



ANNUAL REPORT

JULY 2017 to JUNE 2018



**MALAWI ASSEMBLIES OF GOD UNIVERSITY
(MAGU)**





ANNUAL REPORT AND STATEMENT OF ACCOUNTS

JULY 2017 to JUNE 2018





MALAWI ASSEMBLIES OF GOD UNIVERSITY (MAGU)

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ACRONYMS

MAGU	Malawi Assemblies of God University
NCHE	National Council of Higher Education
KPAs	Key Performance Areas
UCE	University Certificate of Education
ECD	Early Childhood Development
MDC	MAGU Distinctive Courses
ICT	Information and Communication Technology
TMF	Theology Ministerial Formation
ESCOM	Electricity Supply Corporation of Malawi
MAOG	Malawi Assemblies of God
MREC	MAGU Research Ethics Committee
FREC	Faculty Research Ethics Committee
ODL	Open Distance Learning (ODL)
ICA	International Christian Centre
PAYE	Pay As You Earn
MRA	Malawi Revenue Authority
TEVETA	Technical and Vocational Education Authority



1.0 CORPORATE PROFILE

Mandate and Policy Objectives

Malawi Assemblies of God University (MAGU) exists to provide leaders with quality and innovative tertiary education that is transformational and spirit empowered with global relevance based on Biblical principles. Established in 2013, the University is founded on the principle that serious and sustained discourse among people promotes intellectual, ethical and spiritual understanding. As MAGU, we embody this principle in the diversity of our students, faculty, and staff, our commitment to justice and the common good, our intellectual openness, and our international character. MAGU provides excellent undergraduate, graduate and professional education in the Christian tradition for the glory of God and the well-being of humankind. MAGU educates women and men to be reflective lifelong learners, to be responsible and active participants in civic life and to live generously in service to others. MAGU programs are designed to provide an in-depth, advanced, and specialized study in the various fields of theology, modern commerce, leadership, missiology and education in order to effectively train godly leaders to equip them with knowledge and skills which will make them effective in the church, government and industry so that in the end their service should glorify God. The various programs in different faculties and departments are specifically designed with flexibility to fit in most people's professional calendars.

Vision

To be a world-class university, culturally relevant, offering transformational education and quality leadership that is applicable locally and globally.

Mission

Exists to advance knowledge and produce innovative, Spirit-empowered technocrats and leaders who serve the nation and the entire world with integrity.

Core Values

Christ-Centered Ministry
Biblical Authority
Pentecostal Distinctive
Mission of God
Kingdom Perspective
Missionary Church
Comprehensive Education
Community Emphasis



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1.2 CHAIRPERSON'S STATEMENT

It gives me great pleasure, on behalf of the Council, to present our report for the year under review.

We continue to operate in a controversial environment underpinned by varying degrees of economic uncertainty. However, it is encouraging to see that a significant portion of the period under review has been characterized by heightened transformational activity in the University, as far as quality tertiary education platform is concerned. The Malawi Assemblies of God University (MAGU) remains resolutely optimistic about its mandate, because we know that success does not come without trial.



The year under review witnessed the appointment of a new Malawi Assemblies of God University Council, with myself as Chair. Humbling as the task might be, I know that the responsibility is great, for the Council members and I occupy the positions that will usher Malawi's premier private tertiary institution to greater academic excellence in the country, the continent and the world at large. Since our appointment, various decisions were made to ensure that the university continues to meet the goals of our growing nation. These include, reintroduction of the bridging programme, and introduction of new postgraduate programmes. The year in review saw the student population rise to over 1,000 which is a great sign of faith and confidence Malawians have in our university. While our finances took a knock due to difficulties with fee payments by students, we still managed to meet all compliance aspects, which were topped by a clean annual audit report by the National Council for Higher Education.

The year saw the launching of the 2017-2022 Strategic Plan which seeks to address performance and to implement new directions such as income-generating strategies, improving stakeholder engagement, increasing university ranking, and enhancing the quality of teaching. It is a result of the strategy that saw the University also introduce an Endowment Fund to help with student bursaries and a subsidiary company, the MAGU Career Development Centre. The Council hopes that these new endeavors will gradually help the university keep the best students, with financial difficulties, in class and diversity the university's financial base, respectively.

I conclude by re-assuring the Malawi Assemblies of God church, and all the people of Malawi that the Malawi Assemblies of God University will keep producing spirit-empowered leaders through education that is transformational and globally relevant, as we move ahead.

DR. WILFRED KADEWA



1.3 VICE CHANCELLOR'S STATEMENT

In this 2017-2018 Academic Year MAGU has achieved a lot, affirming its identity, and consolidating both its mission and vision. Despite the challenges the University faced ranging from insufficient capital to a weak national economy that fails to support citizens' education through private universities, MAGU has grown tremendously. This growth is attested in the number of accredited educational programs, which is the biggest of all private universities, the increased number of student admission and increased number of academic staff.

MAGU strives to remain relevant to a world being buffeted by forces of globalization and technology. To do this effectively, MAGU regularly crafts strategic plans positioning itself to deliver on its mission. You will note that 2017-2022 Strategic Plan and our Annual Score Card for 2017-2018 place students and excellent education side by side with innovation, research and consultancy. These three Visionary goals are the drivers that help MAGU pursue its Vision of "Becoming a world-class university, offering transformational education, which is culturally relevant, and develops quality leadership."

Although tertiary education is not adequately affordable to all possible secondary school leaving candidates, it is still a fact that Malawi has had an exponential growth in the creation of universities. These universities are competing entities to MAGU's dreams of providing an expansive university with innovative programs. This 2018 Report shows that we strove and worked hard to develop uniqueness by proactively investing resources into the Six Strategic Pillars that help to reach MAGU visionary goals. These include Outstanding Student Experience, Global Impact, Lifelong Community, Social Responsibility, Strategic Partnerships and Equality and Widening participation

MAGU has grown having students coming from all the regions of Malawi. However, due to financial challenges faced by majority of Malawians the reality is that not all qualified candidates are admitted to the University. The Loan Facility set up with the help of the Malawi government though helpful to some, is inadequate for all students with financial challenges. Many times students who access this facility are not guaranteed to have it for all the University tenure. This remains the biggest challenge for students. As a university we continue to grow our scholarship funds to support some students who are financially challenged.

In 2018, the National Council for Higher Education registered six (6) new programs to add to our twenty-one (21) previously accredited educational programs. This increased list gives a wide range of options to our students as they desire to fulfill their destinies.

MAGU has a passion to develop value-driven leaders with a potential to transform their communities. We continually create an environment that sustains the development of values of integrity, faithfulness and care. In the society where professionals of all types continue to stumble into dire financial scandals, we believe MAGU is well positioned to help remedy this by developing a new breed of visionary leaders. In this we continue to consolidate our identity as a Christian University tasked to participate in the transformation of the nation of Malawi.

God bless the Malawi Assemblies of God University

DR. ENSON MBILIKILE LWESYA



1.4 EXECUTIVE SUMMARY

Despite being a relatively new institution of high learning in the country, the 2017/2018 Financial Year ending on June 30, 2018 was yet again another remarkable and eventful year for the Malawi Assemblies of God University (MAGU). Apart from numerous teething challenges that are synonymous with any newly established entity especially in the tertiary education sector mainly to do with issues of having academic programs recognized and accredited, the Financial Year 2017/2018 has seen the University making big strides in its bid to position itself as one of the important partners in the high education sector both locally and internationally.

One of the remarkable landmarks in the year is that for the first time, on 17th November, 2017, the University saw the first congregation of its students graduating out of this institution with different certificates. It was most remarkable since most of the graduating students were those who were the pioneers of this University when it opened its doors in October, 2013. In essence on this day, the University just finished its first full four-year academic cycle since inception. This report, therefore, highlights such milestones registered between 1st July 2017 and 30th June, 2018; the challenges that have been faced during the Year under review; and some recommendations to deal with the challenges. The report also highlights the Financial performance and position of the University.

Basically, during the reporting period, the University continued to initiate a number of activities across Faculties including introduction of new programs. During the year under review, Senate reviewed and endorsed a number of proposed new programs from Faculties and submitted the new programs to the National Council of Higher Learning. At its 22nd Council Meeting, NCHE resolved to accredit six of the new programs as submitted.

The report further highlights achievement and activities in individual faculties; students' activities and welfare at the University; infrastructure development; spiritual formation and growth; relationships and links with other partners and stakeholders; and social responsibility activities and efforts that include community outreach/engagement and charity works as well as students' scholarships and other sponsorships.

Despite the challenges outlined at the end of this report, it is clear that the University has a number of strengths of which it can capitalize on to forge ahead and attract more students as well as partners both locally and internationally. This being the University's formative period, the journey is still full of challenges; however, through such challenges the University's ability to learn and grow has steadily increased making it possible to navigate through tough organizational and economical terrains. As this report shows, the strides done in this past year have been phenomenal and give hope that the University is on the right track.



2.0 KEY PERFORMANCE AREAS

This report highlights achievements made in various Key Performance Areas (KPA's) during the financial year beginning 1st July, 2017 and ending 30th June, 2018. The activities are categorized into the following Six Strategic Themes (Priority Areas) as highlighted in the University's 2017—2022 Strategic Plan:

- Outstanding Student Experience
- Lifelong Community
- Strategic Partnerships
- Global Impact
- Social Responsibility
- Equality and Widening Participation

These Six Strategic Themes were set as pillars for the university to achieve Three Strategic Goals: Excellence in Education; Excellence in Research and Consultancy; and Excellence in Innovation with Four Enablers driving the overall strategic activities. These Four Enablers are: People; Leadership; Infrastructure; and Finance.

2.1 PILLAR ONE: OUTSTANDING STUDENTS EXPERIENCE

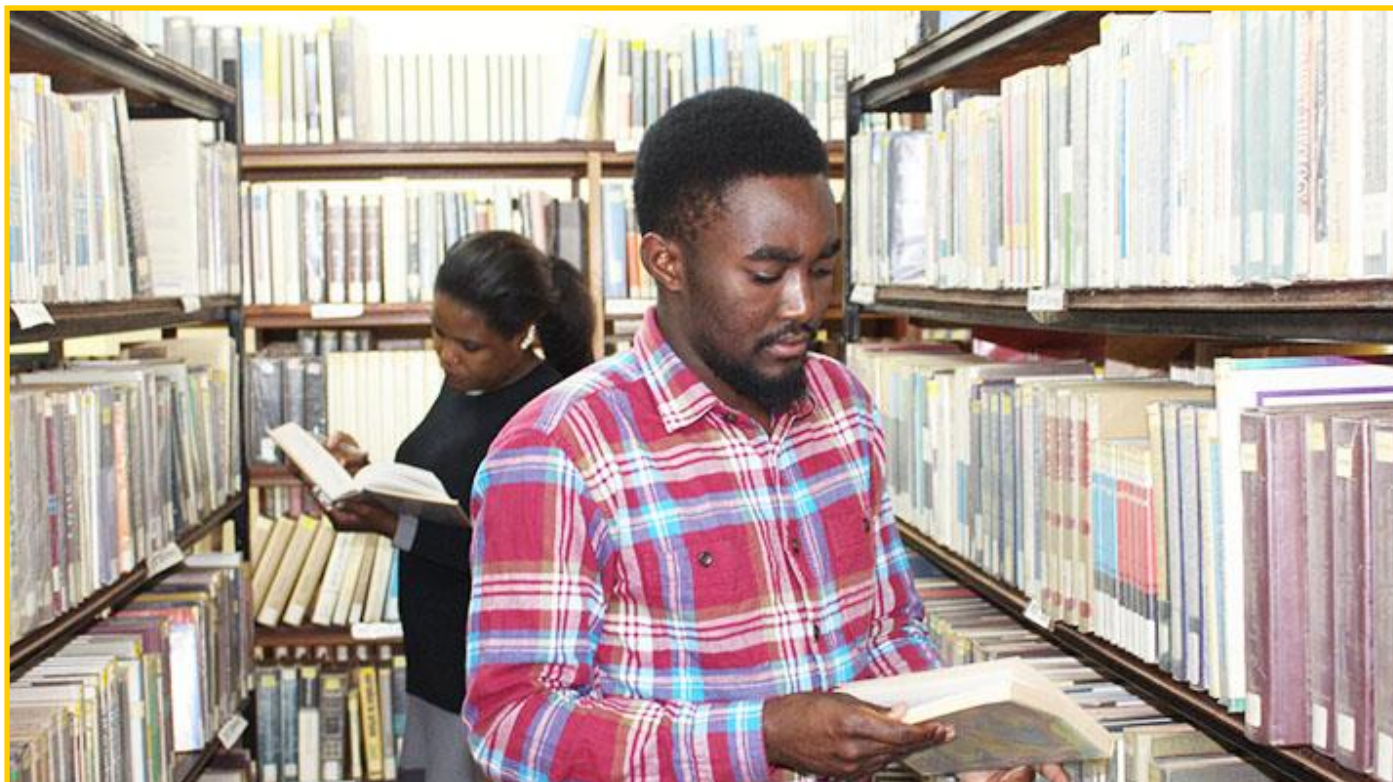
Within this Pillar, the University strives to provide exceptional experience to our students to enable them achieve excellence in education with the major aim of developing a holistic student experience in academics and social life (cultural, sporting and artistic activities).

Table 1: OUTSTANDING STUDENTS EXPERIENCE

OBJECTIVES	STRATEGIES	KPIs	TARGETS
Provide academic support to students.	Making learning resources available online through the MAGU website and e-library.	Proportion of our graduates in employment/entrepreneurship and further studies.	Seventy percent (70%) of our graduates' employed/entrepreneurship/further studies within three years of completing studies.
	Developing academic student support service (mechanism).		
	Promoting and recognizing student progression through tracer studies.		
Ensure health and safety of our students and staff	Enhancing dispensary and sickbay services.	Proportion of our students winning awards and getting international/local recognition.	Increase awards won and international recognitions received by two every year.
	Introducing a university's medical aid scheme for students.		
Developing appropriate mechanisms for getting students' feedback.	Developing online platforms to foster interaction among staff, students as well as alumni.	Proportion of positive feedback from students.	Three to five (3-5) rating of student feedback. At least two students to annually be selected for students exchange programs with our strategic partners
	Acting promptly on students concerns and feedback.		
	Creating active student participation through creation of social forums and associations.		
Encourage students to engage in extra-curricular activities.	Developing a robust Christian counseling service.	Proportion of students to be involved in exchange programs	

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2.1.2 HIGHLIGHTS OF PILLAR ONE

2.1.2.1 Students' Enrollment

Student body of Malawi Assemblies of God University has been growing steadily since its inception in 2013. The School that began with close to 45 students in its first semester grew to 971 students in its fourth year. Below are students' numbers during the financial year under review.

Table 2: **STUDENT NUMBERS**

Number of Students	Study Level	Faculty
66	Certificate	Education
119	Diploma	
195	Bachelors	
561	Bachelors	Commerce
23	Bachelors	Theology
7	Master of Arts	
971	Total Number of Students	



The major development on student enrolment are:

- The University held its first graduation ceremony for 2016/17 Academic Year on 17th November, 2017. This date will be part of the University's history for two main reasons. Firstly, the University had just finished its first 4 years (Academic Cycle) since its inception in October, 2013. Secondly, the University produced the first graduates on this day. The Graduation Ceremony was presided over by the Chancellor of MAGU who is also the President of Malawi Assemblies of God, Rev. Dr. Edward Chitsonga and Guest of Honour who graced the occasion was Justin Saudi, Secretary for Education, Science and Technology.
- On the first graduation, the University graduated seven students with University Certificate of Education (UCE), seven students with Diploma in Early Childhood Development, 19 Students with Bachelor of Education, three students with Bachelor of Commerce, 10 Students with Bachelor of Arts in Bible and Theology and seven students with Masters of Arts. The graduation was held in Sheaffer Chapel at Malawi Assemblies of God Head Office campus in Lilongwe.
- The University through the Faculty of Education and Applied Sciences proposed for the establishment of an Early Childhood Development (ECD) Centre to be a model Centre to provide teaching services to under-five children.

2.1.2.2 Staff Compliment

The year under review saw an improvement in the student/academic staff ratio as one way of improving students' academic experience. The table below presents a summary of members of staff at MAGU for both on contract and part time basis.

Table 3: MAGU STAFF

Department	Full Time	Part Time	Ratio
Administration	13	3	Out of 41 Academic Staff the Full Time/Part Time ratio was 56 :44
Commerce	12	2	
Education	9	4	
Theology	2	12	
Library	2	1	
Totals	38	22	

Notice that the University has fewer full time workers in the Faculty of Theology because the student body is smaller to warrant an upward adjustment of workers. However, because every student takes close to 10 courses (30 credits) called MAGU Distinctive Courses which are anchored in the Faculty of Theology, it is very clear that we need to hire at least one or two full time workers. The ratio of Full Time to Part Time lecturers is 56:44 and was totally skewed because of the large part time workers in the Faculty of Theology and ministerial studies.

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2.1.2.3 Academics

MAGU Senate oversees all academic programs and activities. Usually the Senate meets twice every Semester: One for the purpose of validating and Vetting Assessment Results and the other to handle Businesses related to Academics.

I. Students' Academic Performance

Student Assessment processes reveal that **85%** of the students passed fully all the program examinations. 17 Students voluntarily withdrew and did not inform the administration officially, 8 students were withdrawn on academic grounds, 4 repeated on special consideration and 4 repeated on disciplinary grounds.

Further, 5 students reserved places on financial grounds, whilst 16 students repeated on academic grounds and 17 received academic warnings from respective faculties. In addition, 103 students qualified for supplementary examinations: 7 students from Faculty of Theology, 21 students from Faculty of Theology and 75 students from Faculty of Commerce.

II. Academic Programs

To ensure an outstanding student academic experience, Senate reviewed submissions from Faculties on Proposed new academic programs. The following is the summary of submissions from Faculties and the endorsement from Senate:

Table 5: PROPOSED & ENDORSED PROGRAMS

	Program	Faculty	Endorsement
1	BSc. Early Childhood Dev.	Edu. & Applied Sciences	Approved for NCHE Registration
2	BA Community Development	Edu. & Applied Sciences	Approved for NCHE Registration
3	BA Edu. Lang. & Linguistics	Edu. & Applied Sciences	Approved for NCHE Registration
4	BSc. ICT	Edu. & Applied Sciences	Deferred. Until resource mobilization
5	BSc. Edu. Science (Biology and Physical science)	Edu. & Applied Sciences	Deferred. Need basic Laboratories.
6	MBA (Finance)	Com. & Management	Approved for NCHE Registration
7	BCom: Cooperative Magt	Com. & Management	Approved for NCHE Registration
8	BCom: M&E	Com. & Management	Approved for NCHE Registration
9	BCom: Accounting (Degree Completion)	Com. & Management	Approved for NCHE Registration
10	PhD & DMin in Contextual Theology	Theology & Ministerial Formation	Approved for NCHE Registration
11	Programs Starting this Year		Seven (7) New Programmes



III. Accreditation

During the reporting period, National Council for Higher Education (NCHE) assessed the University and its academic programs. From this assessment exercise, NCHE accredited the following 21 programs.

Table 6: ACCREDITED PROGRAMS

Faculty of Commerce	Faculty of Education	Faculty of Theology
1. Accounting 2. Banking & Finance 3. Business Administration 4. Human Resources Management 5. Business Information Systems 6. Insurance 7. Marketing	1. English 2. History 3. ICT 4. Mathematics 5. Social Studies 6. Diploma in Early Childhood Development 7. University Certificate of Education	1. Biblical Counseling 2. Biblical Studies 3. Church Education Ministries 4. Intercultural Studies 5. MA Christian Leadership 6. MA Community Psychology 7. MA Intercultural Studies.

During the 2018 academic year, MAGU introduced several new programs across faculties and at its 22nd Meeting held on 29th October 2018, NCHE resolved to accredit six of the new programs. These newly accredited programs are:

Table 6: THE SIX NEW PROGRAMS AS ACCREDITED BY NCHE

Faculty of Commerce	Faculty of Education	Faculty of Theology
1. Bachelor of Commerce Monitoring and Evaluation 2. Bachelor of Accountancy (Degree Completion)	1. Bachelor of Science in Early Childhood Development 2. Bachelor of Arts Community Development	1. Doctor of Philosophy in Contextual Theology 2. Doctor of Ministry in Contextual Ministry



2.1.2.4 Highlights by Faculty

I. Faculty of Commerce and Management

a) Programs in the Faculty of Commerce and Management

During the past academic year, the Faculty of Commerce and Management offered programs as listed:

- BCom Accounting
- BCom Business Administration
- BCom Business Information Systems
- BCom Banking and Finance
- BCom Human Resource Management
- BCom Insurance
- BCom Marketing

As all programs are Bachelors' of Commerce, they all have three groupings of course which are:

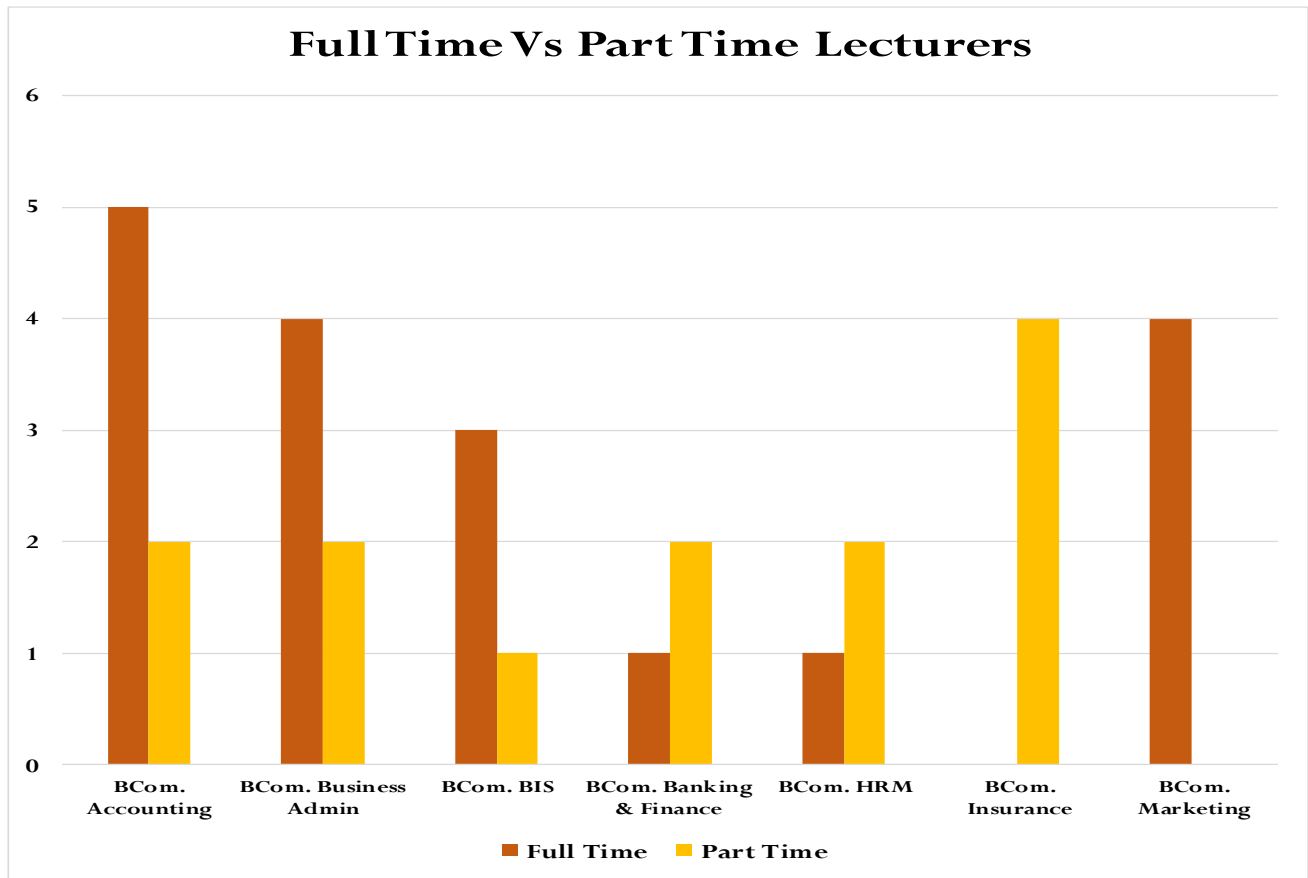
- MAGU Distinctive Courses (MDC)
- Commerce Common Courses
- Program Specialization (Concentration) courses.

b) Staff Compliment

Table 7: LECTURERS IN THE FACULTY

Program	Numbers of Lecturers			Lectures Needed
	Full Time	Part Time	Total	
BCom: Accounting	5	2	7	3
BCom: Business Administration	4	2	6	1
BCom: Business Information Systems	3	1	4	0
BCom: Banking and Finance	1	2	3	2
BCom: Human Resource Management	1	2	3	2
BCom: Insurance	0	4	4	3
BCom: Marketing	4	0	4	0
Total	18	13	31	11





c) Major Activities in the Faculty during the Year

During the period under review the following developments took place:

- **Programs Curriculum Review:** The Faculty conducted a curriculum Review exercise at the end of the year in keeping with the University's Curriculum Development Policy. The program course content was looked at in term of relevance to the current market situation with bias towards the Malawian market first and international market second. The review led to some changes in courses such as Business Information Systems and Banking and Finance programs in keeping with current market developments;
- **Moving supervision of Distinctive Courses to the Faculty:** The supervision of MAGU Distinctive Courses were moved from the Faculty of Commerce and Management to the Faculty of Theology to minimize the initial understanding and expectation gaps between the supervisor and tutors from the Faculty of Theology;



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- **Relocation of Commerce Common Courses:** It is easy to offer the commerce common courses as they are common to all programs. The common courses are offered in the first five semesters of all programs in the faculty. The common course reduces the number of classroom and tutors required. However, this meant that we had some very big classes of up to a hundred and ten students. The challenge with this in the first semester was that our normal classes could not sit these numbers of students. Further, some of these large classes were held in the dining hall which was not very conducive for learning due to the noise from the tuck shop traffic and the student hostels. The other big classes were held in the two big wings of the chapel, however, the challenge of using the chapel was that we could not hold any classes during the MAGIT chapel times. This meant that we were losing an hour of class time very day for each of the two classrooms. In the Second semester this issue was resolved when the faculty relocated to the classrooms at the Revival Square.
- **Proposals of New Programs:** The proposals for introduction of New Programs are inserted in the Senate Report Section. The Faculty has been working with ICAM for student exemptions for accounting students. The faculty also has had an accreditation visit from the Malawi Accountants Board who assessed the Bachelor of Commerce Accounting Program. The outcome of this assessment is not yet known;
- **Teaching Aids:** Internet has been available most of the year. This has helped a great deal with lesson preparation. Lecturers have used the internet to find information.

II. Faculty of Education & Applied Sciences

The Faculty of Education and Applied Sciences is composed of three departments namely: Humanities, Science and Education Foundation. The faculty has since been divided into departments. The faculty has 8 lecturers on contract and 13 adjunct lecturers.

a) Programs in the Faculty of Education & Applied Sciences

- Department of Humanities:
Diploma in Early Childhood Development (ECD)
Bachelor Of Science in Early Childhood Development (ECD) Bachelor of Arts in Community Development
Bachelor of Education Arts (English)
Bachelor of Education Humanities (History, Social Studies and Religious Education).
- Department of Science
Bachelor of Education Mathematics and ICT.
- Department of Education Foundation
University Certificate of Education focusing on Foundation Courses and Methodology.



b) Staff and Students Compliments in the Faculty of Education & Applied Sciences

Table 8: LECTURERS (FACULTY OF EDUCATION & APPLIED SCIENCES)

Program	Number of lecturers	
	Full time	Part time
Early Childhood Development (ECD)	0	5
Bachelor of Arts Community Development	0	2
Bachelor of Education Arts (English)	2	2
Bachelor of Education Humanities	2	2
Bachelor of Education Science	2	1
Education Foundation Courses	2	2
Total	8	13

Table 8: STUDENTS (FACULTY OF EDUCATION & APPLIED SCIENCES)

Program	Number of students	Students who graduated	Total remaining
University Certificate of Education	77	9	68
Diploma in ECD	107	7	100
Bachelor of Education Arts	66	19	47
Bachelor of Education (language)	65	2	63
Bachelor of Education Science	36	5	31
Total	261	42	219

c) Leadership and management

The faculty is headed by three heads of departments and one of the heads chairing the faculty of which was agreed to be a rotational semester based chairmanship.

d) Material and other resources

The Faculty of Education has its offices in one of the houses on Campus. Two rooms are occupied by three officers and one room by two officers and one room by one officer and adjunct lecturers. It also has three projectors which aid in delivery of content in classes. Internet is now also available in the offices.

e) Highlights of Activities in the Faculty during the Year

- **Marketing of programs:** The faculty nominated a strategic team responsible for marketing of programs. The team has been involved in distribution of brochures during supervision of Teaching Practice and encouraging all members of the faculty attending seminars or conferences involving other stakeholders to distribute application forms and distribute the brochures.

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- **Establishment of links with other stakeholders:** The Faculty started linking with different organizations and stakeholders in the faculty like the Ministry of education, Ministry of Gender, Social Welfare, Children and Disability and other non-governmental organizations (NGOs). The faculty benefited from these institutions through teaching practice and internship. Apart from that, the members attended trainings, seminars and conferences by such organizations. There is need to strengthen the links for further development of the faculty, probably through signing of MOU's.
- **Establishment of an ECD centre:** The Faculty proposed for the establishment of an Early Childhood Development (ECD) Centre to be a model Centre where students could be doing their Practicums.
- **Programs Curriculum Review:** The curriculum for the programs in the Faculty was reviewed in August 2017 and many areas requiring changes were spotted. The areas included presentation of course outlines, some courses had content problems and resources were outdated.
- **Change of Terminology for Programs:** It was realized that the terminology used for the programs was confusing, hence, it was recommended to have Bachelor of Education Arts (social studies, history and religious education), Bachelor of Education Languages and Linguistics, Bachelor of Education Science (Mathematic and ICT). It was also realized that introducing new programs would be of great importance for the faculty and Institution.
- **Internet Services:** The Faculty set up Internet service in its offices to ease the work of the lecturers.

III. The Faculty of Theology and Ministerial Formation

The Faculty of Theology and Ministerial Formation (TMF) offers undergraduate and graduate programs with various concentrations. Its degrees consist of four major components: 1) Core courses, 2) Concentration Courses, 3) General Electives and 4) Research works.

a) Programs Offered in the Faculty of Theology and Ministerial Formation

The Faculty provides the following Programs that are already accredited by NCHE:

- Bachelor of Arts Degree in Biblical Studies (to be named Bible and Theology)
- Bachelor of Arts Degree in Intercultural Studies
- Bachelor of Arts Degree in Church Educational Ministries
- Bachelor of Arts Degree in Biblical Counseling
- Master of Arts Degree in Intercultural Studies
- Master of Arts Degree in Christian Leadership
- Master of Arts Degree in Community Psychology.



b) Highlights of Activities from the Faculty of Theology

The major highlights within this Faculty during the year under review:

- **Introduction of New Programs:** MAGU Senate approved two doctoral programs. Currently, through the Office of the University Registrar, the Faculty is in the process of registering the programs with NCHE. The programs are:
 - PhD in Contextual Theology**
 - a) Concentration 1: Urban Missiology
 - b) Concentration 2: Transformational Leadership
 - c) Concentration 4: Pentecostal and Charismatic Studies
 - DMin in Contextual Ministry**
 - a) Concentration 1: Urban Missiology
 - b) Concentration 2: Transformational Leadership
 - c) Concentration 3: Bible and Society
 - d) Concentration 4: Pentecostal and Charismatic Studies

These two programs represent a distinct configuration of courses that enables a student to align his or her academic study closely with personal ministry goals and interests to achieve specific objectives. This being a terminal degree, MAGU doctoral students will find the degree very rewarding in research work and publications, vocations of teaching and for the scholarly enhancement of Christian ministry.

- **Change of Staff Compliment:** The Faculty also effected changes in its staff compliment. The Faculty has been operating under the sole leadership of the Head of the Department since its inception to 2017 and several adjunct lecturers. In January 2017, one more full time lecturer was hired who is serving as an acting Head of Department and the former Head of Department is now the Dean of the Faculty.
- **Moving supervision of Distinctive Courses to the Faculty:** The supervision of MAGU Distinctive Courses were moved from the Faculty of Commerce and Management to the Faculty of Theology to minimize the initial understanding and expectation gaps between the supervisor and tutors from the Faculty of Theology.



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2.1.2.5 Students Activities

As part of an effort to enhance students' experience and encourage participation of all students in extracurricular activities and their own interaction, during the year under review the University supported students in the organization of various activities:

I. Freshman's Welcoming Party

The Freshman's Welcoming Party is held mainly for welcoming the first year's (freshmen) of that particular semester. The Party gives a platform to the students to get engaged and know each other while at the same time providing a welcoming environment to the new students and this is among the highly anticipated activity of each semester. The welcoming party include various activities that include, but not limited, to the following and involves both new and continuing students:

- Performances of various kinds like singing and dancing to give an opportunity for the students to showcase their talents;
- A guest artist is included to spice up the event; and
- Various games are also organized with the aim of instilling the spirit of collaborative engagement among the students. The games include football, netball, volleyball, sack races, egg race, eating competition, and many other games.

II. Lake Trip

Once every semester, the Students Council organizes a recreational trip for the students. The preferred destination for these trips is a visit to the lake. These trips are a way of engaging the students in an off campus experience whereby they can have time for recreation and have fun. This is arguably the top most activity that is greatly enjoyed by the students. During the reporting period the students had a trip to Lake Malawi on 14th October, 2017.

The aims of the trip include the following:

- Give the students some time off from all the academic pressure;
- The trip is usually undertaken soon after mid-semester examinations to offer the students a chance for some refreshment after the examination and time for reflection after intensive academic obligations; and
- The trip serves to give the students an experience and create memories of their time at the University.



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III. Prayer Day

MAGU being an institution founded on strong Christian values, believes that students should, from time to time have a special encounter with God and apart from the regular chapel services, the University also holds Students Prayer Day. The Prayer Day is held twice a semester; the first is held at the opening of the semester while the other is held closer to the end of the semester. Usually a guest preacher is invited. Whenever, it is a two-phased Prayer Day-with one session in the afternoon and the other at night-two guest preachers are invited. A guest gospel artist is also invited for the event.

The Prayer Day seeks to serve the following:

- To provide Spiritual enlightenment to the students and teach the students to always involve God in their lives and education as they begin their academic journey during the semester;
- Get the new students understand of the Spirit led values in which MAGU operates; and
- Welcome the new students in a special Spiritual way.

IV. Mr and Miss MAGU Talent Show

This show is done once per every academic year. The main aim of conducting this show is to choose the institution's students Ambassadors, that is, The Mr and The Miss MAGU. To provide an unbiased professional opinion and judgement, guest judges are involved. The show also comprises showcasing talents by various students' artists. To raise the standard of the event, a guest artist is also involved. During the year under review the University held the annual Mr and Miss MAGU Talent Show on 10th March, 2018.

The objectives of this event include the following:

- Choose the students' Ambassadors of the University; and
- Give a platform for the students to showcase their talents.

2.1.2.6 Infrastructure Development

- With increased students' population, the University embarked on the making of 100 Desks and 200 chairs and made new tables for 12 lecturers and administrative officers
- The University bought and installed six (6) new Projectors.
- The university has been carrying out heavy maintenances in some toilets on several occasion and built a pavement and a bridge at the new campus.
- The university managed to elect a feeder pillar in readiness for ESCOM power supply.
- MAGU also modified one house into offices for the Vice Chancellor; additionally, the University has bought new office furniture.
- MAGU started using the new classroom blocks at the Revival Square Gardens to help deal with the problem of overcrowding especially during Commerce common course classes.
- The school rented a generator to deal with the lack of electricity at the Revival Square Gardens and another diesel generator was purchased to specifically supply electricity to new buildings while waiting for ESCOM Connection.
- The university developed an e-library to deal with the challenge of having very few books to support some of the courses that are currently being offered.



2.1.2.6 Students Welfare

To enhance students' learning experience and welfare, the University embarked on the following activities:

I. Hostel management

- **Student's accommodation:** The University had a big challenge of space in the previous semester as such the University hired a hostel in Area 14 where some **14** male students were relocated. **19** female students were relocated to a staff house. While **163** male students were relocated to Bomba Hostel; 134 female student were relocated to Chapola Hostel and **73** female students were relocated in Gilbert Banda Hostel.
- **Hygiene:** The University introduced a new system of allocating one worker per dormitory. The new system has led to improved hygiene and less brokerages.
- **General student welfare:** The University established a new office of the student dean/matron, a development that has led to improved behavior of students. The University also introduced a one-on-one approach/room-by-room approach as a strategy to address some students' critical issues .

II. Infrastructure

- **Hostel:** The University had heavy maintenances of fixing ceiling boards in one side of the upper floor of Gideon Bomba Hostel and all the buildings were fumigated except one.
- **Water connection:** The University installed individual water meters to the buildings in an effort to manage water bills and the project has assisted the University to save huge sums of money that was being wasted on high bills from unidentified sources. With the new meter system the University is able to monitor the buildings that consume a lot.
- **Bore-hole:** The bore-hole that was extracted by the national office is now operational; the bore-hole shall help in cutting down water bills.

III. Furniture

- **Commerce Furniture:** During the period, the University managed to purchase high standard student desks, 100 tables, and 100 chairs from Capital Furniture.

2.2 PILLAR TWO: LIFELONG COMMUNITY

Within this Pillar, the University strives to create an environment that promotes a lifelong experience to both the students and members of staff of MAGU that will have an impact to the community with the aim of creating and maintaining a body of engaged university community which includes junior members, senior members, alumni and stakeholders.

Table 9: LIFELONG COMMUNITY

OBJECTIVES	STRATEGIES	KPIs	TARGETS
Engage alumni in activities of the university	Develop an alumni association that will partner with the university to achieve its strategic goals and mobilization of resources.	Number of graduates inducted into the alumni association.	60% of our graduates actively participating in the alumni association.
	Develop social media platforms for lifelong interaction with our alumni	Number of activities organized by the alumni association.	Two activities held by the alumni association with current students.
To impact the community with strong Christian values.	Create a platform for retaining outstanding students as associate lecturers and complement the university's staff profile.	Number of outreaches held by students, staff and alumni.	
To share with the community the university resources	Promote interaction between alumni, current students and the community through charity programs and sporting activities.		

2.2.1 HIGHLIGHTS OF PILLAR TWO

2.2.1.1 Spiritual Formation

One of the objectives under this Pillar being impacting the community with strong Christian values, the University has a Spiritual Formation program aimed at developing a Christ-like and transformed character among both students and workers. As per the University's policy, MAGU spiritual formation programs are mandatory for all staff and students. The Spiritual Formation comprises of the following programs: Chapel, Church Plant and other related spiritual activities.

2.2.1.2 MAGU Church Planting

Through the Spiritual formation program, students organize church planting interventions which normally take place every semester. The church planting program happens in two forms- either assisting an MAOG local church with revival meeting or starting of a new church plant together. Except for last semester (September 2017), MAGU students have had church planting events every semester.

- In February 2018, MAGU students planted a new church in Lilongwe rural east.
- Through some theology course programs such as Soteriology, students have organized community evangelism and reach out programs and the previous year MAGU planted a local church at Nkhamenya.



2.2.1.3 University Chapel Program

Chapel forms the main focus of University's spiritual formation interventions. MAGU Chapel meets three times a week: Monday, Wednesday and Friday.

Major developments under the University Chapel Program during the year include:

- It was noted in February Semester 2018 that many students were not faithful in chapel attendance contrary to our University policy. Through the office of Vice Chancellor and Dean of Theology, the university engaged all faculty heads to brainstorm an effective strategy to deal with absenteeism at chapel services. A new strategy has since been drafted. All students will have to sign an attendance sheet form during chapel which is collected at the end of chapel. It is envisioned that these attendance sheets would be used to track down on who does not attend chapel so that an agreed disciplinary measure would be carried out against the culprits. This strategy is still in draft form and will be reviewed further to ensure everyone in MAGU community attends chapel as part of moral and spiritual development.
- Understanding that a disciplined praxis of the study of the Word of God, and Spirit empowerment of students are some of the best foundation principles for quality leadership at both civic and church level, the University introduced a Weekend Chapel program designed to ensure Weekend students encounter spiritual transforming experience. Most of the speakers during Chapel are Assemblies of God ministers, and University Administration. In rare cases, students also participate in sharing the Word of God to staff and fellow students. However, whole Chapel service is run by students except the preaching or teaching sessions. This also provides opportunity for students to develop not only their character but also their public speaking and communication skills.
- In 2017-2018 it was noted that equipment for use in the chapel was not in good shape. Students complained that the equipment is not up to standard. In response to this, the Students' Missions Committee and Chapel administration is currently working on ways of raising financial resources to make available good sound and music equipment for chapel.

2.2.1.4 Spiritual Formation through Other Related Spiritual Activities

MAGU students and lecturers organize community outreach programs that include evangelism.

- During the year, students and lecturers organized a community evangelism event in Area 38, Kapiri zone. Several people came to know Christ as Lord and Savior of their lives. Lecturers' also organized a follow-up program for those who received Christ as Lord and Savior.
- In the September 2018 semester plans were underway for another theology student led community engagement within Lilongwe city.

2.3 PILLAR THREE: STRATEGIC PARTNERSHIP

Within this Pillar, the University strives to set the approaches of attaining MAGU strategic goals through strategic alliance and partnerships with the aim of developing long term relationships with partners locally and internationally, with a view to leverage organization to achieve intended MAGU objectives.

Table 10: STRATEGIC PARTNERSHIP

OBJECTIVES	STRATEGIES	KPIs	TARGETS
Develop industrial networks. I.e. Professional bodies, regulatory bodies, corporate companies and preeminent institutions	Deriving ways to attract external expertise through adjunct arrangements.	Number of staff pursuing PhDs with international and local universities	Two staff members to be awarded PhDs scholarships with international or local universities every two years.
	Exploring opportunities for students and staff exchanges		
	Jointly developing sponsorship products/packages with financial institutions (Loans Board).		
Seek industrial local/international recognition	Negotiating shared resources across institutions and commercial partners	Number of research output jointly published which are international co-authored	One joint publication per faculty per year.
Maximize resources	Seeking joint research opportunities with local and international organizations.		
Contribute to local and international research initiatives.		Number of MOU with industrial players	Create over twenty scholarships for students across all faculties per year
Contribute towards the achievement of Malawi Growth Development Strategies (MGDS), Vision 2020 and The Ten Year National Education Sector Plan.	Developing practicums for current students and alumni.		
			Develop two (2) practicum MOU's with the industry every year

2.3.1 HIGHLIGHTS OF PILLAR THREE

2.3.1.1 Links with Other stakeholders (Faculty of Education & Applied Sciences)

- The Faculty of Education & Applied Sciences started linking with different organizations and stakeholders like the Ministry of education, Ministry of Gender, Social Welfare, Children and Disability and several other NGOs. The Faculty benefited from these institutions through teaching practice and internship. Apart from that, the members attended trainings, seminars and conferences by such organizations. There is need to strengthen the links for further development of the faculty.

2.3.1.2 Research and Ethics Policy

- MAGU, just like all universities, would like to make a worthwhile contribution towards national and global development in the provision of new knowledge. In its bid to achieve this goal, MAGU, during the reporting year developed a Research and Ethics Policy. The Policy is mainly aimed at satisfying the requirements of MAGU in all areas of need pertaining to research. The Policy among others looks at ethical scrutiny of all research; data re-use; research procedures; the establishment of the MAGU Research Ethics Committee (MREC) and Faculty of Research Ethics Committees (FREC); research legal issues; processing of ethics applications; confidentiality; and research complaints.



2.4 PILLAR FOUR: GLOBAL IMPACT

Within this Pillar, the University's imperative is that MAGU be viewed as reputable global partner. We will strive to strengthen MAGU public global perception to ensure maximum influence with the aim of reaching out and establishing external networks, partnerships with leading universities in Africa and around the world.

Table 11: GLOBAL IMPACT

OBJECTIVES	STRATEGIES	KPIs	TARGETS
Engage in education partnerships that facilitate our strategy	Becoming a significant partner for Gospel outreach in Africa and beyond where our impact can be most effective in helping to address modernity challenges.	Proportion of students provided with an opportunity to have an international experience through MAGU.	Increase external resources secured from our Global Networks.
	Establishing strategic partnerships with major universities across the world to enhance our global impact, international positioning and ability to address contemporary challenges.		
	Shaping the existing partnerships and networks to build MAGU's distinctive culture of international commitment, placing us at the forefront of global higher education by providing new opportunities for students, academics and professional staff to take part in research, teaching and community development activities all over the world.		
Contribute to the international community through integrated activities	Contributing to building capacity and creating sustainable solutions through knowledge exchange.	Proportion of invited and sustained partnerships.	Establish comprehensive partnerships with 5 universities in Africa and beyond for the next five years
Establish innovative steps to expand our global educational impact	Establishing strategic partnerships with major universities across the world to enhance our global impact, international positioning and ability to address contemporary challenges.		Introduce three international programs initiated and sustained by MAGU in the next five years.
	Ensuring an exceptional student experience through nurturing a highly inclusive and integrated student community, and offering support services to reinforce high levels of international student satisfaction.		Establish MAGU research grants for international networks impact
	Positioning ourselves for growth of international students studying with MAGU, on campus and Open and Distance Learning (ODL), forging strategic partnerships and adopting innovative technology to expand the range of pathway and degree programs.		

2.4.1 HIGHLIGHT OF PILLAR FOUR

- During the reporting year, the major highlight under this pillar was the setting up of a new website for the University, a twitter handle and Facebook page. This is in line with the University's objective of expanding its Global educational impact and position itself for growth of international students studying with MAGU, on campus and Open and Distance Learning (ODL), forging strategic partnerships and adopting innovative technology to expand the range of pathway and degree programs.



2.5 PILLAR FIVE: SOCIAL RESPONSIBILITY

Within this Pillar, the University integrates social and environmental concerns in our business operations and interactions with our stakeholders on voluntary basis. We embed social responsibilities, across the University, that have principles of sustainability, accountability and transparency with the aim to participate and inspire students, staff and wider community in social and environmental responsibility across MAGU and beyond.

Table 10: SOCIAL RESPONSIBILITY

OBJECTIVES	STRATEGIES	KPIs	TARGETS
Impact the community through various charitable and voluntary activities.	Developing curricula, policies, strategies and procedures that are oriented towards social responsibility and sustainable development.	Visibility of charitable activities; sponsorship initiatives; climate change projects; and community access to infrastructure.	Conducting at least 4 charitable activities in year Participating in the two climate change initiatives in a year Permitting community access to university infrastructure once in year during university holidays on a subsidized fee.
	Involving ourselves in philanthropy by making monetary and non-monetary contributions that provide aid to local charitable, educational and health-related organizations.		
	Getting commitments and motivations of all university community members to be actively involved in social responsibility.		
Provide scholarships and sponsorships.	Setting out deliberate policy to engage and report our main social, environmental and economic impact.		
Enable free access to university infrastructures for community activities.	Allowing the community i.e. Christian based organizations to use our facilities at a subsidized fee once in a year		
Promote high ethical standards	Maximizing management of university resources to reduce wastages.		
Participate in environmental and climate change initiatives.	Engaging in recycling techniques.		
	Participating in tree planting exercise, and other environmentally friendly exercises.		

2.5.1 HIGHLIGHTS OF PILLAR FIVE

2.5.1.1 Community outreach and charity works

Apart from evangelism, MAGU students and lecturers also engage in humanitarian support programs as a way of Promoting interaction between alumni, current students and the community through charity programs.. Starting from the year under review, MAGU, through the Chapel Program started contributing MK400,000.00 every month towards Pastor's support at the newly planted Nkhamenya Church.

2.5.1.2 Students Scholarships and other sponsorships

To meet its mandate under this Pillar, in the year under review, MAGU has been providing scholarships and sponsorships to a number of students.

- During the year, the University spent K32,134,000 on student scholarships.
- MAGU is considering to set up an endowment fund to finance the cost of these scholarships.



2.5.1.3 Community Engagement Policy of MAGU

During the reporting year MAGU initiated a Community Engagement Policy which is premised on the mission of the university that it “exists to develop spirit-empowered leaders, through quality and innovative tertiary education that is transformational and globally relevant, based on biblical principles.” The policy recognizes the continuous desire and challenge faced by MAGU in addressing the needs of rural communities through innovative ideas. These necessitate MAGU becoming a vigorous and responsive University that uses its teaching, research and community engagement capacities to make a constructive and meaningful contribution to the development of communities within and outside Malawi. The University believes that the Policy shall put MAGU on the edge, to be a world-class university, culturally relevant, offering transformational education and quality leadership, applicable locally and globally. The policy thus envisions community engagement through an approach that is increasingly and continuously integrated with teaching, learning, evangelism and research.



2.5.1.4 Social Media Policy

In a bid to promote high ethical standards and a sense of responsibility in engaging with the communities and other stakeholders through the cyber space, MAGU has also developed a Social Media Policy to provide guidance for employee use of social media, which include blogs, wikis, micro blogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others. The Policy set out procedures that apply to professional use of social media on behalf of MAGU as well as for personal use when referencing MAGU and list some prohibited social media conduct that include posting commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment and posting or releasing information that is considered confidential or not for the public. The Policy urges employees to be aware of the effect their actions on social media may have on their images, as well as MAGU's image and that the information they post or publish may be public information for a long time.



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2.6 PILLAR SIX: EQUALITY AND WIDENING PARTICIPATION

Within this Pillar, the University intends to include equality, inclusion as well as diversity to widen the scope of people who participate in higher learning in accordance with biblical principles with the aim of increasing the number of people enrolling for various programs under our university regardless of age, gender, background and physical challenges.

Table 11: EQUALITY AND WIDENING PARTICIPATION

OBJECTIVES	STRATEGIES	KPIs	TARGETS
Enroll students that have a minimum university entry requirements, as required by NCHE	Increasing sales promotions and advertising campaigns for the programs under our university	Increased enrollment of mature students as well as those with special needs Increase enrolment of students from different backgrounds Proportion of female faculty members	Introduce at least four new ODL programs every year. Opening of ECD demonstration center in years' time. Increase proportion of female academic staff to 40% in 5 years
Increase intake of mature students.	Increasing flexibility through the introduction and promotion of programs that are offered through ODL		
	Promoting weekend and evening classes		
Ensure that no student is barred from enrolling due to social or religious background	Facilitating underprivileged students' access to loans, grants and other scholarships		
Ensure equality and equity when dealing with students regardless of gender, age, background and physical challenges	Acknowledging and appreciating diversity within the framework of MAGU core values.		
	Ensuring that students and staff with special needs have equal access to the necessary facilities and are supported accordingly		
	Increasing the percentage of female academic staff.		
	Sensitizing staff on the importance of treating students equitably.		
	Sensitizing staff on special needs education		
	Setting up an ECD demonstration center that will provide teaching services to Under-Five children.		

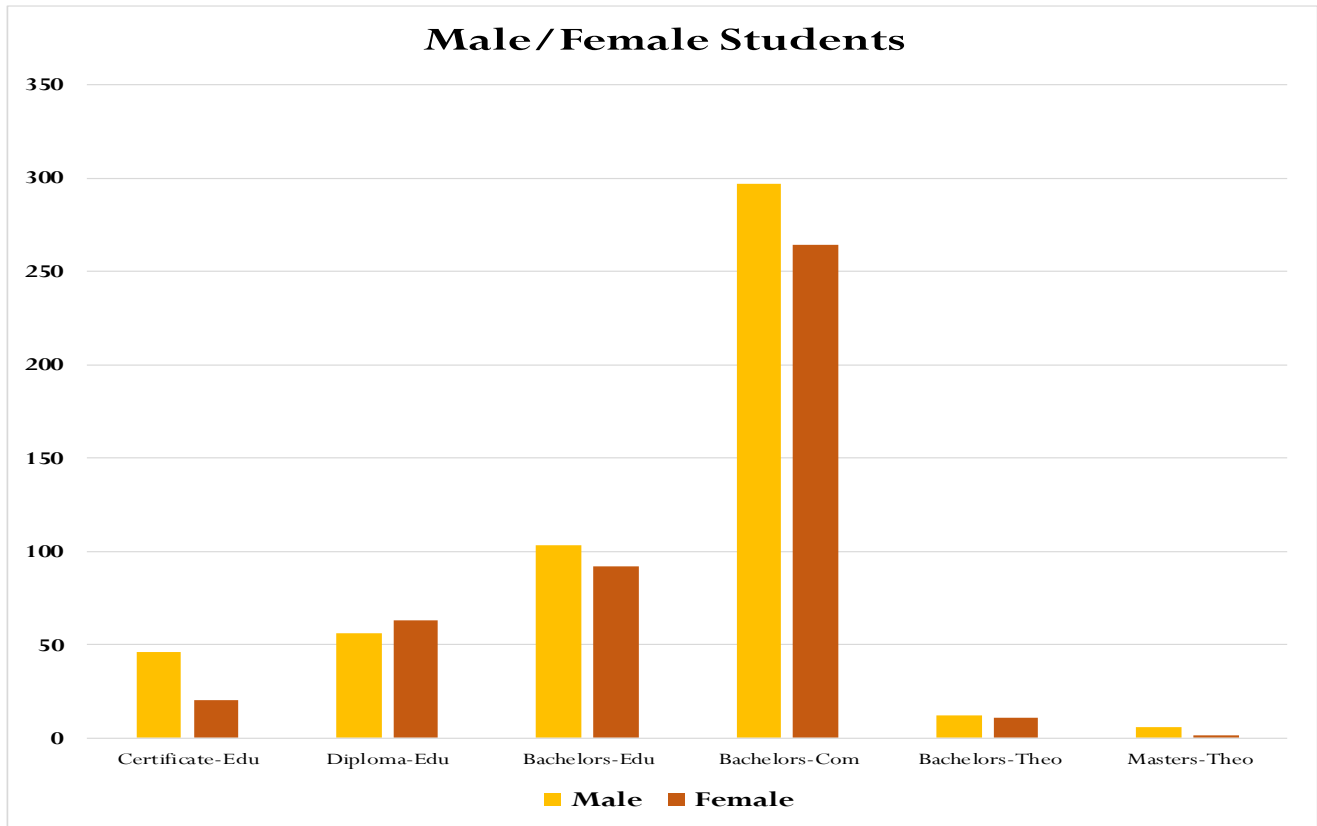
2.6.1 HIGHLIGHTS OF PILLAR SIX

2.6.1.1 Male/Female Students' enrollment

Table 12: MALE/FEMALE STUDENT

Number of Students		Study Level	Faculty
Male	Female		
46	20	Certificate	Education
56	63	Diploma	
103	92	Bachelors	
297	264	Bachelors	Commerce
12	11	Bachelors	Theology
6	1	Master of Arts	
520	451	Four Levels	Three Faculties
971		Total Number of Students	





In a bid to ensure equality and equity on enrolment as stipulated in its Gender Policy, the University has been taking deliberate steps to ensure an increased enrolment in the number of female students. Below is a breakdown of female/male students' numbers during the financial year under review.

2.6.1.2 Male/Female Staff Compliment

In line with the University's Gender Policy, the year under review saw an improvement in the recruitment of female lecturers. The table below presents a summary of members of staff at MAGU by gender for both on contract and part time basis.

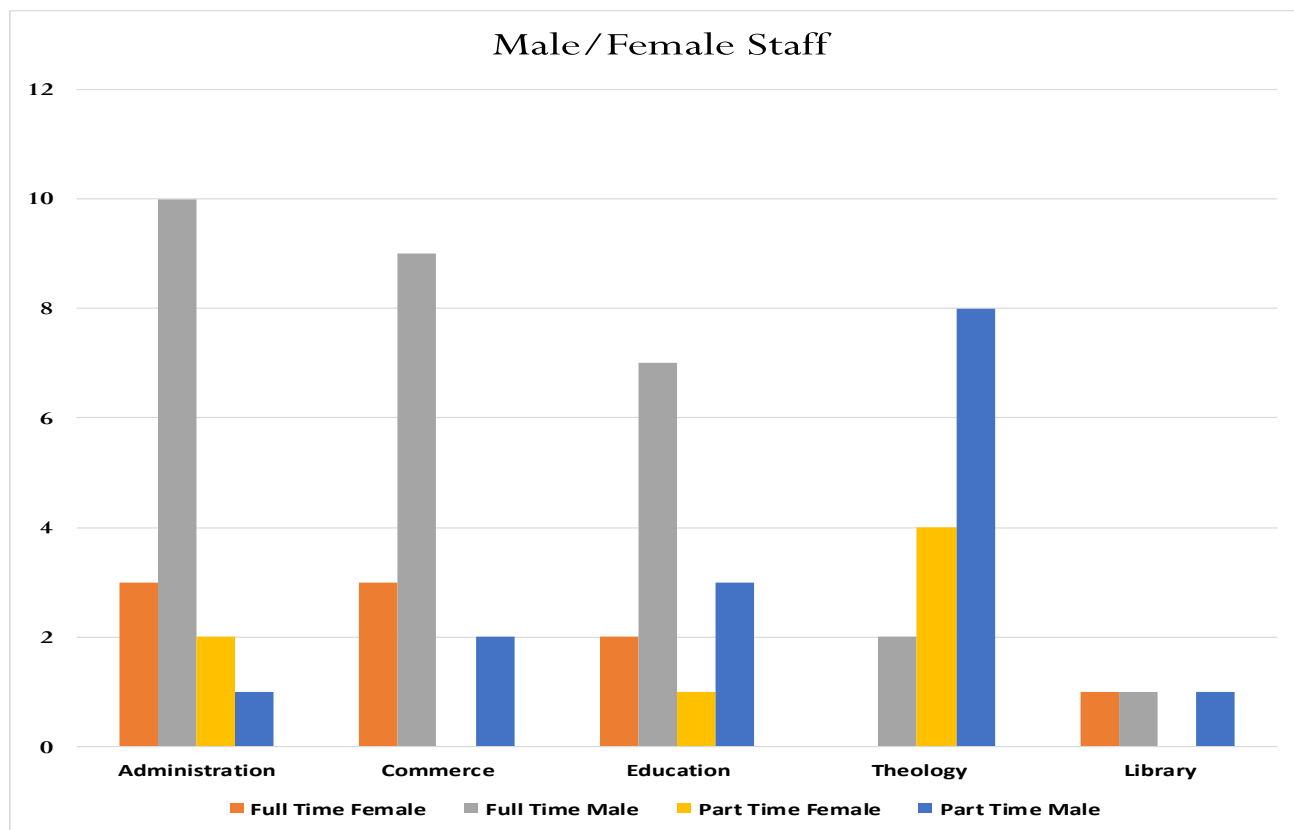
Table 13: MAGU FEMALE/MALE STAFF COMPLIMENT

Department	Full Time		Part Time	
	Female	Male	Female	Male
Administration	3	10	2	1
Commerce	3	9	0	2
Education	2	7	1	3
Theology	0	2	4	8
Library	1	1	0	1
Totals	9	29	7	15
Totals	38 Full Time Workers		22 Part Time Workers	



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2.6.1.3 The MAGU Gender Policy

During the year under review, MAGU developed a comprehensive Gender Policy to guide in its dealings and interaction with students as well as members of staff across the gender divide. The Policy once approved by the Board would basically ensure equality and equity when dealing with students regardless of gender. The Policy has been developed after considering the needs and aspirations of University employees both men and women in its policies and practices and to bar divisions and disadvantages based on gender. The Policy signals the commitment that the University has towards creating a school community where all staff and students are equally respected, valued and enjoy equity of both opportunity and outcomes. MAGU recognizes that gender inequality and disability have the potential to limit and impact negatively on the safety, education, employment, family lives and opportunities of staff and students, particularly women and girls, in the immediate and long term. The Policy applies to staff, students and stakeholders of the University and covers gender equality in all aspects of university life such as; gender balance in recruiting, training and promoting staff, developing gender-sensitive curriculums, and having a safe working and learning environment for all. The overall goal of the Policy is to sustain a fair and just academic environment where men and women have equal opportunities, voice, rights and access to resources so that they realize their potential and contribution in a community of scholars characterized by a culture of mutual respect.



3.0 CHALLENGES

MAGU's initial challenges stem from its philosophical underpinnings. The University was set up as a Christian University, however, the students that are admitted are not all born again Christians putting a strain on MAGU's desire to accomplish its purpose.

This section presents some of the major challenges that the University faced in the year under review. However, while other challenges are crosscutting, in some instances some of the challenges were unique to each Pillar and related Key Performance Areas (KPA's):

- **Spiritual Formation:** The main challenge so far is that Friday Chapel services are not as effective as Monday and Wednesday Chapel services because most regular students do not have classes on Fridays. We are still working on how best to make Friday Chapel services effective. It has to be noted that the University's Spiritual Formation Program is crucial for the life of the whole University. It does instill the fear of God, the love of God, and general spiritual character development among both staff and students. The University believes that minus good spiritual development; academic prowess might not glorify God within the communities and at global level. Again, weekend chapel seems to have a challenge of meeting time. Time is so short for an effective chapel program that involves worship, prayer and ministry of the Word of God.
- **Slow Growth:** Since the establishment of the University, some of the Faculties have been struggling to register meaningful growth. The Faculty of Theology and Ministerial Formation is one of such faculties. In the 2017–2018 academic year the Faculty again did not experience any significant growth. This is mainly from the transitional challenge that was faced with a lot of church politics. Additionally, the University has not been investing much in the promotion of the faculty by way of both marketing as well as capacity building. In line with marketing, there is need to introduce a number of incentives that will rebuild the image of the faculty.
- **NCHE Delays in releasing assessment results:** The Postgraduate department of the Faculty of Theology and Ministerial Formation has delayed in introducing the doctoral degree due to NCHE delays to release the results of the program registration assessment they conducted. Up to now, the University is still waiting for the release of the results to roll out the program. This has affected the Faculty's budget this level of study was included in the 2018-2019 budget.
- **Inadequate Staff:** The University currently has inadequate full time staff and although the current student population is still small to warrant an increase of staff, it is very clear that the University need to hire more full time members of staff.
- **Classroom and Students' Accommodation Space:** The University faces challenges in the area of classrooms for some of the programs. In some courses both lecturers and students spend time moving from one place to another looking for space. The doctoral level degree also came in with infrastructure challenge as the current accommodation rooms are not meant for such higher level of studies. The University urgently needs self-contained hostels. Again, although the University made efforts to relocate some students to other hostels to deal with the challenge of accommodation these hostels have also proved not to be adequate. Bomba Hostel at the moment accommodate 163 students yet its capacity is 154 while Chapola Hostel has 73 students instead of 72.

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- **Office Space:** The University currently does not have a single office to cater for adjunct lecturers giving them space to sit and rest as they wait for the next class or prepare their class materials.
- **Abnormally higher utility bills:** The University currently faces a problem of abnormally higher utility bills such as water, security and electricity.
- **Lack of electricity:** Currently there is no electricity at new classroom blocks at the Revival Square Gardens. This means that the University cannot use projector for presentations. For some courses in the Business Information Systems program, practical lessons are not possible. Although, as indicated earlier, the school has rented a generator for ICA this is not available at all times as ICA would use it when they have no ESCOM power supply. The lack of electricity remains a huge obstacle.
- **Inadequate toilets at the Revival Square:** Although MAGU started using the new classroom blocks at the Revival Square Gardens, the toilets are not adequate yet.
- **Inadequate hostel tables and wardrobes:** As of now while in the hostels students use classroom chairs and tables to place their bags, therefore, the classroom tables are never adequate. Currently, in the hostels the University needs to install additional student tables, chairs and ladders for bunk beds.
- **Maintenance Works:** The campus is now twenty six years old and a lot of structures are in dire need of maintenance. The major delicate work currently is the ceiling and roofing wood that has been eaten by termites while the majority of the buildings need to be painted. In essence the University is currently very much occupied on trying to restore broken or totally worn out structures and facilities a situation that is draining some of the resources that could have been channeled to the growth of the University.
- **Redesigning and Reworking of some structures:** The Revival Square Garden campus needs redesigning and reworking with installation of additional facilities. For example the rooms are very hot and not conducive to learning since the ventilation system is poor while the drainage system was also poorly made.
- **Poor security services:** The University had withdrawn the previous security service provider and engage a new one with the hope of improving security. Although, the security company that has been hired is good, the company is still not of desired standard as things such as cables, sockets, toilet fittings, glasses are still getting stolen. And again the numbers of watchmen (5) is less than what the campus requires and this compromises security.
- **Library Space:** Apart from the library building developing very big cracks, which might render the building risky, with increased student numbers, the library's reading space has also become inadequate.
- **Lack of specialist lecturers in other fields:** The University is struggling to provide specialist tutors in some of the programs. For Accounting, the reason is that the country has qualified people who are willing to come to MAGU but the salary is not competitive to what one can make in the industry. As for Human Resource Management, Malawi does not have enough qualified people; the few that are available opt for industry practice. In the case of Insurance, the case has been more challenging than the other two programs because qualified insurers (be it academic or professional) are very few in the country and the University struggles even to get some even on a part time basis. For Insurance and Human Resource Management all the courses are facilitated by adjunct lecturers. As for Accounting, only half of the specialization courses are facilitated by adjunct lecturers. Due to such lack of specialized personnel, during the review of some courses, the Insurance course did not get the best review due to lack of specialist knowledge.



- **Lack of Books:** The University has very few books and other teaching resources, this is more evident in the Faculty of Commerce where most of the few books are more than ten years old. The newly developed e-library also has very few resources because it relied mainly on tutors to get materials and this has been a challenge in terms of how to encourage tutors to do so.
- **Subscription to Professional and Academic Journals:** Some of the Faculties at the University have not subscribed to any professional or academic journals yet and this has made it difficult for tutors to access the latest academic information in their fields.
- **Lack of Academic Software:** So far, it has been difficult to check student assignment for plagiarism due to lack of software for this task. It is very difficult for tutors to manually check all papers for deceitfulness due to the volume of papers.
- **Students' Placement:** It has been a big challenge for students to find work placement mostly because the University is relatively new on the market.
- **Financial Hiccups:** Financial challenges have also been affecting a number of activities at the University. For example plans to hold career talks were suspended due to financial drawbacks; on the part of Human Resource, the University's salaries are still a setback such that it is hard to attract competitive and qualified individuals; establishment of medical scheme for both students and lecturers.
- **Students' support:** Stead sponsorship for financial support for students has been one of the major challenges for most of the students. While Malawi Government through Higher Education Students Loans and Grants Board helps needy and deserving students, during the last academic year, the Government supported only forty-five (45) MAGU students and for only one semester.
- **Competition:** MAGU faces stiff competition from private universities such as Global University, African Bible College, Exploits University, PLFM University, Mzuzu University, Livingstonia University, Catholic University and DMI–St. John Baptist University and the opening of Open Distance Learning (ODL) centers by Public Universities and satellite campuses by some of these Private Higher Education institutions are also some of the threats to MAGU is facing.
- **Understanding and expectation gaps:** Although the supervision of MAGU Distinctive Courses were moved from the Faculty of Commerce and Management to the Faculty of Theology to minimize the initial understanding and expectation gaps between the supervisor and tutors from the Faculty of Theology, gaps still remain between what is expected by the faculty and what is given more especially in terms of assessment quality.

Despite the outlined challenges, the University has a number of strengths of which it can capitalize on to forge ahead. Among others, these strength include the University being able to pay its staff on time; timely handling of students and staff grievances; location in the capital city and by the highway and its proximity to social services like Hospitals and Police; small size; a high level of interaction between faculty and students; expertise in teaching content; comprehensiveness and quality teaching materials; accessibility–day and weekend students; great accommodation for residential students; experiential education at both the undergraduate and graduate levels; and Faculty service to the university and the larger community. While on the other hand there are also a number of opportunities that the University could look at such as: The absence of regulatory statutes on medical scheme, could provide MAGU an opportunity to set up its own Medical Insurance for staff and students; and the university's affiliation to church has an advantage to easily win public trust in its operations.

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4.0 CONCLUSION

MAGU has had huge challenges since its inception both on philosophy and practice. This being the University's formative period, the journey is still full of challenges; however, through such challenges the University's ability to learn and grow has steadily increased making it possible to navigate through tough organizational and economical terrains. The last four years have been a time that demanded determination and firm belief and trust in the Lord for the continued growth of the University, and the strides done in this past year have been phenomenal and give hope that the University is on the right track. The accreditation awarded by NCHE raised the University's credibility and increased its visibility. The future is now to increase the structures that must make the learning-teaching processes first class and exciting. Indeed the future looks bright yet it will still demand courage to make huge and expensive decisions.



FINANCIAL REPORT

This section provides a summary of the major activities undertaken by the Finance Department during the twelve months of the year 2017/18 financial year. It suffices to state that all the Management Accounts for all Four Quarters were presented and approved in the regularly held Council Meetings. Furthermore, the Audit Report for this period was presented to the MAGU Council and has also been presented in the preceding section of this report:

- **Community Engagements: Students Scholarships**

During the period, the University spent K32,134,000 on student scholarships. The scholarship available at MAGU are: work scholarship doing piece work for K60,000 to offset tuition fees, student pastors on this scholarship are entitled to K230,000, pastors children scholarship are entitled to K575,000 (100%) to offset tuition and boarding fees. MAGU is considering to set an endowment fund to finance the cost of this scholarship. MAGU also annually support the National Church budget with a lump sum of K5,000,000.

- **Governance Issues**

During the period, the University engaged the services of Intelligent Audit and Risk Solutions as an internal auditor to audit the University books of accounts for the period 01/07/16 to 31/03/18. The opinion of the auditor on state of internal control environment was satisfactory. Aleksandr Consulting, an external auditor was engaged to audit books of accounts of the University for the period 01/07/16 to 30/06/17. The auditor expressed unqualified opinion.

Malawi Revenue Authority also conducted tax audit for MAGU business for the period 01/07/13 to 31/12/17 and findings of the audit in summary was that MAGU did not remit tax amounting to K88,011,457.60 and charged penalties on principal amounting to K55,661,901.58. Therefore, in total MAGU was owing MRA K143,673,359.18. The University opted to immediately settle the principal in order to have the Penalty of K55,661,901.58 waived.

- **Software Installation Policy**

During the year under report, the University developed a Software Installation Policy after observing that allowing employees to install software on MAGU computing devices opens the organization up to unnecessary exposure and that conflicting file versions or DLLs which can prevent programs from running could be installed, lead to massive introduction of malware from infected installation software and unlicensed software, and there were fears of some programs which could be used to hack the organization's network. The purpose of the policy is to outline the requirements around installation software on MAGU owned computing devices to minimize the risk of loss of program functionality, the exposure of sensitive information contained within MAGU computing network, the risk of introducing malware, and the legal exposure of running unlicensed software. The policy applies to all MAGU employees, contractors, vendors and agents with a MAGU-owned mobile devices. The policy also covers all computers, servers, smartphones, tablets and other computing devices operating within MAGU.



MAGU ANNUAL REPORT

JULY 2017 to JUNE 2018

• Risk Management Policy and Framework

Risk Management is the process of understanding and managing risks that the organization is inevitably subject to in attempting to achieve its corporate objectives. In the year under review, the University developed a Risk Management Policy and Framework. The Policy and Framework gives an overview of the MAGU policy requirements, responsibilities and approaches to risk management that should be observed in identifying appropriate risk appetite limits and controls to manage risk exposures in pursuit of university objectives. The Risk Management policy seeks to enable the identification, evaluation and continuous management of the threats to the achievement of university's core business, vision, objectives and strategies. Among several others, the risk management policy objectives are: establishing Sound Corporate Governance that provides for sufficient Board and management oversight and that is adaptable to the growth of MAGU; Effectiveness of operational risk management to create robust operational policies covering academics, operations, human resources, finance, information technology and corporate affairs; Management of Information and Communications Technology (ICT) Risks based on the understanding that effective use of ICT systems is critical in meeting key regulatory reporting requirements over data privacy and ICT security to support continuity of University processes; enhancing Compliance with laws, regulations and internal policies ensuring that all functions of the business are compliant with applicable laws, regulations, regulatory guidelines and internal policies; and ensuring Effectiveness of financial controls over management information, regulatory and statutory financial reporting to ensure continuity and accuracy of information generated from IT systems.

• Major Highlights from the Finance Department

The followings are the major activities undertaken by the Finance Department as one way of improving activities of MAGU operations:

- ♦ Computerization of accounting system which has helped the University to integrate student's management system with the accounting system. This was vital for cleaning of students data.
- ♦ The University was incorporated on National Bank of Malawi's MO626 mode of paying tertiary tuition fees to improve the capturing of fees repayments from students. Periodically, the bank sends a list of students who have deposited fees in a form of a file which is posted into accounting system.
- ♦ During the period under review, the institution had its first external audit by Aleksandr Consultant audit firm. The audit covered 2014/15 and 2015/16 financial years.
- ♦ To deal with the abnormally huge water bills, the University embarked on a project to ensure that every building has its own meter for billing. We are hoping that with this, monitoring will be possible and those partners using part of the property can now pay for their usage.
- ♦ In April, 2017 we engaged TG Msonda & Associates, Chartered Valuation Surveyors to evaluate the assets that we inherited from National Church as a capital to start operating as a University. All the assets were valued at K6,059,938,000.00 (Land & Building K6,015,488,000, Furniture and Fittings K20,390,256, Office equipment K11,625,244, Computer equipment K12,434,500).
- ♦ In a bid to improve its financial standing, on 15th October, 2018, the University organized a Fund Raising Dinner and Dance. This fund raising dinner and dance is planned to be an annual event and this inaugural event was graced by the presence of the University Chancellor Reverend Dr. Edward Chitsonga while the Keynote Speaker was Dr. Matthews Mtumbuka. All the funds raised were channeled towards supporting the MAGU Scholarship Fund to meet the challenges of needy students.





MALAWI ASSEMBLIES OF GOD UNIVERSITY AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS

FOR THE YEAR ENDING
30TH JUNE 2018



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

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MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

UNIVERSITY COUNCIL'S REPORT

The Council Members of the Malawi Assemblies of God University (MAGU) have pleasure in submitting their report together with the annual financial statements of the University for the year ended 30 June 2018.

Nature of business

MAGU is the Malawi Assemblies of God University that has undergraduate and postgraduate programmes. It was incorporated as a Limited guarantee company in July 2013 and started operating as a University in September 2013. The objective is to develop Spirit-empowered leaders, through quality and innovative tertiary education that is transformational and globally relevant, based on Biblical principles. The National Council on Higher Education (2011) Act regulates its activities.

MAGU, a Christian university is grounded on the foundation and values that will forge it to become a world class institution impacting Malawi and the sub-region of Africa as it continuously develops leaders that bring necessary change.

Financial performance

The results and state of affairs of MAGU are set out in the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements.

Registered office

The registered office of the University throughout the year was situated at the Sheaffer Campus, Along Paul Kagame Road, P.O Box 184, Lilongwe.

University National Executive Committee

The Executive powers of the University are in the University Council. The following are members who held office during the year are:

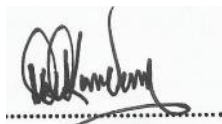
Dr Wilfred Kadewa
Prof Dr Isaac Lamba
Dr Enson Lwesya
Mr Albert Neba
Dr Liveness Banda
Dr Ken Ndala
Dr Rev Jim Botomani Mbewe
Rev Donex Mwenisungu
Rev Daniel Masamba
Dr Devin Nkhoma
Mrs Mlozi Mlewa

Chairperson
Vice Chairperson

Events After the Reporting Period

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

By Order of the University Council



Chairperson



Council Member

Date: 12th January, 2019



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES

The University Council is required by Companies Act 2013 and other regulations to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University as at the end of the particular year and of the operating results for that year.

The University Council is also required by the law and other regulations to ensure that the University keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that the financial statements comply with the law and the relevant regulations.

In preparing these financial statements, University Council 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 University will continue in business for the foreseeable future.

The University Council also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the University 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 University Council is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the University and of its operating results.

These financial statements of the University were approved by the University Council on 12th January, 2019 and were signed on its behalf by:



Council Chairperson



Council Member



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

INDEPENDENT AUDITOR'S REPORT

TO THE UNIVERSITY COUNCIL MEMBERS OF THE MALAWI ASSEMBLIES OF GOD UNIVERSITY
(MAGU)

Opinion

We have audited the consolidated financial statements of Malawi Assemblies of God University which comprise the statement of financial position as at 30 June 2018, 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 set up on pages 10 to 28.

In our opinion, the company's financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2018, 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 Companies Act 2013, the National Council on Higher Education Act (2011), MAGU's Constitution and other Laws and Regulations.

Emphasis of Matter

We draw attention to Note 21 to these financial statements, which describe the uncertainty related to the going concern of the University due to inadequate working capital. Our opinion is not qualified in respect of this matter.

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 Malawi Assemblies of God University 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.

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

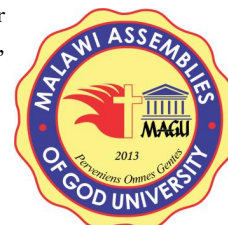
Those charged with governance are responsible for overseeing the company's financial reporting process.

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.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

- 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 company'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 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 company'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 company 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 company'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.

Report on Other Legal and Regulatory Requirements

Compliance with the Companies Act 2013, the National Council on Higher Education Act (2011) and MAGU's Constitution

The company has complied with the requirements of these Laws and Regulations.

The engagement partner on the audit resulting in this independent auditor's report is **Aleksandr-Alain Kalanda**

Aleksandr

Per Aleksandr-Alain Kalanda MBA FCCA CPA BCom

Aleksandr Consulting

Certified Public Accountants and Business Advisors

Lilongwe (Malawi)

Date: 12th January, 2019



♦ Area 18 Plot # 1903
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+265 888 830 332

Email: aleksandr.alain.kalanda@gmail.com

Services: Accounting, Audit, Business Strategy, Company Secretarial Work, Company Turnaround, Insolvency Services, Loan Underwriting, Project Management, Risk Management, Strategic Management, Start Ups and Tax



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

STATEMENT OF COMPREHENSIVE INCOME

IN THOUSAND MALAWI KWACHAS

	Note	CONSOLIDATED		SEPARATE	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
INCOME					
Revenue	4	673,696	557,436	659,705	557,436
Direct expenses	5	-562,972	-392,244	-543,429	-392,244
		-----	-----	-----	-----
Gross Profit		110,724	165,192	116,276	165,192
Other income	6	126,662	107,158	126,598	107,158
Administration expenses	7	-275,610	-249,879	-263,997	-249,879
		-----	-----	-----	-----
Profit Before Tax		-38,224	22,471	-21,123	22,471
Income tax expense	8	0	-5,236	0	-5,236
		-----	-----	-----	-----
Profit For The Year		-38,224	17,235	-21,123	17,235
		=====	=====	=====	=====



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

STATEMENT OF FINANCIAL POSITION

IN THOUSAND MALAWI KWACHA

		CONSOLIDATED		SEPARATE	
	Note	2018	2017	2018	2017
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	5,787,507	5,957,640	5,786,711	5,957,640
		-----	-----	-----	-----
Total Non-Current Assets		5,787,507	5,957,640	5,786,711	5,957,640
		-----	-----	-----	-----
Current Assets					
Short term Investments	10	2,996	8,001	2,996	8,001
Related party	11	0	0	11,704	0
Trade and other receivables	12	106,351	82,582	105,911	82,582
Cash and cash equivalents	13	7,841	8,464	7,841	8,464
		-----	-----	-----	-----
Total Current Assets		117,188	99,047	128,452	99,047
		-----	-----	-----	-----
Total Assets		5,904,695	6,056,687	5,915,163	6,056,687
		=====	=====	=====	=====
EQUITY AND LIABILITIES					
Equity					
General reserves		32,707	43,721	32,707	43,721
Revaluation reserves		5,735,902	5,898,438	5,735,902	5,898,438
Retained earnings		-61,851	1,097	-44,750	1,097
		-----	-----	-----	-----
Total Equity		5,706,758	5,943,256	5,723,859	5,943,256
		-----	-----	-----	-----
Current liabilities					
Trade and other payables	14	174,616	102,830	168,114	102,830
Tax Payable	15	10,601	10,601	10,601	10,601
Bank overdraft	12	12,720	0	12,589	0
		-----	-----	-----	-----
Total Current Liabilities		197,937	113,431	191,304	113,431
		-----	-----	-----	-----
Total Equity and Liabilities		5,904,695	6,056,687	5,915,163	6,056,687
		=====	=====	=====	=====



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

STATEMENT OF CHANGES IN EQUITY

IN THOUSAND MALAWI KWACHA

CONSOLIDATED

	General reserves	Revaluation Reserve	Retained Earnings	Total
As at 1 July 2016	44,242	6,044,969	18,831	6,108,042
Prior year adjustment	0	14,968	-34,969	-20,001
	-----	-----	-----	-----
As at 1 July 2016 restated	44,242	6,059,937	-16,138	6,088,041
Additions	24,000	0	0	24,000
Deductions	-24,521	0	0	-24,521
Depreciation of revalued assets	0	-161,499	0	-161,499
Profit for the year	0	0	17,235	17,235
	-----	-----	-----	-----
As at 30 June 2017	43,721	5,898,438	1,097	5,943,256
	=====	=====	=====	=====
As at 1 July 2017	43,721	5,898,438	1,097	5,943,256
Prior year adjustment	0	0	-24,724	-24,724
	-----	-----	-----	-----
As at 1 July 2017 restated	43,721	5,898,438	-23,627	5,918,532
Additions	24,000	0	0	24,000
Deductions	-35,014	0	0	-35,014
Depreciation of revalued assets	0	-162,536	0	-162,536
Profit for the year	0	0	-38,224	-38,224
	-----	-----	-----	-----
As at 30 June 2018	32,707	5,735,902	-61,851	5,706,758
	=====	=====	=====	=====

Depreciation on revalued property, plant and equipment has been charged to the revaluation reserve.

General reserve represents the National Church support to the University in form of rights to use its property, plant and equipment and the support the National Church gets from the University in form of scholarships and other financial support.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

STATEMENT OF CHANGES IN EQUITY

IN THOUSAND MALAWI KWACHA

COMPANY

	General Reserves	Revaluation Reserves	Retained Earnings	Total
As at 1 July 2016	44,242	6,044,969	18,831	6,108,042
Prior year adjustment	0	14,968	-34,969	-20,001
	-----	-----	-----	-----
As at 1 July 2016 restated	44,242	6,059,937	-16,138	6,088,041
Addition	24,000	0	0	24,000
Deductions	-24,521	0	0	-24,521
Depreciation of revalued assets	0	-161,499	0	-161,499
Profit for the year	0	0	17,235	17,235
	-----	-----	-----	-----
As at 30 June 2017	43,721	5,898,438	1,097	5,943,256
	=====	=====	=====	=====
As at 1 July 2017	43,721	5,898,438	1,097	5,943,256
Prior year adjustment	0	0	-24,724	-24,724
	-----	-----	-----	-----
As at 1 July 2017 restated	43,721	5,898,438	-23,627	5,918,532
Additions	24,000	0	0	24,000
Deductions	-35,014	0	0	-35,014
Profit for the year	0	0	-21,123	-21,123
Depreciation of revalued assets	0	-162,536	0	-162,536
	-----	-----	-----	-----
As at 30 June 2018	32,707	5,735,902	-44,750	5,723,859
	=====	=====	=====	=====

Depreciation on revalued property, plant and equipment has been charged to the revaluation reserve.

General reserve represents the National Church support to the University in form of rights to use its property, plant and equipment and the support the National Church gets from the University in form of scholarships and other financial support.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

STATEMENT OF CASH FLOWS

IN THOUSAND MALAWI KWACHA

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities				
Profit before taxation	-38,224	22,471	-21,123	22,471
Depreciation	29,546	23,694	29,280	23,694
Gain sale of assets	-132	0	-132	0
Bank interest	-1,844	-2,544	-1,780	-2,544
Prior year adjustment	-24,724	-34,969	-24,724	-34,969
	-----	-----	-----	-----
Operating profit before working capital changes	-35,378	8,652	-18,479	8,652
Movement in trade receivables	-23,769	54,741	-23,329	54,741
Movement in trade payables	71,786	-19,669	65,284	-19,669
Movement in related party	0	0	-11,704	0
Movement in short term Investments	5,005	16,170	5,005	16,170
	-----	-----	-----	-----
Cash generated from operations	17,644	59,894	16,777	59,894
Income Tax paid	0	0	0	0
	-----	-----	-----	-----
Net Cash Flows From Operating Activities	17,644	59,894	16,777	59,894
	-----	-----	-----	-----
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	-21,818	-62,382	-20,756	-62,382
Investment income	1,844	2,544	1,780	2,544
	-----	-----	-----	-----
Net Cash Flows From Investing Activities	-19,974	-59,838	-18,976	-59,838
	-----	-----	-----	-----
Cash Flows From Financing Activities				
General reserves movement	-11,014	-521	-11,014	-521
	-----	-----	-----	-----
Net Cash Flows From Financing Activities	-11,014	-521	-11,014	-521
	-----	-----	-----	-----
Net Movement in Cash and Cash Equivalents	-13,344	-465	-13,213	-465
	-----	-----	-----	-----
Cash and Cash Equivalents at The Start of The Year	8,465	8,930	8,465	8,930
	-----	-----	-----	-----
Cash and Cash Equivalents at The End of The Year	-4,879	8,465	-4,748	8,465
	=====	=====	=====	=====

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

MAGU is the Malawi Assemblies of God University that undergraduate and post graduate Programmes. It was incorporated as a limited guarantee company in July 2013 and started operating as a University in September 2013. Its objective is to develop Spirit-empowered leaders, through quality and innovative tertiary education that is transformational and globally relevant, based on Biblical principles.

The National Council on Higher Education (2011) Act regulates its activities.

MAGU, a Christian university, is grounded on the foundation and values forging it to become a world class institution impacting Malawi and the sub-region of Africa as it continuously develops leaders that bring necessary change.

The registered office of the University throughout the year was situated at the Sheaffer Campus, Along Paul Kagame Road, P.O Box 184, Lilongwe.

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-sized entities* issued by the International Accounting Standards Board (IASB), interpretations issued by the Standing Interpretations Committee of the International Financial Reporting and Interpretations Committee (IFRIC).

b) Basis of preparation

The financial statements have been prepared in Malawi Kwacha. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The consolidated financial statements incorporate the financial statements of the company and its wholly-owned subsidiary MAGU Career Development Centre. All intragroup transactions, balances, income and expenses are eliminated.

Investments in associates are accounted for at cost less any accumulated impairment losses.

Dividend income from investments in associates is recognized when the Group's right to receive payment has been established. It is included in other income.

The preparation of financial statements in conformity with IFRSs require management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not apparent from other sources. 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 revision and future periods if the revision affects both current and future periods.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

c) Revenue Grants recognition

Income from projects (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 comprehensive income 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 comprehensive income as revenue on a systematic basis over the useful life of the asset and the unamortized grants are carried forward as capital grants.

d) 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 accumulated surplus.

e) Other Income

Revenue is recognized in the statement of comprehensive income on accrual basis when a student has been accepted by the University Council and upon delivery of a service.

f) 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 comprehensive income.

g) 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 j).

(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 comprehensive income as an expense as incurred.

(iii) 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 5 years

- | | |
|--------------------------|----------|
| • Office equipment | 4 years |
| • IT equipment | 4 years |
| • Furniture and fixtures | 4 years |
| • Land and buildings | 40 years |

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



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FOR THE YEAR ENDING 30TH JUNE 2018

h) 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.

i) Impairment

The carrying amounts of the University'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 comprehensive income.

j) Employee service benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognized in the period in which the service is rendered and are not discounted.

The expected cost of compensated absence is recognized as an expense as the employee renders services that increase their entitlement or, in the case of non-accumulating absence, the absence occurs.

Retirement benefits

The University has a defined contribution pension scheme administered by Old Mutual. The scheme is contributory scheme to which both the employer and employee contribute. Contributions by the University into the scheme are expensed in the period in which they are incurred. The University has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and past period.

k) Provisions

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

l) Trade and other payables

Trade and other payables are stated at their cost. Trade payables are obligations on obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into MWK using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

m) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred.

n) Financial instruments

The University recognizes financial assets or financial liabilities on its statement of financial position when, and only when, the University becomes a party to the contractual provisions of the instruments. When financial assets or financial liabilities are recognized initially, the University measures them at their fair value plus, in the case of financial assets or financial liabilities not at fair value through profit and loss transactions costs that are attributable to the acquisition or issue of the financial assets or financial liabilities. After initial recognition the University measures financial assets, including derivatives that are assets at their fair values, without any deduction for transaction costs it may incur on the sale or other disposal, except for the following assets: **loans and receivables** which are measured at amortized cost using the effective interest method; **held to maturity investments** which are measured at amortized costs using the effective interest method; **Investments in equity instruments** that do not have a quoted market price in active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost. Financial assets that are designated as hedged items are subject to measurement under the hedge accounting requirements. All financial assets except those measured at value through comprehensive income are subject to review for impairment.



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FOR THE YEAR ENDING 30TH JUNE 2018

o) Comparative information

The University information is restated (refer accounting policy b) in respect of correction of error.

p) Income tax

Income tax on the comprehensive income for the year comprises current tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

The University does not provide for deferred tax.

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

In the application of the University'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 company's accounting policies

There were no critical judgment, apart from those involving estimations that management has made in the process of applying the University'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 University 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 residual values of the assets have been determined by the University Council based on their knowledge of the industry.

(b) Estimated impairment of property, plant and equipment

The University 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 University 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 University 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. University Council 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.

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FOR THE YEAR ENDING 30TH JUNE 2018

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
4. INCOME				
Administrative fees	26,103	11,239	26,103	11,239
Undergraduate fees	622,739	535,276	622,739	535,276
Postgraduate fees	6,728	10,123	6,728	10,123
Grants	0	798	0	798
Tuition	11,570	0	0	0
CDC registration fees	20	0	0	0
CDC application fees	10	0	0	0
Centre fees	2,391	0	0	0
	-----	-----	-----	-----
Total Revenue	669,561	557,436	655,570	557,436
	=====	=====	=====	=====
5. DIRECT EXPENSES				
Books and periodicals	1,698	764	1,083	764
Examinations	13,241	3,264	12,971	3,264
Staff costs	524,330	367,409	506,241	367,409
Teaching and office stationary	17,869	20,761	17,300	20,761
Students attachment	5,834	0	5,834	0
Training and staff development	0	46	0	46
	-----	-----	-----	-----
Total Direct Expenses	562,972	392,244	543,429	392,244
	=====	=====	=====	=====
6. OTHER INCOME				
Rent	113,789	97,028	113,789	97,028
Student meals	0	30	0	30
Sale of books	30	87	30	87
Hire of gowns	260	90	260	90
Hire of facilities	10,062	7,468	10,062	7,468
Interest receivable	1,844	2,455	1,780	2,455
Proceeds of assets disposal	100	0	100	0
Sundry income	577	0	577	0
	-----	-----	-----	-----
Total Other Income	126,662	107,158	126,598	107,158
	=====	=====	=====	=====



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FOR THE YEAR ENDING 30TH JUNE 2018

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
7. ADMINISTRATION EXPENSES				
Accreditation	3,399	3,563	3,040	3,563
Advertising and recruitment	9,025	10,227	4,963	10,227
Ceremonies and open day	4,049	3,230	4,049	3,230
Chancellor's office	1,500	1,850	1,500	1,850
Cleaning	7,562	5,190	7,548	5,190
Communication	2,070	3,533	1,873	3,533
Council	6,520	5,646	6,520	5,646
Depreciation	29,546	23,694	29,280	23,694
Bad debts	26,037	50,725	21,358	50,725
Finance charges	8,583	3,262	7,994	3,262
Foodstuffs	1,824	2,485	1,784	2,485
Repairs and maintenance	28,758	28,888	28,752	28,888
Meetings	5,749	2,419	4,938	2,419
Office supplies	3,552	1,780	3,485	1,780
Premises charge	24,000	24,000	24,000	24,000
Scholarships	2,610	3,490	2,610	3,490
Security	5,733	4,025	5,733	4,025
Staff welfare	674	1,869	674	1,869
Student council	9,892	4,671	9,892	4,671
Subscriptions	2,892	7,975	2,892	7,975
Travel	13,710	14,269	13,625	14,269
Utilities	41,297	30,833	41,297	30,833
Students sports	2,219	0	2,219	0
Rent	1,948	0	1,948	0
Programme development	1,020	0	1,020	0
Curriculum development	2,333	0	2,333	0
Staff uniforms	88	0	88	0
TEVET	4,043	0	3,961	0
Internet	17,784	0	17,784	0
Workers compensation	300	0	300	0
Software licenses and support	1,248	0	1,248	0
Exchange differences	72	0	72	0
Postage	146	502	93	502
Professional fees	5,427	11,753	5,124	11,753
	-----	-----	-----	-----
Total Administration Expenses	275,610	249,879	263,997	249,879
	=====	=====	=====	=====



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FOR THE YEAR ENDING 30TH JUNE 2018

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
8. INCOME TAX				
Income tax	0	5,236	0	5,236
	-----	-----	-----	-----
Total charge for the year	0	5,236	0	5,236
	-----	-----	-----	-----
<i>Reconciliation</i>				
Standard tax rate	30%	23%	30%	30%
Timing differences	-30%	-7%	-30%	-7%
	-----	-----	-----	-----
Effective Rate	0%	-23%	0%	-23%
	=====	=====	=====	=====

The Group has unassessed income tax losses carried forward of K26million.

9. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Land and Buildings	Intangibles	Motor vehicles	Office equipment	Furniture & fittings	Computers	Plant and Equipment	Total
Cost								
As at 1 July, 2017	6,015,487	9,209	27,300	21,433	49,448	26,975	0	6,149,852
Additions	0	2,250	6,000	789	9,651	2,163	965	21,818
Disposals	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----
As at 30 June, 2018	6,015,487	11,459	33,300	22,222	59,099	29,138	965	6,171,670
	-----	-----	-----	-----	-----	-----	-----	-----
Cost comprises:								
Cost	0	11,459	33,300	17,045	965	10,597	38,305	111,671
Valuation	6,015,487	0	0	11,435	0	11,625	20,390	6,058,937
	-----	-----	-----	-----	-----	-----	-----	-----
	6,015,487	11,459	33,300	28,480	965	22,222	58,695	6,170,608
	-----	-----	-----	-----	-----	-----	-----	-----
Accumulated Depreciation								
As at 1 July, 2017	150,387	3,719	7,185	7,285	14,635	9,001	0	192,212
Charge for the year	150,387	3,820	8,060	5,555	14,774	9,034	321	191,951
Disposals	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----
As at 30 June, 2018	300,774	7,539	15,245	12,840	29,409	18,035	321	384,163
	-----	-----	-----	-----	-----	-----	-----	-----
Carrying Amounts								
As at 30 June, 2018	5,714,713	3,920	18,055	9,382	29,690	11,103	644	5,787,507
	=====	=====	=====	=====	=====	=====	=====	=====
As at 30 June, 2017	5,865,100	5,490	20,115	14,148	34,813	17,974	0	5,957,640
	=====	=====	=====	=====	=====	=====	=====	=====



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2018

COMPANY

	Land and Buildings	Intangibles	Motor Vehicles	Computer Equipment	Plant and Equipment	Office Equipment	Furniture and Fittings	Total
Cost								
As at 1 July, 2017	6,015,487	9,209	27,300	26,975	0	21,433	49,448	6,149,852
Additions	0	2,250	6,000	1,505	965	789	9,247	20,756
Disposals	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----
As at 30 June 2018	6,015,487	11,459	33,300	28,480	965	22,222	58,695	6,170,608
	-----	-----	-----	-----	-----	-----	-----	-----
Cost comprises:								
Cost	0	11,459	33,300	17,045	965	10,597	38,305	111,671
Valuation	6,015,487	0	0	11,435	0	11,625	20,390	6,058,937
	-----	-----	-----	-----	-----	-----	-----	-----
	6,015,487	11,459	33,300	28,480	965	22,222	58,695	6,170,608
	-----	-----	-----	-----	-----	-----	-----	-----
Accumulated Depreciation								
As at 1 July, 2017	150,387	3,719	7,185	9,001	0	7,285	14,635	192,212
Charge for the year	150,387	3,820	8,060	8,869	321	5,555	14,673	191,685
Disposals	0	0	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----	-----	-----
As at 30 June 2018	300,774	7,539	15,245	17,870	321	12,840	29,308	383,897
	-----	-----	-----	-----	-----	-----	-----	-----
Carrying Amounts								
As at 30 June 2018	5,714,713	3,920	18,055	10,610	644	9,382	29,387	5,786,711
	=====	=====	=====	=====	=====	=====	=====	=====
As at 30 June 2017	5,865,100	5,490	20,115	17,974	0	14,148	34,813	5,957,640
	=====	=====	=====	=====	=====	=====	=====	=====

Register of properties giving details is maintained at the registered offices of the University and is open for inspection by members or their duly authorized agents.

Items of property, plant and equipment were revalued by T G Msonda, Bsc (L Admin), MRICS, MSIM, Chartered Valuation Surveyor as at 30 June 2016 on open market basis. No item of property was encumbered as at 30 June 2016.

10. SHORT TERM INVESTMENTS

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
CDH Bank- Advances				
Revolving Fund	2,076	41	2,076	41
CDH Bank-Prime				
Investors	920	7,960	920	7,960
	-----	-----	-----	-----
Total Short-Term				
Investments	2,996	8,001	2,996	8,001
	=====	=====	=====	=====

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FOR THE YEAR ENDING 30TH JUNE 2018

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
11. RELATED PARTY				
Due to related parties	0	0	-11,704	0
	-----	-----	-----	-----
<i>Made up of:</i>				
Due from related party	-11,704	0	-11,704	0
Due to directors	0	0	0	0
Due to related party	11,704	0	0	0
	-----	-----	-----	-----
As At The End of The Year	0	0	-11,704	0
	=====	=====	=====	=====
12. ACCOUNT AND OTHER RECEIVABLES				
Trade receivables	121,480	126,848	116,801	126,848
Prepayments and other receivables	10,908	6,459	10,468	6,459
Less: Provision for bad debts	-26,037	-50,725	-21,358	-50,725
	-----	-----	-----	-----
Total Trade and Other Receivables	106,351	82,582	105,911	82,582
	=====	=====	=====	=====
13. CASH AND CASH EQUIVALENTS				
NBM Savings	308	2,564	308	2,564
NBM Graduate Studies Centre	1,640	1,447	1,640	1,447
NBM FCDA	5,387	2,464	5,387	2,464
FDH Savings	506	1,989	506	1,989
Petty cash	0	0	0	0
	-----	-----	-----	-----
Cash and bank balances	7,841	8,464	7,841	8,464
Bank overdrafts				
National Bank	12,720	0	12,589	0
	-----	-----	-----	-----
Total Bank overdraft	12,720	0	12,589	0
	-----	-----	-----	-----
Net Cash flow movement	-4,879	8,464	-4,748	8,464
	=====	=====	=====	=====



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FOR THE YEAR ENDING 30TH JUNE 2018

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
14. ACCOUNT AND OTHER PAYABLES				
Trade payables	25,695	15,889	25,695	15,889
Prepayments	10,473	15,101	10,473	15,101
Taxes	55,855	47,154	51,852	47,154
Pension	65,191	23,653	62,711	23,653
Other accrued expenses	17,402	1,033	17,383	1,033
	-----	-----	-----	-----
Total Trade and Other Payables	174,616	102,830	168,114	102,830
	=====	=====	=====	=====
15. TAX PAYABLE				
As at the start of the year	10,601	5,365	10,601	5,365
Income tax charge	0	5,236	0	5,236
Payment during the year	0	0	0	0
Withholding tax	0	0	0	0
	-----	-----	-----	-----
As At The End Of The Year	10,601	10,601	10,601	10,601
	=====	=====	=====	=====

16. CONTINGENCIES

There were no contingent items as at year end.

17. 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.

Foreign currency risk

The University is exposed to foreign currency risk on income received that is denominated in a currency other than the Malawi Kwacha. The currencies giving rise to this risk is primarily US Dollar.

In respect of other monetary assets and liabilities held in currencies other than the Malawi Kwacha, the University ensures that the net exposure is kept to an acceptable level by transacting on the spot rate. The University's management monitors the exchange rate fluctuations on a continuous basis.

Credit risk

The University 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.

Interest rate risk

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



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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 University has procedures that minimize such losses.

18. CAPITAL EXPENDITURE COMMITMENTS

There were no capital commitments as at 30 June 2018 requiring disclosures in the financial statements.

19. RELATED PARTIES

The University has a related party relationship with the Malawi Assemblies of God Church, Council Members, senior members of staff and MAGU Career Development Centre. The values of the transactions and balances were as follows:

	CONSOLIDATED		SEPARATE	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Transactions				
Grants from National Church	7,548	-798	7,548	-798
Contributions to National Church	0	5,000	0	5,000
Scholarships	35,014	23,010	35,014	23,010
Premises charges to National Church	24,000	24,000	24,000	24,000
Council fees	6,520	5,646	6,520	5,646
Senior management emoluments	166,344	72,902	151,872	72,902
Outstanding Balances				
Due to related party	11,704	0	0	0
Due from related party	-11,704	6	-11,704	0
	=====	=====	=====	=====

The dealings between the National Church and the University are being shown in the General Reserve due to the nature of the transactions.

20. SUBSEQUENT EVENTS

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

21. GOING CONCERN RISK

These financial statements have been prepared on the basis of accounting practices applicable to a going concern. The ability of the University to continue as a going concern is dependent upon generating sufficient revenues and operating cash to ensure that sufficient funds are available to meet expenditure and commitments as and when they fall due. The University's going concern is threatened by the loss and lack of adequate working capital. Solvency ratio has averaged 77% in 2 years (more current liabilities than current assets) as at year end. This level of liquidity is considered low for operational sustainability.

However, the insolvent risk has been mitigated by a financial recovery plan to ensure proper funding of the University for the foreseeable future. These plans have included significant introduction of 6 new programs and rationalization of expenses.





