

**LILONGWE INSTITUTE OF ORTHOPAEDICS
AND NEUROSURGERY**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY

TRUSTEE REGISTRATION NO : TR/INC:7320

NATURE OF OPERATIONS A specialist hospital providing orthopaedic and neurosurgery services. (Under construction)

BOARD OF DIRECTORS

Mrs. Grace Mkupu
Dr. Charles Mwansambo
Mr. Isaac Chiundira
Dr. Jonathan Ngoma
Dr. Carlos G Valera
Prof. Nyengo Mkandawire
Mr. Charles Khaula
Mr. Christopher Ngulube
Mr. Morgan Tembo
Mr. Jon W Dahl
Dr. Uma Grob
Dr. Sven Young

REGISTERED OFFICE

LION Trust
P.O. Box 31653
Mzimba road
LILONGWE

BANKERS

National Bank	NBS Bank
P.O. Box 123	P.O. Box 30350
Lilongwe	Capital City
MALAWI	LILONGWE 3

AUDITORS

BDO Chartered Accountants
6th Floor Unit House
P.O. Box 3038
BLANTYRE

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TRUSTEES RESPONSIBILITY STATEMENT

The Board of Trustees is required by the Non Governmental Organisation Act No. 3 of 2001 and the Trustees Act (Chapter 5:02), to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations for the year then ended, in conformity with International Financial Reporting Standards.

The Trustees acknowledges that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the Board of Trustees to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraint.

The Trustees are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.


The Trustees have assessed the ability of the organisation to continue operating as a going concern and believe that the preparation of the financial statements on a going concern basis is appropriate.

The external auditors are responsible for independently auditing and reporting on the organisation's financial statements. The financial statements and related notes have been examined by the organisation's external auditors and their report is presented on pages 3 to 4.

The financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, were approved by the Board and were signed on its behalf by:-



Mrs. Grace Mkupu
Board Chairperson



Mr. Morgan Tembo
Chairman - Audit and Finance Committee

2 December 2022

MANAGEMENT REPORT
for the year ended 30 June 2022

Management Report

The board submit their report together with the audited financial statements for the year ended 30 June 2022, which disclose the state of affairs of Lilongwe Institute of Orthopaedics and Neurosurgery (LION).

Principal activities and mission

The principal activity of the organisation is to provide orthopaedic and neurosurgery services.

Results

The results for the year ended 30 June 2022 are shown on page 3 to 4.

Key management

Note 7.1 shows the remuneration of senior management team members who held office during the year and to the date.

Auditors

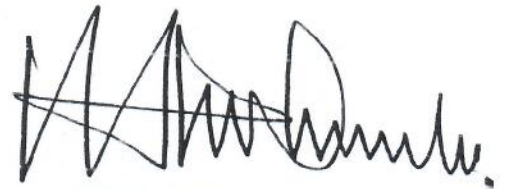
The organisation's auditor, BDO Chartered Accountants, has expressed their willingness to continue in office.

By order of the Board.



Mrs. Grace Mkupu
Board Chairperson
Committee

2 December 2022



Mr. Morgan Tembo
Chairman - Audit and Finance



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Victoria Avenue
P.O. Box 3038
Blantyre
Malawi

House No. 229
Plot No. 12/229
Area 12
P. Bag B321
Lilongwe
Malawi

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY

Opinion

We have audited the financial statements of LILONGWE INSTITUTE ORTHOPAEDICS AND NEUROSURGERY set out on pages 5 to 16, which comprise the statement of financial position as at 30 June 2022, the statement of income and expenditure, the statement of changes in funds, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of LILONGWE INSTITUTE ORTHOPAEDICS AND NEUROSURGERY as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Non-Governmental Organisations Act No. 3 of 2001 and the Trustees Act (Chapter 5:03).

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 the Organization in accordance with the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, together with other 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Non-Governmental Organisations Act No. 3 of 2001 and the Trustees Act (Chapter 5:03) and for such internal control as the Trustees 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 Trustees are responsible for assessing the entity'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 Trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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 skepticism 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Trustees' 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 organisation'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 auditors' report. However, future events or conditions may cause the organisation 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 organisational activities within the organisation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organisational audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees 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 Trustees 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.

The engagement partner on the audit resulting in this independent auditor's report is **Martin Makaya**.


BDO
Chartered Accountants
Per: Martin Makaya
Registered Auditor - CA/RP/029

Blantyre
2 December 2022


BDO Chartered Accountants
6th Floor
Unit House
Victoria Avenue
Blantyre
Malawi

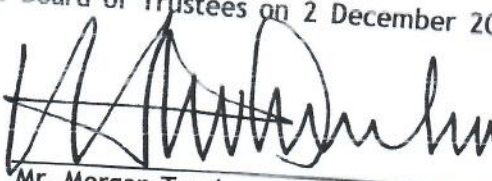
LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

ASSETS	Note	2022 MWK	2021 MWK
Non current assets			
Property and equipment	4	7,876,787,717	4,676,218,000
Current assets			
Trade and other receivables			
Cash and cash equivalents	5	3,640,009	-
		197,270,993	5,367,000
		200,911,002	5,367,000
Total assets		8,077,698,719	4,681,585,000
FUNDS AND LIABILITIES			
Capital and reserves			
Capital fund			
General fund	6	7,730,621,407	4,667,303,000
	6	26,746,316	2,423,000
		7,757,367,723	4,669,726,000
Liabilities			
Deffered income			
Trade and other payables	7	279,773,971	2,917,000
	8	40,557,025	8,942,000
		320,330,996	11,859,000
Total funds and liabilities		8,077,698,719	4,681,585,000

The financial statements were authorised for issue by the Board of Trustees on 2 December 2022 and signed on its behalf by:-


Mrs. Grace Mkupu
Board Chairperson


Mr. Morgan Tembo
Chairman - Audit and Finance Committee

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF INCOME AND EXPENDITURE
for the year ended 30 June 2022

	Note	2022 MWK	2021 MWK
Income			
Other income	10.1	194,112,521	139,058,000
Total Income	10.2	<u>24,323,317</u>	<u>2,412,000</u>
		218,435,837	141,470,000
Expenditure			
Administration expenses			
Program expenses	11.1	106,567,524	94,584,000
Total expenditure	11.2	<u>87,544,996</u>	<u>44,474,000</u>
		194,112,521	139,058,000
Surplus for the year		<u><u>24,323,317</u></u>	<u><u>2,412,000</u></u>

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF CHANGES IN FUNDS
for the year ended 30 June 2022

	Capital fund MWK	General fund MWK	Total MWK
Balance as at 1 July 2020	2,081,675,000	11,000	2,081,686,000
Additional capital funds	2,585,628,000	-	2,585,628,000
Surplus for the year	-	2,412,000	2,412,000
Balance as at 30 June 2021	4,667,303,000	2,423,000	4,669,726,000
Additional capital funds	3,063,318,407	-	3,063,318,407
Surplus for the year	-	24,323,317	24,323,317
Balance as at 30 June 2022	<u>7,730,621,407</u>	<u>26,746,317</u>	<u>7,757,367,724</u>

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Note	2022 MWK	2021 MWK
Cash flows from operating activities			
Surplus for the year		24,323,317	2,412,000
Adjustments for:			
Capital grant		25,023,766	-
Depreciation		(214,761)	72,000
Interest received		(1,056,585)	(59,000)
		<u>48,075,737</u>	<u>2,425,000</u>
Movements in working capital			
Increase in trade and other receivables		(3,640,009)	-
Increase in trade and other payables		31,615,025	8,942,000
Increase/(decrease) in deferred income		276,856,971	(10,861,000)
Cash flows generated from operating activities		<u>352,907,724</u>	<u>506,000</u>
Cash flows from investing activities			
Interest received		1,056,585	59,000
Purchase of property and equipment		(3,225,378,722)	(2,594,615,000)
Cash flows used in investing activities		<u>(3,224,322,138)</u>	<u>(2,594,556,000)</u>
Cash flows from financing activities			
Capital grant received		3,063,318,407	2,585,628,000
Cashflows generated from financing activities		<u>3,063,318,407</u>	<u>2,585,628,000</u>
Increase/(decrease) in cash and cash equivalents		191,903,993	(8,422,000)
Cash and cash equivalents at beginning of the year		5,367,000	13,789,000
Cash and cash equivalents at end of the year	12	<u><u>197,270,993</u></u>	<u><u>5,367,000</u></u>

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGRY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) for the year ended 30 June 2020

1. GENERAL INFORMATION

1.1 Nature of operations

Lilongwe Institute of Orthopaedics and Neurosurgery (LION) is an organisation incorporated under the Trustees Act (Chapter 5:03) and domiciled in Malawi. It is a not for profit making organisation involved in offering Orthopaedics and Neurosurgery services. The registered offices are situated in Kamuzu Central Hospital campus, Mzimba Road, Lilongwe in Malawi.

1.2 Currency

The organisation's functional and presentation currency is the Malawian Kwacha ("MWK").

1.3 Comparative information

The accounting period is for the year ended 30 June 2022. The comparative information the previous accounting period.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies in the preparation of financial statements are set out below. The policies have been consistently applied to the period presented, unless otherwise stated.

The financial statements are based on statutory records that are maintained under historical cost convention.

The financial statements of Lilongwe Institute of Orthopaedics and Neurosurgery have been prepared in accordance with Non-Governmental Organisations Act No.3 of 2001, the Trustees Act (Chapter 5.03) and in conformity with International Financial Reporting Standards (IFRSs). The financial statements have been prepared on an accrual basis of accounting, whereby revenue and support are recognised when earned and expenses are recognised when incurred. Going concern assumption has been applied in the preparation of Lilongwe Institute of Orthopaedics and Neurosurgery financial statements.

2.2 Property and equipment

Property and equipment are recorded at cost and depreciated over their useful life using the straight-line method of depreciation. Repairs and maintenance are charged to expense when incurred.

. Office Furniture	5 years
. Office equipment	3 years

Lilongwe Institute of Orthopedics and Neurosurgery reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the year ended 30 June 2020

2.5 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the organization and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

To determine whether to recognize revenues, the organization follows a five step process:-

- Identify the contract(s) with a customer;
- Identify the performance obligation in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

(a) Grants and donations

Income comprises of grants received from the head office for the operations of Lilongwe Institute of Orthopaedics and Neurosurgery and construction.

(c) Interest income

Interest income is accrued on a time basis, by reference to the bank balance outstanding and effective interest rate applicable.

(d) Other income

Other income consists of income earned from activities that are not related to the entity's main business. For example, exchange gain on translation of a foreign currency balances.

2.6 Expenditure

Expenditure represents the costs incurred by Lilongwe Institute of Orthopaedics and Neurosurgery. These are recorded in the period in which they are incurred. An expense is incurred in the month during which the services rendered, or goods purchased were received. An accrual is made for each expense that has been incurred, but not paid as of the end of the reporting period.

2.7 Post-employment benefits

Retirement benefits are provided for employees through independently administered defined contribution funds. Contributions to defined contribution pension schemes are charged to statement of income and expenditure in the year to which they relate.

2.8 Financial instruments and credit risk

The organization's risk limits are regularly assessed to ensure alignment with the organization objectives and prevalent market conditions. Management is closely involved in ensuring a variety of techniques are used to assess and manage said risks.

a) Currency risk

The organization is exposed to risk through transactions in foreign currencies. The organization's exposures give rise to foreign currency gains and losses that are recognized in the statement of income and expenditure. The organization ensures that its net exposure is kept to an acceptable level by careful monitoring of exchange rates.

The grants and program income which support program activities comes primarily from Lilongwe Institute of Orthopaedics and Neurosurgery.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the year ended 30 June 2020

2.9 Foreign currencies

The financial statements are presented in Malawi Kwacha, which is the organisation's functional and presentation currency. Transactions entered into by organisation in a currency other than the Malawi Kwacha are recorded at the rates ruling when the transactions occur.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of transaction. At each reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate ruling at the reporting date. Non-monetary assets and liabilities are carried at fair value denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses arising on exchange rate are included in the statement of income and expenditure for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in the fair value are recognized directly in reserves.

2.10 Income tax

The organisation is exempt from paying income tax per paragraph (ix) of the First Schedule to the Taxation Act Chapter (41:01).

3. CRITICAL JUDGEMENTS IN APPLYING THE ORGANISATION'S ACCOUNTING POLICIES

In preparing the financial statements, Directors are required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures.

Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgments include: -

a. Other receivables

The organization assesses its other receivable for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of income and expenditure, the organization makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

b. Impairment testing

The organization is required to test, on annual basis, whether an asset has suffered impairment. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less cost of disposal and its value in use. The determination of value in use requires the use future cash flows and of discount rate.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the year ended 30 June 2022

4 PROPERTY AND EQUIPMENT

	Buildings WIP MWK	Office equipment MWK	Furniture & fixtures MWK	Software Development MWK	Total MWK
Net carrying amount at 1 July 2020	2,081,675,000	-	-	-	2,081,675,000
Gross carrying amount - cost	2,081,675,000	-	-	-	2,081,675,000
Accumulated depreciation	-	-	-	-	-
Additions	2,593,897,000	-	718,000	-	2,594,615,000
Depreciation	-	-	(72,000)	-	(72,000)
Net carrying amount at 30 June 2021	4,675,572,000	-	646,000	-	4,676,218,000
Gross carrying amount - cost	4,675,572,000	-	718,000	-	4,676,290,000
Accumulated depreciation	-	-	(72,000)	-	(72,000)
Additions	3,204,073,722	1,430,000	-	19,875,000	3,225,378,722
Depreciation	-	(143,000)	(71,761)	-	(214,761)
Impairment	(24,594,244)	-	-	-	(24,594,244)
Net carrying amount at 30 June 2022	7,855,051,478	1,287,000	574,239	19,875,000	7,876,787,717
Gross carrying amount - cost	7,855,051,478	1,430,000	718,000	19,875,000	7,877,074,478
Accumulated depreciation	-	(143,000)	(143,761)	-	(286,761)

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the year ended 30 June 2022

5 TRADE AND OTHER RECEIVABLES	2022 MWK	2021 MWK
Trade receivables	2,944,009	-
Allowance for credit losses		
Trade receivables - net	2,944,009	-
Other	696,000	-
Loan and other receivables	3,640,009	-

The carrying value of trade and other receivables at amortised cost approximates fair value.

Impairment of trade and other receivables

The organisation applies the IFRS 9 simplified approach to measuring expected losses using a lifetime expected credit loss provision for trade and other receivables. To measure expected credit losses on a collective basis, trade and other receivables are grouped based on similar risk and their aging. Trade and other receivables are within the collection days and no provision was provided.

6 FUNDS		
Authorised and granted funds:		
Capital fund	7,730,621,407	4,667,303,000
General fund	24,323,317	2,423,000
	<u>7,754,944,724</u>	<u>4,669,726,000</u>
7 DEFERRED INCOME		
Opening deferred income	2,917,000	13,778,000
Current year deferred income	276,856,971	(10,861,000)
Total deferred income	<u>279,773,971</u>	<u>2,917,000</u>

Deferred income arises when total funds from grants have not been liquidated during the year.

8 TRADE AND OTHER PAYABLES		
Trade	-	-
Other	40,557,025	8,942,000
	<u>40,557,025</u>	<u>8,942,000</u>

9 RELATED PARTY INFORMATION	
Related party	Nature of relationship
Mrs. Grace Mkupu	Board Chairpeson
Dr. Sven Young	Secretary and Chief Executive Officer
Dr. Charles Mwansambo	Trustees
Mr. Isaac Chiundila	Trustees
Dr. Jonathan Ngoma	Trustees
Dr. Carlos G Valera	Trustees
Prof. Nyengo Mkandawire	Trustees
Mr. Charles Khaula	Trustees
Mr. Christopher Ngulube	Trustees
Mr. Morgan Tembo	Trustees
Mr. John W Dahl	Trustees
Dr. Uma Grob	Trustees

9.1 Compensation to key management		
Short-term	53,113,628	10,409,916
Long-term	4,790,867	-
	<u>57,904,495</u>	<u>10,409,916</u>

The remuneration of Trustees and key management is determined by the Board having regard to the performance of the individuals. Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the organisation.

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

for the year ended 30 June 2022

10 INCOME	2022 MWK	2021 MWK
10.1 Haukeland University Hospital donations Administration and program expenses funds	194,112,521	139,058,000
10.2 Other income		
Exchange gain	19,293,020	592,916
Interest income	1,056,585	55,945
Miscellaneous	3,973,711	1,763,139
	<u>24,323,317</u>	<u>2,412,000</u>
11 EXPENSES		
11.1 Administration expense		
Accountancy fees	950,000	2,850,000
Advertising	4,896,749	1,338,000
Bank service fees	1,118,455	445,000
Board meeting expenses	66,026	57,000
Depreciation	10,295,028	1,875,000
Doctor's consultation fees	214,761	72,000
Dues and subscriptions	22,500,000	-
Freight and clearing expenses	495,000	1,170,000
Fuel	10,524,785	-
Internet and softwares	263,904	-
Office - general	1,284,125	3,325,000
Other contracted services	691,789	141,000
Printing and stationery	23,641,934	-
Project expenses - Withholding taxes	1,004,785	186,000
Rent	-	62,248,000
Software expenses	21,921,170	13,806,000
Travel and accommodation	865,013	-
Water and electricity	493,500	1,543,000
Workshop expenses	5,340,500	4,855,000
	-	673,000
	<u>106,567,524</u>	<u>94,584,000</u>
11.2 Program expenses		
Recruitment costs	-	7,515,000
Staff costs	87,544,996	36,959,000
	<u>87,544,996</u>	<u>44,474,000</u>
12 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents for purposes of the statement of cash flows comprises of:-		
Cash at bank MWK	107,226,807	641,000
Cash at bank USD	90,044,186	4,726,000
	<u>197,270,993</u>	<u>5,367,000</u>
13 CONTINGENT LIABILITIES		
There were no contingent liabilities requiring disclosure at the end of the reporting period.		
14 EXCHANGE RATES AND INFLATION		

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

LILONGWE INSTITUTE OF ORTHOPAEDICS AND NEUROSURGERY (LION)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
for the year ended 30 June 2022

15	EXCHANGE RATES AND INFLATION (Cont'd)	2022	2021
		MWK	MWK
	Exchange rates:		
	Kwacha / USD	799.53	766.86
	Kwacha / Euro	945.49	918.41
	Inflation rate %	9.46%	16.70%
	At the time of signing the financial statements the exchange rates were as follows:-		
	Kwacha / USD	1,026.15	771.56
	Kwacha / Euro	1,019.62	938.14

16 EVENTS AFTER THE REPORTING DATE

16.1 Approval of the financial statements

These financial statements were approved by the the Board of Trustees on 2 December 2022.

There were no significant events after reporting date which necessitated disclosure or adjusting to the financial statements.