payables	9	8,942	0
Total Current Liabilities		11,858	13,778
Total Equity and Liabilities		4,681,585	2,095,464

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 30 June 2021
In Thousand Malawi Kwacha

	General Funds	Capital Fund	Total
As at 1 Jan 2018	0	1,018,055	1,018,055
Addition	0	1,063,620	1,063,620
Amortisation of capital grant	0	0	0
Surplus for the year	11	0	11
As at 30 June 2019	11	2,081,675	2,081,686
As at 1 July 2019	11	2,081,675	2,081,686
Addition	0	2,585,628	2,585,628
Amortisation of capital grant	0	0	0
Surplus for the year	2,412		2,412
As at 30 June 2020	2,423	4,667,303	4,669,726

Capital grant represents net book value of the donated assets. The transfer to General fund from Capital fund represents amortization of assets funded by the capital grants.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF CASH FLOWS
For The Year Ended 30 June 2020
In Thousand Malawi Kwacha

	<u>2021</u>	<u>2020</u>
Net Cash Flows From Operating Activities		
Surplus for the year	2,412	11
Depreciation	72	0
Interest received	-59	-11
	-----	-----
	2,425	0
<i>Changes in Working Capital</i>		
Change in account and other receivables	0	0
Change in account and other payables	8,942	0
Change in deferred income	-10,861	10,595
Adjustment	0	0
	-----	-----
Net Cash Flows From Operating Activities	505	10,595
	-----	-----
Cash Flows From Investing Activities		
Interest received	59	11
Purchase of property, plant and equipment	-2,594,615	-1,063,620
	-----	-----
Net Cash Flows From Investing Activities	-2,594,556	-1,063,609
	-----	-----
Cash Flows From Financing Activities		
Capital grant received	2,585,628	1,063,620
	-----	-----
Net Cash Flows From Financing Activities	2,585,628	1,063,620
	-----	-----
Net Movement In Cash and Cash Equivalents	-8,422	10,606
Cash and Cash Equivalents At The Start of The Year	13,789	3,183
	-----	-----
Cash and Cash Equivalents At The End of The Year	5,367	13,789
	=====	=====

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

1. GENERAL INFORMATION

Lilongwe Institute of Orthopaedics and Neurosurgery (LION) is a Trust incorporated under Trustees Incorporation Act of Malawi on 12 April 2017. The Ministry of Health of Malawi is collaborating with Haukeland University Hospital of Norway and LION to establish USD40million Orthopaedic and Neurosurgery Institute at Kamuzu Central Hospital in Lilongwe.

The registered office is at Kamuzu Central Hospital, Lilongwe and P.O Box 31653 Lilongwe 3.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium Entities (SMEs) issued by the International Accounting Standards Board (IASB). They are presented in Malawi Kwacha.

b) Revenue Grants recognition

Income for the project (revenue grants) is recognized in the Statement of financial position initially as deferred income when there is reasonable assurance that it will comply with the conditions attached to it. Income that compensates for expenses incurred is recognized as revenue in the Statement of profit or loss on a systematic basis in the same period in which the expenses are incurred. Grants that compensate for the cost of an asset are recognized in the Statement of profit or loss as revenue on a systematic basis over the useful life of the asset and the unamortized grants are carried forward as capital grants.

c) Capital Grants

Capital grants represent the Net Book Value of the assets purchased using donor funds and funds for such purchases are credited to Capital Fund and amortized over the estimated useful lives of the assets. On the disposal, the unamortized balance is transferred to general fund.

d) Other Income

Revenue is recognized in the statement of profit or loss on a receipt basis except for interest and rental income which are accounted for on accrual basis.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

(e) Foreign currency

Transactions in foreign currencies are translated to Malawi kwacha at the foreign exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Malawi kwacha at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of profit or loss.

(f) Property, Plant and equipment

(i) Owned assets

Items of Property, Plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (refer accounting policy g). Other assets are expensed in accordance with grant agreement requirements and capitalized when transferred by the donor to the Trust.

(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 costs, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognized in the Statement of profit or loss as an expense as incurred.

(iv) Depreciation

Depreciation is calculated on straight line basis at annual rates estimated to reduce them to their anticipated residual value over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

▪ Motor vehicles	25%
▪ Office equipment	20%
▪ Furniture and fittings	20%
▪ Computers	33.3%
▪ Buildings	2.5%

Depreciation is charged in full in the year of acquisition of property, plant and equipment. No depreciation is charged in the year of disposal.

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (refer accounting policy h). Known bad debts are written off and specific provisions made for those considered to be doubtful.

(h) Impairment

The carrying amounts of the Trust's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss in respect of revalued assets is recognized in the same way as a revaluation decrease. All other impairment losses are recognized in the statement of profit or loss.

(i) Employee service benefits

The Trust does not operate a defined contribution staff retirement benefit scheme for its permanent and pensionable employees. The Trust has less the required number of employees to set up a pension fund.

(j) Provisions

A provision is recognized in the statement of financial position when the Trust 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.

(k) Trade and other payables

Trade and other payables are stated at their cost. Accruals and other payables are obligations on the basis of normal credit terms and do not bear interest.

(l) Financial instruments

Financial assets

The Trust classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The accounting policy for each category is as follows:

Amortized cost

These assets arise principally from the provision of goods and services to customers (e.g account receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

The Trust's financial assets measured at amortised cost comprise **account and other receivables and cash and cash equivalents** in the statement of financial position.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Liabilities are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

3. CRITICAL ACCOUNTING JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Trust's accounting policies described above management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods.

(i) Critical judgements in applying the Trust's accounting policies

There were no critical judgment, apart from those involving estimations that management has made in the process of applying the Trust's accounting policies and that have significant effect on the amounts recognized in the financial statements.

(ii) Key sources of estimation uncertainty

(a) Residual values and useful lives of property, plant and equipment

The Trust tests annually whether the useful life and residual value of its property, plant and equipment were appropriate and in accordance with its accounting policy. Residual values of property, plant and equipment are based on current estimates of the value of these assets at the end their useful lives. The estimated

ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

residual values of the assets have been determined by the directors based on their knowledge of the industry.

(b) Estimated impairment of property, plant and equipment

The Trust tests annually whether property, plant and equipment have suffered any impairment in accordance with the accounting policy stated in note h. These calculations require the use of estimates.

(c) Estimated impairment loss on receivables

The Trust reviews its trade receivables to assess impairment on an annual basis. In determining whether an impairment loss should be recorded in statement of comprehensive income, the Trust makes judgements as to whether there is any observation data indicating that there is a measurement decrease in estimated cash flows from a portfolio of trade receivables. Directors use estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

4. FINANCIAL RISK MANAGEMENT

Exposure to credit, interest rate and currency risk arises in the normal course of the trust's business. The trust attempts to keep such risks to the minimum.

a. Foreign currency risk

The Trust is exposed to foreign currency risk on grants and other donations received that are denominated in a currency other than the Malawi Kwacha. The currencies giving rise to this risk are primarily US Dollar and NOK.

In respect of other monetary assets and liabilities held in currencies other than the Malawi Kwacha, the Trust ensures that the net exposure is kept to an acceptable level, by operating the foreign currency denominated bank account and drawing out funds when needed at the rate ruling on the day of transactions to address short term imbalances.

b. Credit risk

The Trust does not require collateral in respect of financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

c. *Interest rate risk*

The Trust's income and operating cash flows are substantially independent of changes in market interest rates. The Trust's management monitors the interest rate fluctuations on a continuous basis.

d. *Liquidity risk*

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. An unmatched position enhances profitability, but can also increase the risk of losses. The Trust has procedures that minimize such losses.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

In Thousand Malawi Kwacha

	<u>2021</u>	<u>2020</u>
1. GRANTS INCOME		
Opening balance	13,778	3,183
Haukeland University Hospital	74,377	56,830
	-----	-----
Total available funds	88,155	60,013
Adjustment	53,820	
Deferred grants income	-2,917	-13,778
	-----	-----
Donor Income	139,058	46,235
	=====	=====
2. ADMINISTRATION EXPENSES		
Accountancy fees	2,850	976
Bank service fees	445	136
Board of Directors	57	789
Dues and subscriptions	1,170	545
Fuel	0	384
Office	141	61
Printing and stationary	186	602
Rent	13,806	13,140
Project expenses-WHT	62,248	
Travel	1,543	303
Water and electricity	4,855	2,200
Workshop	673	541
Internet and softwares	3,325	0
Advertising	1,338	0
Depreciation	72	0
Consultation fees	1,875	0
	-----	-----
Total Administration Expenses	94,584	19,677
	=====	=====

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

In Thousand Malawi Kwacha

	<u>2021</u>	<u>2020</u>
3. PROGRAM EXPENSES		
Staff costs	36,959	26,558
Recruitment costs	7,515	
Total Program Expenses	<u>44,474</u>	<u>26,558</u>

4. PROPERTY, PLANT AND EQUIPMENT

PROPERTY, PLANT AND EQUIPMENT

	Buildings Work In Progress	Office Equipment	Furniture and Fittings	Total
Cost				
As at 1 July, 2020	2,081,675	0	0	2,081,675
Additions	2,593,897	0	718	2,594,615
Disposal		0	0	0
As at 30 June, 2021	<u>4,675,572</u>	<u>0</u>	<u>718</u>	<u>4,676,290</u>
Accumulated Depreciation				
As at 1 July, 2020	0	0	0	0
Charge for the year	0	0	72	72
Disposal		0	0	0
As at 30 June, 2021	<u>0</u>	<u>0</u>	<u>72</u>	<u>72</u>
Carrying Amounts				
As at 30 June, 2021	<u>4,675,572</u>	<u>0</u>	<u>646</u>	<u>4,676,218</u>
As at 30 June, 2020	<u>2,081,675</u>	<u>0</u>	<u>0</u>	<u>2,081,675</u>

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

In Thousand Malawi Kwacha

	<u>2021</u>	<u>2020</u>
5. ACCOUNT AND OTHER RECEIVABLES		
Staff loans and advances	0	0
Other receivables	0	0
	-----	-----
Total Account and Other Receivables	0	0
	=====	=====
	<u>2021</u>	<u>2020</u>
6. CASH AND CASH EQUIVALENTS		
Cash at bank MWK	641	592
Cash at bank USD	4,726	13,197
Cash in hand	0	0
	-----	-----
Total Cash balance	5,367	13,789
Overdraft		
Overdraft balance	0	0
	-----	-----
Total bank overdraft	0	0
	=====	=====
Total Net Cash and Cash Equivalents	5,367	13,789
	=====	=====
7. DEFERRED INCOME		
Opening balance	13,778	3,183
Adjustment	53,820	0
Haukeland University Hospital	74,377	56,830
	-----	-----
Total grants	141,975	60,013
Total payments	-139,058	-46,235
	-----	-----
Deferred Income	2,917	13,778
	=====	=====

Haukeland University Hospital paid K101 million (K74 million in 2021) for LION expenses through its account with Kamuzu Central Hospital. The amount has been included as grant income for LION.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

In Thousand Malawi Kwacha

8. ACCOUNT AND OTHER PAYABLES

Account payables	8,942	0
Accruals and provisions	0	0
	-----	-----
Total Account and Other Payables	8,942	0
	=====	=====

9. CONTINGENCIES

There were no contingent items at the end of the year

10. CAPITAL EXPENDITURE COMMITMENTS

Construction of Institute of Orthopedics and Neurosurgery comprising: Administration / Pharmacy Department, Accident & Emergency Department, Outpatients Department, Central Supply Services including Kitchen, Central Supply stores, Workshop and Laundry, Surgical Department, General Ward, Private (Fee paying Ward), and Associated External Works at Kamuzu Central Hospital in Lilongwe City is estimated to cost USD7,186,953.

11. RELATED PARTIES

The Trust has a related party relationship with its senior managers and Trustees. Transactions with such parties have been disclosed in note 3 as staff costs and there were no outstanding balances as at year end.

12. INFLATION AND EXCHANGE RATES

Current and prior year national inflation rates as at 30 June 2020 as quoted by Reserve Bank of Malawi are as follows:

National Inflation rate (%)	9.5
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The Mid exchange rate of Malawi Kwacha to the:
United States Dollar

803

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13. SUBSEQUENT EVENTS

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

In Thousand Malawi Kwacha

Subsequent to the reporting date, there were no significant events requiring adjustments to and/or disclosure in these financial statements.