



ANNUAL REPORT

JULY 2018 to JUNE 2019



MALAWI ASSEMBLIES OF GOD UNIVERSITY
(MAGU)





ANNUAL REPORT AND STATEMENT OF ACCOUNTS

JULY 2018 to JUNE 2019





MALAWI ASSEMBLIES OF GOD UNIVERSITY (MAGU)

**Post Office Box 184,
Lilongwe,
Malawi.**

**Telephone:
+265 (0) 99 8 784 590/+265 (0) 88 4 394 302**

**Emails:
maguinquiries@magu.ac.mw
registrar@magu.ac.mw
maguinquiries@gmail.com**

**Website: www.magu.ac.mw
Facebook: [maguniversity](#)
Twitter: [MAGUniversity](#)**

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ACRONYMS

AWRIM	Association of Women Religious Institutes in Malawi
BA	Bachelor of Arts
BBA	Bachelor of Business Administration
BCom	Bachelor of Commerce
CPU	Computer Processing Unit
CRS	Catholic Relief Services
Dip. M	Diploma in Marketing
D. Min	Doctor of Ministry
ECD	Early Childhood Development
ICA	International Christian Assembly
ICAM	Institute of Chartered Accountants in Malawi
ICT	Information and Communication Technology
KPAs	Key Performance Areas
MAGU	Malawi Assemblies of God University
MA	Master of Arts
MDC	MAGU Distinctive Courses
Mgmt.	Management
MOU	Memorandum of Understanding
MRA	Malawi Revenue Authority
MSc	Master of Science
MW	Malawi
NCHE	National Council of Higher Education
ODL	Open Distance Learning (ODL)
PhD	Doctor of Philosophy
SMEDI	Small and Medium Enterprise Development Institute
TEVETA	Technical and Vocational Education Authority
TMF	Theology and Ministerial Formation
TV	Television
UK	United Kingdom
UCE	University Certificate of Education



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

Greetings! On behalf of the Malawi Assemblies of God University (MAGU) Council, I happily present our report for the 2018/19 academic year. Further we have continued to be the first in a number of critical areas both nationally and internationally.

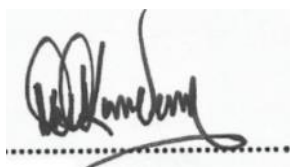
While the economic and societal turbulences continue, both locally and globally, MAGU moved to a higher 'flight' altitude. For starters, NCHE issued to us the accreditation certificate! Being among the first and few universities in Malawi that are duly accredited is no mean achievement. This culminated in MAGU, for the first time ever, appearing on the global university ranking. We are international! This is confirmed by increased registration of international students in our programmes. With this comes the courage and strength to continue pursuing quality and transformational tertiary education.

In the just ended Financial Year, we rolled out new accredited programmes of Doctor of Philosophy (PhD) in Contextual Theology, the Doctor of Ministry (DMin) in Contextual Ministry, Bachelor of Commerce Accounting (Degree Completion), Bachelor of Commerce Monitoring and Evaluation, Bachelor of Science in Early Childhood Development and Bachelor of Arts Community Development. All these programmes are 'firsts' in Malawi, and are all responsive to the country's needs.

Other remarkable feats confirming our resolve to walk the talk are on gender balance, standing out and being counted. Regarding gender balance, the number of female students surpassed that of male students. We are the first to achieve this in our country. Further, our students made news in sports by reaching the top ranks in basketball. Lastly, recognition of our students by professional bodies is yet another achievement which contributes to MAGU being reputable and credible, in all areas.

On the corporate side, we set out to be unique and achieve compliance as required. For one, this annual report and what it contains attests to this. What more demonstration of our vision 'To be a world-class university, culturally relevant, offering transformational education and quality leadership that is applicable locally and globally'? We are a leader even to older institutions of tertiary education in Malawi as far as doing business right is concerned.

I conclude, yet again, by re-assuring all the people of Malawi and the world at large that the Malawi Assemblies of God University will keep producing spirit-empowered leaders through education that is transformational and globally relevant.



DR. WILFRED KADEWA



1.3 VICE CHANCELLOR'S STATEMENT

Choicest greetings on behalf of three great teams of the University: The Students, the Academic and Administrative teams! I write from the varsity whose passion is to **Reach All Nations** (Latin: *Preveniens Omnes Gentes* MAGU's premier motto).

Malawi is in a unique and special dispensation of time. As a country, Malawi, has never been at a time such as this in terms of population and its distribution. Malawi, like many African Countries are the custodians of a youthful population. Seventy Percent of Africa's one billion people are the Youths. These numbers, are in themselves challenges and opportunities. Any African country that does not develop social-humanitarian and economic, capacity and public good infrastructure to accommodate the needs and aspirations of this population block is sitting on a ticking bomb.

Nations have to reinvent all their economic and social-humanitarian services that drive a form of "good life." The demand for countries to increase in their delivery of Public Goods and Services, that is, goods consumed collectively such as good roads, quality schools, strong national defense, good sanitation, excellent health services, etc., has tremendously increased. Countries without proper national visions and the commitment to implement their plans will continue to struggle.



The great opportunity is that Africa's 70% is both a potential labor force and an exciting market for creative goods and services. This therefore, increases the demand for quality, innovative tertiary education of which Malawi Assemblies of God University is a strong contender. MAGU is about developing innovative leaders that change their world.

With this vision—developing leaders—in focus, MAGU continues to grow its capacity to be a world class center for training innovative leaders of the future. The increased numbers of the youths reveal the demand for increased quality tertiary education. MAGU, which now is in its sixth year of operations was established to provide a platform where academic engagement, leadership development and moral and ethical enhancement is provided for its members.

Malawi's future is looked in the seeds of today, the Children and Youths. It is therefore, essential that stakeholders in the education process work towards nurturing the seed for better growth. MAGU has had increased growth in its Academic Programs, Student Services, Strategic Partnerships, Outstanding Student and Experience as it strives to be a place worth choosing by prospective students. It continues to fine tune all its services and infrastructures to respond to the growing demands for quality and well trained leaders to serve their nations.


This Annual Report reveals MAGU's connection to various partners and networks. As a University we continue to cherish the partnership with all Stakeholders. MAGU is privileged to partner with the Government of Malawi through its various ministries such as Ministry of Education, Science and Technology, Ministry of Trade and Commerce and Ministry of Gender, Women, Youth and Children. We also cherish the budding partnerships we continue to grow with various players in the private Sector.

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MAGU's interns and graduates are well received both in the government and in the private Sector of Malawi. This academic year, 2018-2019, despite its challenges, was significant in ensuring that we grow capacity to deliver quality learning and teaching services that impacts and transforms our nation. This indeed is MAGU's trajectory towards "Reaching All Nations by Developing Leaders that Change the World."

With Gratitude,



DR. ENSON MBILIKILE LWESYA



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1.4 EXECUTIVE SUMMARY

The 2018/2019 Financial Year ending on June 30, 2019 was yet again another remarkable and eventful year for the Malawi Assemblies of God University (MAGU). Apart from numerous challenges, the Financial Year 2018/2019 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 the roll out of a number of new programs in three faculties. The Faculty of Theology and Ministerial Formation rolled out two new doctoral programs which the MAGU Senate approved during the 2017/2018 Financial Year. The new programs are Doctor of Philosophy (PhD) in Contextual Theology and the Doctor of Ministry (D. Min) in Contextual Ministry. The Faculty of Commerce and Management also rolled out two programs: Bachelor of Commerce Accounting (Degree Completion) and Bachelor of Commerce Monitoring and Evaluation. Faculty of Education and Applied Sciences rolled out two programs: Bachelor of Science in Early Childhood Development and Bachelor of Arts Community Development. NCHE accredited all these six programs in October 2018.

Another remarkable landmark highlighted in this report is that apparently in the 2018/2019 Financial Year there was a tremendous increase in the number of female students and surpassing the male students' numbers. The university had a total of 617 female students against 556 male students representing an increase of 36.8 percent from the 2017/2018 Financial Year when the University registered 451 female students against 520 male students.

Another remarkable highlight is the formation of the MAGU Alumni Association which aims at achieving effective engagement of MAGU Alumni and use the former students as role models and a source of inspiration to the current students while at the same time acting as career mentors and offering expertise on industry expectations to the institution.

The report further highlights achievement and activities in individual faculties; students' activities and welfare; 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.

The University held its 5th Graduation on November 16, 2018 and two students in the Faculty of Commerce and Management were awarded by ICAM for their performance and graduating with merit passes. In sports, the University had its ladies' basketball team (the She Wolves) winning second position during the 2019 K60 Million National Bank MO626 University Basketball Tournament while the men's team (the Wolves) came out fourth.

With these remarkable strides, it is clear that the University has taken a right course that will help it to achieve various goals and objectives in line with the six key pillars as outlined in the University's 2017-2022 Strategic Plan. The University is still in its formative period and there is still a lot of ground to cover for it to fully grow but during this formative period it has been noted that the University has the ability to learn fast, grow and navigate its way to the top. The progress so far gives hope that the University is on the right track and will continue to be counted as one of the institutions of academic excellence both locally and international.



2.0 KEY PERFORMANCE AREAS

This report highlights achievements made in various Key Performance Areas (KPIs) during the financial year beginning 1st July, 2018 and ending 30th June, 2019. 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.
	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	At least two students to annually be selected for students exchange programs with our strategic partners

2.1.1 HIGHLIGHTS OF PILLAR ONE

2.1.2.1 Students' Enrollment

In the Financial Year under review, students' enrolment registered yet another remarkable increase from the 971 students enrolled in the 2017/2018 Financial Year to 1,173 students. In fact, the Student body of Malawi Assemblies of God University has been growing steadily since its inception in 2013 when it began with just 45 students. Below are students' numbers during the Financial Year under review.

Table 2: 2018/2019 Student Enrolment

Number of Students	Level	Faculty
229	Bachelors	Education
202	Diploma	
97	Certificate	
11	Doctoral	Theology
15	Masters	
32	Bachelors	
1	Diploma	
527	Bachelors	Commerce
59	Bridging	
1,173	Total Number of Students	

Table 3: 2017/2018 Students Enrolment

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



The major development on student enrolment are:

- The Malawi Assemblies of God University (MAGU) held its 5th Graduation on November 16, 2018. During the graduation a total of 113 students were conferred with Certificates, Diplomas and Degrees from different disciplines of study. Out of the total number of graduating students, 66 were male while 47 were female. The graduation was presided over by the University Chancellor Rev Dr. Edward Chitsonga who is also the President of Malawi Assemblies of God Church while the Guest of Honor was The Deputy Director for Higher Education in the Ministry of Education, Science and Technology Dr. Valentino Zimpita. The graduation took place at Sheaffer Conference Hall right within the MAGU Campus. During the graduation, MAGU presented awards to most outstanding students while the Institute of Chartered Accountants in Malawi (ICAM) also presented awards to two students who graduated with highest scores in Bachelors of Commerce in Accounting. The two students were given MK60,000 and MK40,000 respectively.

Table 4: Graduating Students by program

Number of Students		Study Level	Faculty
Male	Female		
25	8	Certificate	Education
3	10	Diploma	
15	16	Bachelors	
19	12	Bachelors	Commerce
2	0	Bachelors	Theology
2	1	Master of Arts	
66	47	Total Number of Students	

2.1.2.2 Staff Compliment

As one way of improving students' academic experience, the year under review saw a further improvement in the student/lecturers ratio. Number of full time lecturers rose from 38 during the 2017/2018 Academic Year to 49 during the 2018/2019 Academic Year. The table below presents a summary of full-time members of academic staff.

Table 5: MAGU Academic Staff Compliment

Department	Male	Female	Total	Staff who left	
				Male	Female
Administration	14	4	18		
Commerce	11	4	15	3	1
Education	7	2	9	1	0
Theology	4	2	6		
TOTAL	33	13	49	4	1

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Table 6: MAGU Part-Time Academic Staff

Department	Male	Female	Total
Commerce	7	0	7
Education	11	2	13
Theology	15	2	17
TOTAL	33	4	37

Notice that the University still has fewer full time workers in the Faculty of Theology because the student body is smaller to warrant an upward adjustment of workers.

2.1.2.3 University Governance

In the 2018/2019 Financial Year the University reviewed the following policies:

- Admissions Policy
- Accommodation Policy
- Students' Assessment Policy
- Examinations Malpractice Policy
- Examination Policy
- Disciplinary Policy
- Non Discrimination Policy

2.1.2.4 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. Academic Programs

During the Year under review the University, through three of its Faculties, rolled out a total of six new programs which NCHE accredited in October, 2018. The Faculty of Theology and Ministerial Formation rolled out two doctoral programs: Doctor of Philosophy (PhD) in Contextual Theology and the Doctor of Ministry (D. Min) in Contextual Ministry. The Faculty of Commerce and Management rolled out a Bachelor of Commerce Accounting (Degree Completion) and a Bachelor of Commerce Monitoring and Evaluation. Faculty of Education and Applied Sciences rolled out Bachelor of Science in Early Childhood Development and Bachelor of Arts Community Development.



Table 7: Accredited Programs

Faculty of Commerce	Faculty of Education	Faculty of Theology
Bachelors Programs: Accounting Accounting (Degree Completion) Banking & Finance Business Administration Human Resources Management Business Information Systems Insurance Marketing Monitoring and Evaluation	University Certificate of Education	Bachelors Programs: Biblical Counseling Biblical Studies Church Education Ministries Intercultural Studies
	Diploma in ECD	
	Bachelors Programs: English History ICT Mathematics Social Studies Community Development Early Childhood Development	Masters Programs: MA Christian Leadership MA Community Psychology MA Intercultural Studies.
		Doctoral Programs: PhD in Contextual Theology D. Min in Contextual Ministry

2.1.2 HIGHLIGHTS BY FACULTY

1. 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 Accounting (Degree Completion)
- BCom Business Administration
- BCom Business Information Systems
- BCom Banking and Finance
- BCom Human Resource Management
- BCom Insurance
- BCom Marketing
- BCom Monitoring and Evaluation

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

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

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Table 8: 2018/2019 Students Enrolment Per Program in the Faculty of Commerce and Management

Programs	Semester	1 st /1 st	1 st /2 nd	2 nd /1 st	2 nd /2 nd	3 rd /1 st	3 rd /2 nd	4 th /1 st	4 th /2 nd
Accounting	1 st Sem.	06	11	04	10	02	12	10	08
	2 nd Sem.	15	06	10	04	04	09	12	21
Banking and Finance	1 st Sem.	03	04	05	04	00	15	13	12
	2 nd Sem.	14	03	03	07	05	00	15	25
Business Administration	1 st Sem.	14	15	14	36	08	20	22	22
	2 nd Sem.	46	10	14	14	26	00	20	39
Business Information Systems	1 st Sem.	08	11	09	07	02	02	02	02
	2 nd Sem.	09	07	11	08	05	02	02	14
Insurance	1 st Sem.	04	05	01	03	07	00	00	08
	2 nd Sem.	00	04	05	01	01	00	08	00
Marketing Management	1 st Sem.	04	01	03	10	04	08	00	00
	2 nd Sem.	08	02	03	02	10	04	08	16
Human Resource Management	1 st Sem.	07	17	16	06	11	19	20	21
	2 nd Sem.	22	06	17	16	06	11	19	22

b) Staff Compliment in the Faculty of Commerce and Management

There is high staff turnover rate in the faculty. This is due to mostly the following:

- Low wages as compared to those of similar qualification working in private organizations or practicing
- Low numbers of qualified professionals which has created high demand e.g. Insurance Professionals.
- Lack of institutional funded for continuous personal development e.g. PhD scholarships.
- High course load as compared to colleagues in public universities.

The tabulation below shows the minimum staff numbers required to carry the seven old Faculty programs and the shortfall that the Faculty had in the past academic year. The numbers tabulated do not include requirements for the weekend mode of delivery.

Table 9: Staff Minimum Requirement for the Faculty of Commerce

Grouping	Minimum Requirement	Current Levels			
		July – Dec. 2018		Jan – June 2019	
		Current	Shortfall	Current	Shortfall
Business Administration	5	2	3	3	2
Accounting	6	2	4	2	4
Banking and Finance	4	2	2	2	2
Business Information Systems	4	2	2	2	2
Human Resource Management	3	1	2	2	1
Insurance	3	0	3	0	3
Marketing Management	4	2	2	2	2
Economics/ Statistic	2	2	0	2	0
TOTAL	31	13	18	15	16



The following methods were used in order to deal with this acute staff shortage which included giving extra courses to regular staff, use of adjunct lecturers and not offering the courses as per route map.

Table 10: Tabulation of division of courses to deal with shortage of staff

Broad Course Groupings	Courses Taught By Regular Lecturers as extra courses		Courses Taught By Adjunct Lecturers		Courses Not Taught	
	Jul – Dec. 2018	Jan – Jun 2019	Jul – Dec. 2018	Jan – Jun 2019	Jul – Dec. 2018	Jan – Jun 2019
Business Administration	10	01	00	04	00	06
Accounting	16	06	02	06	00	05
Banking and Finance	06	01	03	02	00	03
Business Information Systems	06	02	00	02	00	04
Human Resource Management	06	00	04	03	00	04
Insurance	00	00	04	00	07	00
Marketing Management	04	00		01	00	05
Economics/ Statistic	03	00	01		00	00
TOTAL	51	10	14	18	7	37

c) Major Activities in the Faculty of Commerce

During the period under review the following developments and activities took place:

- Roll out of New Programs:** The Faculty rolled out two new programs which the National Council for Higher Education (NCHE) accredited in October, 2018. The two programs are Bachelors of Accounting (Degree Completion) and Bachelors of Commerce: Monitoring and Evaluation. The faculty is working on resubmission of the three co-operative programs and the Masters of Administration majoring in Finance.
- MOU with Mota Engil:** The faculty signed an MOU with Mota Engil on Student Work Placement. This MOU will see Mota Engil providing placement for practical training for students from the faculty.
- Public Lecture:** Mr. Frank Ngalande, a member of the University's Faculty of Commerce and Management hosted a public lecture on April 12, 2019 at the Sheaffer Hall within MAGU Campus. The lecture was one of the efforts by the lecturers in line with the University's policy to inspire, empower and instill a sense of purpose and leadership in the general public for the benefit of the Nation. The public lecture titled "Cities as Engines of Malawi's economic growth", revolved around sharing insights on the potential that cities have regarding their contribution to economic growth. At the center of the lecture was an acknowledgment of the role of state and non-state actors on various development initiatives in the country. In addition, the lecture also provided an opportunity to stimulate minds to begin questioning development efforts and planning economic growth. Mr. Frank Ngalande is a distinguished lecturer in the Faculty of Commerce and Management with the following academic credentials; MSc Mgmt.-Merit (UK), DipM CIM (UK), BBA (MW). At MAGU, he is a lecturer in following courses; Marketing Management, Fundamentals of Marketing, E-Marketing and Social Media Marketing.

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Apart from members of staff from MAGU administration and other faculties as well as students, the following were also part of the audience during the public lecture: Mrs. Mercy Dube, who is the Director of Urban Development in the Ministry of Lands, Housing and Urban Development and her team, Miss Vera Kintu Oling from the African Development Bank, MAGU Deputy Vice Chancellor Dr. Devin Nkhoma, and MAGU Dean of the Faculty of Commerce and Management Ms. Pamela Mubbunu.

d) Key Success Story from the Faculty

The 2018/2019 graduating class had several students who graduated with merits passes. Two Accounting students were awarded by ICAM for their good performance.

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 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

Table 11: Lecturers (Faculty of Education and Applied Sciences)

Program	Number of full time lecturers		Number of part time lecturers		Total
	Male	Female	Male	Female	
BED sciences	2	0	5	1	8
BED Humanities	1	0	2	0	3
BED Language and linguistics	1	1	3	2	7
BA Community development	1	0	1	1	3
BSC Early Childhood Development/diploma ECD	1	1	3	2	7
TOTAL	6	2	14	6	28



The 2018/2019 lecturer formation indicates that the Faculty had only Eight (8) full time lecturers against 20 part-time lecturers a situation which has brought some challenges mainly lecturers being unable to meet deadlines especially in areas of formulation of examinations and submission of results.

Table 12: Students numbers in the Faculty of Education and Applied Sciences

Program	Number of Students		Total
	Male	Female	
BED Sciences	14	7	21
BED Humanities	12	12	24
BED Language and linguistics	24	31	55
BA Community development	15	33	48
BSC Early Childhood Development	15	60	75
Diploma ECD	56	146	202
UCE	68	26	94
TOTAL	204	315	519

Based on the table the total number of students enrolled in the faculty of education was 519. In the 2018/2019 Financial Year the Faculty registered a 49.7% increase in students' enrolment from the 261 total students registered. This improvement on enrolment has been mainly because of the introduction of new programs in the Faculty.

c) Highlights of Activities in the Faculty during the Year

- **Students Enrolment:** The faculty registered an increase in the number of students enrolling for Early Childhood Development which indicates that the program has been introduced at the right time.
- **External Resource Personnel:** The Faculty engaged various stakeholders as external resource personnel. For example; two members from the Ministry of Gender, Children, Social Welfare and Disability were used as resource people in classes.
- **Faculty Presentation:** The Faculty had a presentation by one of the lecturers in the Faculty Mr. Andrew Salima on "the rise and fall of King Mansa Musa and its lessons to the present" on campus. The presentation was aimed at enlightening the society on lessons that can be learnt from History and its application to the current situations. Further, it was aimed at instilling the spirit of research and dissemination in students and lecturers and also to further community engagement. Various people attended the session, hence, putting the University as a hub for learning and promoting awareness.
- **Engagement of MAGU Lecturers as Regional Trainers:** Mrs. Zioliwe Namondwe, the acting Dean of the Faculty and Mr. Edwin Msiska, the Head of Department, were engaged as regional trainers for Care for Child Development in Blantyre at Victoria Hotel.

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- **MOUs with CRS and AWRIM:** The Faculty signed a Memorandum of Understanding (MOU) on training with Catholic Relief Services (CRS) and Association of Women Religious Institutes in Malawi (AWRIM). The agreement is important as a source of income for MAGU in that whenever there is need for training of AWRIM staff members by MAGU lecturers, the University will be getting 30% of the professional allowances. The agreement also benefits staff members as they will be able to gain more experience in research and consultancies and will also promote community engagement through participation of stakeholders and Faculty members.
- **Enrolment of MAGU students into Master's program:** Three of the Alumni from the faculty have been enrolled for Master's in Education in other universities.
- **Research, consultancy, community engagement:** During the reporting year, a number of University lecturers were engaged in different research activities as follows:
 - a) Mr. Edwin Msiska, the Head of Department, is preparing to do a research to investigate Use of Learner-Centered Methods in Classrooms at MAGU.
 - b) Mrs. Zioliwe Namondwe, Mr. Chimphelo and Mr. Lloyd Nyirenda in collaboration with Help a Child Organization are working on a research on Professionalizing of ECD in Malawi.
 - c) Mr. Lloyd Nyirenda and Mrs. Zioliwe Namondwe are working on a research on the Impact of Economic Hardships on Children's Social Emotional Development in Malawi.

d) Publications by Faculty of Education Members

- By Lamech M. Chimphero, R. Holm and M. Tembo: Community Based Structures Working for Functional Rural Water Supply Facilities among the Tonga Culture in Nkhata Bay District, Physics and Chemistry of the Earth (Elsevier, 2017).
- By Lamech M. Chimphero: Understanding Challenges in this Present World: The Battle Belongs to the Lord (Powerhouse Publishing, 2017).
- By Lamech M. Chimphero: Evaluation of Supply Chain Policies and Procedures for World Vision Malawi—Dissertation for Master's in Strategic Management-University of Derby.
- By A.R. Ngwira, V.H. Kazembe, G. Kambauwa, W.G. Mhango, C.D. Mwale, L.M. Chimphero, A. Chimbizi and P. Mapfumo: Scaling out Best Fit Legume Technologies for Soil Fertility Enhancement among Smallholder Farmers in Malawi (African Journal of Agricultural Research, 2012 7(6), 918—928).
- By Suzgo Mnyamula Kamanga: Weight Distribution of Binary Cyclic Codes Having the All-One Vector (Lambert Academic Publishing, Latvia, 2019).
- By Zioliwe Namondwe: Monitoring Public Participation Processes at Local Government Level: With Specific Reference to Agricultural Processes in Ntcheu District (Mediterranean Journal of Social Sciences, 2014).



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
- Doctor of Philosophy in Contextual Theology
- Doctor of Ministry in Contextual Ministry

b) Students and Staff Compliments in the Faculty of Theology

The 2018/2019 enrolment in the faculty had a total of 12 students in the PHD program comprising of Ten (10) male and Two (2) female students while the MA program had a total of 14 students, Eight (8) male and Six (6) female students and BA program had a total of 40 students comprising of 33 male and Seven (7) female students. In total the faculty had 66 students.

Table 13: Students numbers in the Faculty of Theology

	Program	Number of Students		
		Male	Female	Total
1.	PHD	10	2	12
2.	MA	8	6	14
3.	BA	33	7	40
TOTAL		51	15	66

In the reporting period the faculty had Three (3) lecturers comprising of Two male and One (1) female lecturers.

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c) Highlights of Activities from the Faculty of Theology

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

- **Introduction of New Programs:** The major highlight within this Faculty during the year under review was the introduction of two new doctoral programs which the MAGU Senate approved during the 2017/2018 Reporting Year and were duly registered with NCHE in the same reporting year. The programs are:

-PhD in Contextual Theology

- Concentration 1: Urban Missiology
- Concentration 2: Transformational Leadership
- Concentration 4: Pentecostal and Charismatic Studies

The Doctor of Philosophy (PhD) in Contextual Theology is a degree that seeks to integrate Biblical studies and theology and the understanding of social-cultural contexts informed by social science methods. The program integrates transformational leadership in missions, education, civil society, social and political fields. This degree will provide a rather all-inclusive or comprehensive expertise in expressing and understanding of theology within various fields. This degree will prepare graduates for theological, educational, pastoral and community leadership in churches, civil society, private and public sector, and educational institutions.

-DMin in Contextual Ministry

- Concentration 1: Urban Missiology
- Concentration 2: Transformational Leadership
- Concentration 3: Bible and Society
- Concentration 4: Pentecostal and Charismatic Studies

The Doctor of Ministry (D. Min) in Contextual Ministry is a ministry degree program designed to enhance the leadership skills of individuals engaged in missional, church and community ministry. The degree program is appropriate for pastors, para-church leaders, urban ministry leaders, educators, and mission leaders.

- **MOU with Igreja Evangelica Assembleia De Deus Alfa E Omega:** The University signed an MOU with Igreja Evangelica Assembleia De Deus Alfa E Omega of Mozambique. This MOU will be for five (5) years beginning 2020 renewable and can be terminated after 6 months' notice.
- **MOU with Pan-African Theological Seminary:** Currently another MOU between the University and Pan-African Theological Seminary is at an advanced stage of discussions. This MOU will be for five (5) years beginning 2020 renewable and can be terminated after 6 months' notice.
- **Community Engagement:** MAGU through the Faculty of Theology has planted one church at Kabyala in Mchinji. The Faculty also organized a series of personal evangelism outreaches especially at Madzi in Lilongwe.



2.1.3 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. MAGU Basketball Teams participation in MO626 Tournament:

In the Year under review the Men's and Ladies Basketball Team (the Wolves and the She Wolves) participated in the K60 Million National Bank MO626 University Basketball Tournament. At the end of the tournament MAGU Ladies Basketball finished on second position while the MAGU Team came out on fourth position. The She Wolves walked away with MK1,000,000.00 prize money while the Wolves got a token of appreciation from MAGU administration for the effort.

II. MAGU Football Team

In the 2018/2019 Financial Year, the University's Football Team was also active playing a number of games with various teams. The highlights of the year under review include the team's 5-0 win over Gulliver FC on April 14, 2019.

III. MAGU Ng'ombe Party

In the Financial Year under review, the University again organized the Annual Cultural Day, an event meant to celebrate different cultures of different local and international students that the University host. The theme of the 2018/2019 Cultural Day was "Ng'ombe Party" in which a whole cow was slaughtered for braai. The day was organized by joint efforts between the Administration and the Student Council. Beyond the celebration of culture, the day also provides an opportunity for the students and staff to socially interact.

IV. MAGU Cultural Event

The 2018/2019 Cultural event also provided an opportunity for the University to celebrate the achievement of MAGU Basketball Teams (the Wolves and the She Wolves) in the MK60 million MO626 College Basketball Tournament. This is an annual event. Apart from Malawian students, the University has international students who among them are some from Swaziland, South Africa, Tanzania, Zambia, Zimbabwe, Rwanda, Burundi and Mozambique.

IV. Mr. and Miss MAGU

On May 25, 2019, the University once again held the Mr. and Miss MAGU contest. During the event Eldridge Madalo Msona was crowned Mr. MAGU 2019 while Mildred Mungoshi won the Miss MAGU 2019 contest. Mr. and Miss MAGU contest is done 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. The show also gives a platform to students artists to showcase their talents in music and dancing. Eldridge and Mildred are both a Bachelor's of Science in Early Childhood Development students.

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2.1.4 INFRASTRUCTURE DEVELOPMENT AND ACQUISITIONS

This section outlines various notable physical infrastructure development activities and acquisitions done in the reporting Year of 2018/2019 to enhance the learning-teaching process.

- With increased student's enrollment, the University embarked on buying two sets of tables and chairs. Two consignments of these tables and chairs were delivered to the University. The first consignment comprised of 100 tables and 100 chairs bought from Capital Furniture estimated at MK10 million while the second consignment had 200 tables and 200 chairs bought from Ralph Trading at a cost of MK10 million. The second consignment would cater for at least 400 students.
- The University bought and installed a new Projector in the chapel at a cost of MK800,000 and mounted a projector screen in the chapel.
- The University has started installing steel cages in all toilets to deal with the challenge of theft of toilet fittings which led to the University continuously carrying out heavy maintenances and kept of replacing the fittings.
- The University managed to engage ESCOM to supply power at the revival square area and power has since been supplied already.
- The University, through Sheaffer Funds, managed to paint the administration block and some staff houses except education and commerce offices.
- The University purchased 10 new office tables for lectures across all faculties at an estimated cost of MK1 million.
- The University purchased 10 new classroom tables for lectures across all faculties, however due to challenges with office desks, all these new classroom tables are being used as office desks.
- The university bought a work station for Commerce lecturers at an estimated cost of MK700,000.
- The University has created three additional offices, through steel partitioning in the main administration block. This undertaking was at an estimated cost of MK2 million.
- The University bought some boardroom furniture at an estimated cost of MK6 million.
- The University bought an Air Conditioner for the boardroom at estimated cost of MK600,000.
- The University serviced all the six fire extinguisher around the campus at an estimated cost of MK250,000.
- The University has installed WI-FI in all external hostel facilities to help students during studies and security alarms to beef up security for the students. These external hostels are: Area 14 Hostels being operated by Diamond Trading and Area 47 Hostels operated by Mr. Kayinga.
- The University has bought 10 hostel tables at a an estimated cost of MK300,000.
- The University also purchased the following items:
 - Television set for students at an estimated cost of MK600,000.
 - Musical Mixer for the chapel at an estimated cost of MK300,000.
 - Amplifier for the chapel at an estimated cost of MK900,000.
 - A Sanitary Napkin Incinerator at an estimated cost of MK3 million.
- The university acquired 100 steel ladders for bank beds at an estimated cost of MK400,000.
- The borehole at the new campus has been repaired is now functional.

2.1.5 SERVICE LEVEL AGREEMENTS

The Malawi Assemblies of God University (MAGU) outsources Accommodation, Catering, Internet, Software, Stationery, and Security services. To ensure quality is maintained, in the 2018/2019 Financial Year, MAGU signed Service Level Agreements with the following suppliers:

Table 14: Lifelong Community

Supplier	Category	Duration
Chatowa Caterers	Catering	1 Year
Onani Caterers	Catering	1 Year
Chef Works	Catering	1 Year
G4S Security Services	Security	1 Year
Glalle Stationery	Stationery	1 Year
Deekay Supplies	Hardware	1 Year
Edson Nwagou	Accommodation	1 Semester
S. Kainja	Accommodation	
Computer Automation	Internet	1 Year
Chriscom	Student Management System	1 Year
Binary Solutions	Sage Accounting Software	1 Year
Bambino Schools	Sporting Facilities	Pending

2.1.6 STUDENTS WELFARE

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

I. Hostel management

- **Student's accommodation:** The University still faces a big challenge of space following an increase in enrollment. To deal with the challenges of accommodation, the University has gone into agreements and signed MOUs with various hostel providers. Fifty female students are now accommodated in a hostel provided by Diamond Trading in Area 14 while 50 male students are accommodated in a hostel provided by Mr. Kayinga in Area 47. The University also 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 students were relocated to Chapola Hostel and 73 female students were relocated in Gilbert Banda Hostel.

II. Furniture

- With increased student's enrollment, the University embarked on buying two sets of tables and chairs. The first lot comprised of 100 tables and 100 chairs while the second had 200 tables and 200 chairs. The second lot would cater for at least 400 students.

III. Assorted amenities

- The University purchased the following items: A Television set for students and an Incinerator.

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 15: 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. Two activities held by the alumni association with current students.
	Develop social media platforms for lifelong interaction with our alumni		
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 activities organized by the alumni association.	
To share with the community the university resources	Promote interaction between alumni, current students and the community through charity programs and sporting activities.	Number of outreaches held by students, staff and alumni.	

2.2.1 HIGHLIGHTS OF PILLAR TWO

2.2.1.1 MAGU Alumni Association

For effective engagement of MAGU Alumni, the University in the Year under report established the Malawi Assemblies of God University Alumni Association. MAGU administration invited the university's alumni to discuss and create the Alumni Association. The meeting was a success and a committee was formed leading to the official creation of the Alumni Association. This is in recognition of the value of the positive contribution of the alumni as ambassadors of the institution.

The Alumni Association committee has the following officers; Chairman; Vice Chairman; Treasurer; Secretary; Publicity Secretary; Committee Members; and the Welfare Director. The main roles and responsibilities of the Alumni Association members will be: Role Models and a source of Inspiration to the students; acting as Career Mentors; offering expertise on industry expectations to the institution; offering an opportunity for students to access professional development; assisting in student retention efforts; assisting efforts in mobilizing funding for the institution; and supporting the safeguard of MAGU's Reputation.

2.2.1.2 Spiritual Formation through Other Related Spiritual Activities

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

- During the year, MAGU through the Faculty of Theology planted one church at Kabyala in Mchinji.
- The Faculty of Theology also organized a series of personal evangelism outreaches especially at Madzi in Lilongwe.



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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 16: 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 Number of research output jointly published which are international co-authored Number of MOU with industrial players	Two staff members to be awarded PhDs scholarships with international or local universities every two years. One joint publication per faculty per year. Create over twenty scholarships for students across all faculties per year Develop two (2) practicum MOU's with the industry every year
	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		
Maximize resources	Seeking joint research opportunities with local and international organizations.		
Contribute to local and international research initiatives.			
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.		

2.3.1 HIGHLIGHTS OF PILLAR THREE

2.3.1.1 MAGU participates in SMEDI Trade Fair

In a bid to achieve some of the goals under this pillar which among them is seeking industrial local and international recognition, in the 2018/2019 Financial Year MAGU was one of the participant and the only one from the academia at a two-day trade fair held in Lilongwe from May 3 to 4, 2019, organized by the Small and Medium Enterprise Development Institute (SMEDI), a parastatal organization under the Ministry of Industry, Trade, and Tourism, MAGU, through its marketing team, was among several Malawian entrepreneurs and institutions who showcased their services during the trade fair. Apart from showcasing the University's services, MAGU team also took it as an opportunity to reach out to prospective students especially that the University had started receiving applications for the August 2019 intake.

2.3.1.2 Old Mutual Life Cover 360 Wellness Fair

The University in the Year under review also participated in the Old Mutual Life Cover 360 Wellness Fair held on June, 22, 2019 in Lilongwe where Old Mutual also launched the Mlera Life Cover, a protection policy designed to pay out a lump sum when the person insured dies within a set term. Old Mutual extended an invitation to MAGU to have an information booth where people had an opportunity to get information about the institution in regards to the programs and courses on offer. This invitation was extended to MAGU as one of the benefits of Mlera Life Cover is provision of a lump sum to cater for the costs of raising children and paying for school fees for secondary school or university students.

2.3.1.3 Links with Other Stakeholders

- The Faculty of Education and Applied Sciences engaged various stakeholders as external resource personnel. For example; **two** members from the Ministry of Gender, Children, Social Welfare and Disability were used as resource people in classes.
- Mrs. Zioliwe Namondwe, the acting Dean in the Faculty of Education and Applied Sciences and Mr. Edwin Msiska, the Head of Department in the Faculty were engaged as regional trainers for Care for Child Development in Blantyre at Victoria Hotel.
- Several MOUs were signed with various institutions both locally and international as one way of enhancing the University's network. The Faculty of Education signed a Memorandum of Understanding (MOU) with Catholic Relief Services (**CRS**) and Association of Women Religious Institutes in Malawi (**AWRIM**); **Faculty of Theology signed** an MOU with Igreja Evangelica Assembleia De Deus Alfa E Omega of Mozambique; and currently the Faculty of Theology is also discussing with the Pan-African Theological Seminary for a possible MOU.
- **Community Engagement:** MAGU through the Faculty of Theology has planted one church at Kabyala in Mchinji. The Faculty also organized a series of personal evangelism outreaches especially at Madzi in Lilongwe.
- Three of the Alumni from the Faculty of Education and Applied Sciences have been enrolled for Master's in Education in other universities.

2.3.1.4 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, during the reporting year the University put into effect the 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.

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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 17: 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.	<p>Increase external resources secured from our Global Networks.</p> <p>Establish comprehensive partnerships with 5 universities in Africa and beyond for the next five years</p> <p>Introduce three international programs initiated and sustained by MAGU in the next five years.</p> <p>Establish MAGU research grants for international networks impact</p>
	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 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.		
	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.		
	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

- MOUs with international institutions:** To enhance its global impact, international positioning and ability to address contemporary challenges through global partnerships, the University, through the Faculty of Theology, signed an MOU with **Igreja Evangelica Assembleia De Deus Alfa E Omega** of Mozambique and the University is also currently discussing with the **Pan-African Theological Seminary** for another possible MOU. These international MOUs help MAGU to have influence in the Southern Africa region and broaden the University's areas of Research while exposing MAGU lecturers to international community and environment.

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 18: 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 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

During the period under review, the University spent K27.2 million on students scholarships. The scholarship available at MAGU were: work scholarship covering K60,000 to offset tuition fees; student pastors' scholarship where each student is entitled to K230,000 to partially cover tuition and full boarding fees; and lastly pastors' children scholarship whereby each is entitled to K575,000 (100%) to offset tuition and boarding fees. MAGU is in the process of establishing an endowment fund to finance the cost of scholarship.

2.5.1.3 Community Engagement Policy

During the reporting year, the University put into effect the 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 Policy will 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, the University has also put into effect the Social Media Policy to provide guidance for employee's 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.

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 19: 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		
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	Increased enrollment of mature students as well as those with special needs	Introduce at least four new ODL programs every year.
	Acknowledging and appreciating diversity within the framework of MAGU core values.	Increase enrolment of students from different backgrounds	Opening of ECD demonstration center in years' time.
	Ensuring that students and staff with special needs have equal access to the necessary facilities and are supported accordingly	Proportion of female faculty members	Increase proportion of female academic staff to 40% in 5 years
	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

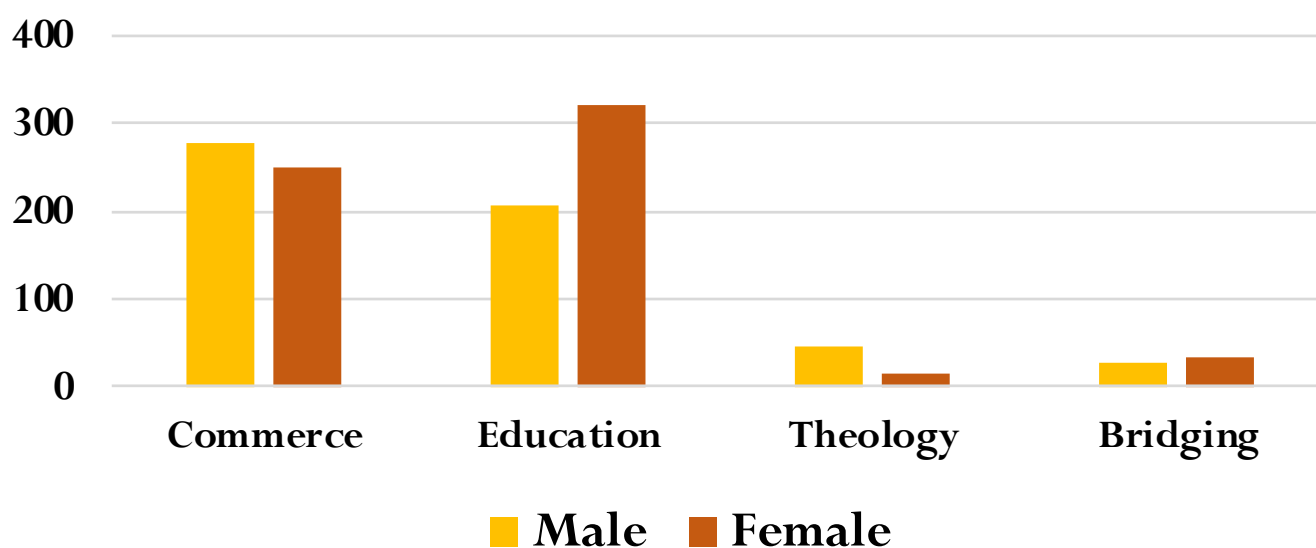
2.6.1.1 Male/Female Students' enrollment

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.

Table 20: Total numbers of Male/Female students for 2018/2019

Faculty	Male	Female	Total
Commerce	277	250	527
Education	207	321	528
Theology	45	14	59
Bridging	27	32	59
Total	556	617	1,173

Male/Female 2019 First Year Enrolment



Apparently in the 2018/2019 Financial Year there was a tremendous increase in the number of female students and surpassing the male students' numbers. The university had a total of 617 female students against 556 male students representing an increase of 36.8 percent from the 2017/2018 Financial Year when the University registered 451 female students against 520 male students.

2.5.1.4 Gender Policy

During the year under review, the University put into effect 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 basically ensure equality and equity when dealing with students regardless of gender. The Policy was 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 shows 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

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):

- **Hostel Tables and Wardrobes:** The University has inadequate tables and wardrobes in the students' hostels. There is a need for the University to acquire adequate tables and wardrobes for the hostels.
- **Maintenance of campus structures:** The campus is now twenty-six years old and a lot of structures are in dire need of maintenance. The major and urgent maintenance work currently is the ceiling and roofing wooden structure that are eaten by termites while the majority of the buildings needed to be painted. The buildings have since been painted as part of the on-going maintenance works.
- **Ventilation and Drainage Systems:** The Revival Square Garden campus structural systems need redesigning and putting in place additional facilities to the systems. Of great concern, for example is the ventilation system which was poorly designed and does not function properly and the drainage system was also poorly installed. Work is being undertaken to improve both ventilation and the drainage system.
- **Water Supply:** Water system to sustain the ground green is a challenge and the proposal was to make use of the borehole at new campus to supply water to the main campus.
- **Accommodation:** Accommodation space is still a challenge.
- **Safeguarding Door Keys:** The University faces a lot of challenges in safeguarding door keys as a result the University replaces locks every semester. The proposal on the safety of door keys is to have an electrical locking system.
- **Office Space:** Office space is still a challenge with some of the officers using the boardroom to do their work. The proposal on this is to create additional offices at the classroom block.

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.

MAGU ANNUAL REPORT

JULY 2018 to JUNE 2019

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.



FINANCE DEPARTMENT REPORT

This section provides a summary of the major activities undertaken by the Finance Department during the twelve months of the 2018/2019 Financial Year and the audited Financial Statement for the year is also appended. It suffices to state that all the Management Accounts for all Four Quarters were presented and approved in the regularly held Council Meetings. Furthermore, it suffices to state that the Audit Report for this period is ready to be presented to the MAGU Council:

MAJOR HIGHLIGHTS FROM THE FINANCE DEPARTMENT

- **Students Scholarships**

During the period, the University spent K27.2 million on student scholarships. The scholarship available at MAGU were: work scholarship covering K60,000 to offset tuition fees; student pastors' scholarship where each student is entitled to K230,000 to partially cover tuition and full boarding fees; and lastly pastors' children scholarship whereby each is entitled to K575,000 (100%) to offset tuition and boarding fees. MAGU is considering to set an endowment fund to finance the cost of scholarship.

- **Governance Issues**

During the period, the University engaged the services of Aleksandr Consulting, an external auditor to audit books of accounts of the University for the period 01/07/18 to 30/06/19. In order to have a broader picture of the performance of the University and its Subsidiary Company, the accounts of the University were consolidated with the accounts of its Subsidiary Company (MAGU Career Development Centre). The auditor expressed unqualified opinion on the consolidated report.

- **Training and Staff Development**

As part of Continuous Professional Development, in September, 2018 the University funded two members of staff in finance section and one member in academic to attend Institute of Chartered Accountants (ICAM) Conference held at Nkopola Lodge in Mangochi.

In March, 2019 three members of staff in finance section also attended an accounting software (ACCPAC ERP 300) training at Cape Maclear in Mangochi organized by Binary System Limited who are the consultants of the system in Malawi.

- **Students Registration**

For the first time, all the students who reported for classes were able to register in the system and the process enabled the institution to have the correct students' population which is a very vital tool in planning of students activities. During the year, we had a students' population of 1,173 as opposed to the projected number of 1,106.

MAGU ANNUAL REPORT

JULY 2017 to JUNE 2018

• Software Installation Policy

During the year under report, the University put into effect a Software Installation Policy after observing that allowing employees to install software on MAGU computing devices opens up the organization to unnecessary exposure and that conflicting file versions or DLLs which can prevent programs from running could be installed leading to massive introduction of malware from infected installation software and unlicensed software. There have also been fears of some programs which could be used to hack the organization's network. The Policy outlines the requirements around installation of 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 devices. The policy also covers all computers, servers, smartphones, tablets and other computing devices operating within MAGU.

• Assets Acquisition

During the year under review, the University through the Finance Department acquired the following asset:

- (a) Photocopier for printing of exams.
- (a) Students TV and a decoder.
- (b) Second hand Nissan Caravan and Toyota Lactis.
- (c) Textbooks for Faculty of Commerce.
- (d) Laser Jet, Desktop, CPUs and Laptops

• Assets Disposal

During the year under review, the University through the Finance Department disposed off the following assets:

- (a) Toyota Hilux

• Subsidiary Activities

The University through the Finance Department also undertook the following activities:

- (a) Office partitioning for new lecturers.
- (b) Designing and bills of quantities for new campus toilet block.
- (c) Refurbishing and turning kitchen into a boardroom which was furnished with an executive table, chairs and air conditioner.





MALAWI ASSEMBLIES OF GOD UNIVERSITY AND ITS SUBSIDIARIES
FINANCIAL STATEMENTS

FOR THE YEAR ENDING
30TH JUNE 2019



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

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MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

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 2019.

Nature of business

MAGU is a Malawi Assemblies of God University that has undergraduate and post graduate programmes. It was incorporated as a Limited guarantee University 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 for 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

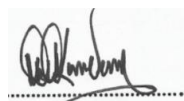
The Executive powers of the University are in the University Council. The following are members who held office during the year:

Dr. Wilfred Kadewa	Chairperson
Prof. Dr. Isaac Lamba	Vice Chairperson
Dr. Enson Lwesya	
Mr. Albert Neba	
Dr. Liveness Banda	
Dr. Ken Ndala	
Rev. Dr. Jim Botomani Mbewe	
Rev. Donex Mwenisungu	
Rev. Daniel Masamba	
Dr. Devin Nkhoma	
Mrs. Beatrice Chiweza	

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: 2nd November, 2019



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

STATEMENT OF UNIVERSITY COUNCIL'S RESPONSIBILITIES

The University Council is required by the 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.

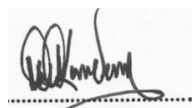
Going Concern

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 2nd November, 2019 and were signed on its behalf by:



Council Chairperson



Council Member

Date: 2nd November, 2019

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

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 (MAGU) which comprise the statement of financial position as at 30 June, 2019 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 29.

In our opinion, the University's financial statements present fairly, in all material respects, the financial position of the University as at 30 June, 2019 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 for 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 University'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 University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University'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 2019

- 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 University'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 University'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 University 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 University'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.

The engagement partner on the audit resulting in this independent auditor's report is **Aleksandr-Alain Kalanda**, Malawi Accountants Board registration number CA/RP/018

Aleksandr

.....
Per Aleksandr-Alain Kalanda MBA, FCCA, CA (M), BCom.

Aleksandr Consulting

Certified Public Accountants and Business Advisors

Lilongwe (Malawi)

Date: 2nd November 2019



♦ Area 18 Plot # 1903
♦ Tel: +265 999 830 332

P.O. Box 1424 Lilongwe
+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 2019

STATEMENT OF COMPREHENSIVE INCOME

IN THOUSAND MALAWI KWACHAS

		CONSOLIDATED		SEPARATE	
	Note	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Income	4	832,360	669,561	807,143	655,570
Direct expenses	5	-650,434	-562,972	-623,612	-543,429
		-----	-----	-----	-----
Gross Profit		181,926	106,589	183,531	112,141
Other income	6	141,293	126,662	141,265	126,598
Administration expenses	7	-268,850	-271,475	-260,077	-259,862
		-----	-----	-----	-----
Profit Before Tax		54,369	-38,224	64,719	-21,123
Income tax expense	8	-15,465	0	-15,465	0
		-----	-----	-----	-----
Profit For The Year		38,904	-38,224	49,254	-21,123
		=====	=====	=====	=====



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

STATEMENT OF FINANCIAL POSITION

IN THOUSAND MALAWI KWACHA

		CONSOLIDATED		SEPARATE	
	Note	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	5,645,308	5,787,507	5,644,778	5,786,711
		-----	-----	-----	-----
Total Non-Current Assets		5,645,308	5,787,507	5,644,778	5,786,711
		-----	-----	-----	-----
Current Assets					
Short term Investments	10	1,778	2,996	1,778	2,996
Related party	11	0	0	12,137	11,704
Trade and other receivables	12	146,856	106,351	146,718	105,911
Cash and cash equivalents	13	16,450	7,841	16,038	7,841
		-----	-----	-----	-----
Total Current Assets		165,084	117,188	176,671	128,452
		-----	-----	-----	-----
Total Assets		5,810,392	5,904,695	5,821,449	5,915,163
		=====	=====	=====	=====
EQUITY AND LIABILITIES					
Equity					
General reserves		27,187	32,707	27,187	32,707
Revaluation reserves		5,573,366	5,735,902	5,573,366	5,735,902
Retained earnings		-93,552	-61,851	-64,647	-44,750
		-----	-----	-----	-----
Total Equity		5,507,001	5,706,758	5,535,906	5,723,859
		-----	-----	-----	-----
Current liabilities					
Trade and other payables	14	277,325	174,616	259,477	168,114
Tax Payable	15	26,066	10,601	26,066	10,601
Bank overdraft	12	0	12,720	0	12,589
		-----	-----	-----	-----
Total Current Liabilities		303,391	197,937	285,543	191,304
		-----	-----	-----	-----
Total Equity and Liabilities		5,810,392	5,904,695	5,821,449	5,915,163
		=====	=====	=====	=====

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

STATEMENT OF CHANGES IN EQUITY

IN THOUSAND MALAWI KWACHA

CONSOLIDATED

	General reserves	Revaluation Reserve	Retained Earnings	Total
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
	=====	=====	=====	=====
As at 1 July 2018	32,707	5,735,902	-61,851	5,706,758
Prior year adjustment	0	0	-70,605	-70,605
	-----	-----	-----	-----
As at 1 July 2018 restated	32,707	5,735,902	-132,456	5,636,153
Additions	24,000	0	0	24,000
Deductions	-29,520	0	0	-29,520
Depreciation of revalued assets	0	-162,536	0	-162,536
Profit for the year	0	0	38,904	38,904
	-----	-----	-----	-----
As at 30 June 2019	27,187	5,573,366	-93,552	5,507,001
	=====	=====	=====	=====

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 2019

STATEMENT OF CHANGES IN EQUITY

IN THOUSAND MALAWI KWACHA

COMPANY

	General Reserves	Revaluation Reserves	Retained Earnings	Total
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
Addition	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	-21,123	-21,123
	-----	-----	-----	-----
As at 30 June 2018	32,707	5,735,902	-44,750	5,723,859
	=====	=====	=====	=====
As at 1 July 2018	32,707	5,735,902	-44,750	5,723,859
Prior year adjustment	0	0	-69,151	-69,151
	-----	-----	-----	-----
As at 1 July 2018 restated	32,707	5,735,902	-113,901	5,654,708
Additions	24,000	0	0	24,000
Deductions	-29,520	0	0	-29,520
Profit for the year	0	0	49,254	49,254
Depreciation of revalued assets	0	-162,536	0	-162,536
	-----	-----	-----	-----
As at 30 June 2019	27,187	5,573,366	-64,647	5,535,906
	=====	=====	=====	=====

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 2019

STATEMENT OF CASH FLOWS

IN THOUSAND MALAWI KWACHA

	CONSOLIDATED		SEPARATE	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities				
Profit before taxation	54,369	-38,224	64,719	-21,123
Depreciation	41,903	29,546	41,637	29,280
Gain sale of assets	-1,000	-132	-1,000	-132
Bank interest	-1,808	-1,844	-1,780	-1,780
Prior year adjustment	-70,605	-24,724	-69,151	-24,724
	-----	-----	-----	-----
Operating profit before working capital changes	22,859	-35,378	34,425	-18,479
Movement in trade receivables	-40,505	-23,769	-40,807	-23,329
Movement in trade payables	102,709	71,786	91,363	65,284
Movement in related party	0	0	-433	-11,704
Movement in short term Investments	1,218	5,005	1,218	5,005
	-----	-----	-----	-----
Cash generated from operations	86,281	17,644	85,766	16,777
Income Tax paid	0	0	0	0
	-----	-----	-----	-----
Net Cash Flows From Operating Activities	86,281	17,644	85,766	16,777
	-----	-----	-----	-----
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	-62,238	-21,818	-62,238	-20,756
Investment income	1,808	1,844	1,780	1,780
Proceeds sale of assets	1,000	0	1,000	0
	-----	-----	-----	-----
Net Cash Flows From Investing Activities	-59,430	-19,974	-59,458	-18,976
	-----	-----	-----	-----
Cash Flows From Financing Activities				
General reserves movement	-5,520	-11,014	-5,520	-11,014
	-----	-----	-----	-----
Net Cash Flows From Financing Activities	-5,520	-11,014	-5,520	-11,014
	-----	-----	-----	-----
Net Movement in Cash and Cash Equivalents	21,331	-13,344	20,788	-13,213
	-----	-----	-----	-----
Cash Equivalents at The Start of The Year	-4,879	8,465	-4,748	8,465
	-----	-----	-----	-----
Cash and Cash Equivalents at The End of The Year	16,452	-4,879	16,040	-4,748
	=====	=====	=====	=====



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 University 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 University 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.

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

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

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.

g) 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.

h) 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.

i) Trade and other receivables

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

j) 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.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

k) 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.

l) 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.

m) 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.

n) Financing costs

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

o) Financial instruments

Financial assets

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

Amortized cost

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

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

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

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

Financial liabilities and equity

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

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

p) Comparative information

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

q) 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 University'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.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

	CONSOLIDATED		SEPARATE	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
4. INCOME				
Administrative fees	18,420	26,103	18,420	26,103
Undergraduate fees	758,422	622,739	758,422	622,739
Postgraduate fees	16,847	6,728	16,847	6,728
Bridging Fees	13,454	0	13,454	0
Grants	0	0	0	0
Tuition	24,231	11,570	0	0
CDC registration fees	224	20	0	0
CDC application fees	762	10	0	0
Centre fees	0	2,391	0	0
	-----	-----	-----	-----
Total Income	832,360	669,561	807,143	655,570
	=====	=====	=====	=====
5. DIRECT EXPENSES				
Books and periodicals	0	1,698	0	1,083
Examinations	4,939	13,241	4,468	12,971
Staff costs	618,422	524,330	592,071	506,241
Teaching and office stationery	20,305	17,869	20,305	17,300
Students attachment	5,285	5,834	5,285	5,834
Training and staff development	1,483	0	1,483	0
	-----	-----	-----	-----
Total Direct Expenses	650,434	562,972	623,612	543,429
	=====	=====	=====	=====
6. OTHER INCOME				
Rent	125,888	113,789	125,888	113,789
Insurance proceeds	700	0	700	0
Sale of books	402	30	402	30
Hire of gowns	160	260	160	260
Hire of facilities	9,680	10,062	9,680	10,062
Interest receivable	1,808	1,844	1,780	1,780
Proceeds of assets disposal	1,000	100	1,000	100
Sundry income	1,655	577	1,655	577
	-----	-----	-----	-----
Total Other Income	141,293	126,662	141,265	126,598
	=====	=====	=====	=====

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

	CONSOLIDATED		SEPARATE	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
7. ADMINISTRATION EXPENSES				
Accreditation	878	3,399	878	3,040
Advertising and recruitment	11,993	9,025	8,885	4,963
Ceremonies and open day	568	4,049	568	4,049
Chancellor's office	1,500	1,500	1,500	1,500
Cleaning	8,029	7,562	8,029	7,548
Communication	556	2,070	479	1,873
Council	4,423	6,520	4,423	6,520
Depreciation	41,903	29,546	41,637	29,280
Bad debts	22,114	21,902	21,312	17,223
Finance charges	12,110	8,583	12,110	7,994
Foodstuffs	3,179	1,824	3,179	1,784
Repairs and maintenance	18,714	28,758	18,714	28,752
Meetings	9,795	5,749	8,702	4,938
Office supplies	4,919	3,552	2,528	3,485
Premises charge	24,000	24,000	24,000	24,000
Scholarships	6,793	2,610	6,793	2,610
Security	12,083	5,733	12,083	5,733
Staff welfare	1,540	674	1,540	674
Student council	4,565	9,892	4,565	9,892
Subscriptions	769	2,892	769	2,892
Travel	10,772	13,710	10,554	13,625
Utilities	31,200	41,297	31,200	41,297
Students sports	5,861	2,219	5,861	2,219
External travel	1,769	1,948	1,769	1,948
Education trips	140	0	140	0
Programme development	0	1,020	0	1,020
Curriculum development	0	2,333	0	2,333
Staff uniforms	0	88	0	88
TEVET	5,268	4,043	5,114	3,961
Internet	16,950	17,784	16,518	17,784
Workers compensation	0	300	0	300
Software licenses and support	1,687	1,248	1,687	1,248
Motor vehicle insurance	1,812	0	1,812	0
Exchange differences	131	72	131	72
Postage	581	146	349	93
Professional fees	2,248	5,427	2,248	5,124
	-----	-----	-----	-----
Total Administration Expenses	268,850	271,475	260,077	259,862
	=====	=====	=====	=====



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

	CONSOLIDATED		SEPARATE	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
8. INCOME TAX				
Income tax	15,465	0	15,465	0
	-----	-----	-----	-----
Total charge for the year	15,465	0	15,465	0
	-----	-----	-----	-----
<i>Reconciliation of the effective rate</i>				
Standard tax rate	30%	30%	30%	30%
Timing differences	-4%	-30%	-6%	-30%
	-----	-----	-----	-----
Effective Rate	26%	0%	24%	0%
	=====	=====	=====	=====

9. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Land and Buildings	Intangibles	Motor vehicles	Office equipment	Furniture & fittings	Computers	Plant and Equipment	Textbooks	Total
Cost									
As at 1 July, 2018	6,015,487	11,459	33,300	22,222	59,099	29,138	965	0	6,171,670
Additions	6,621	500	9,914	11,536	15,883	6,249	0	11,535	62,238
Disposals	0	0	-4,500	0	0	0	0	0	-4,500
	-----	-----	-----	-----	-----	-----	-----	-----	-----
As at 30 June, 2019	6,022,108	11,959	38,714	33,758	74,982	35,387	965	11,535	6,229,408
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Cost comprises:									
Cost	0	11,959	38,714	17,045	38,709	11,255	965	11,535	130,182
Valuation	6,022,108	0	0	17,684	36,273	23,161	0	0	6,099,226
	-----	-----	-----	-----	-----	-----	-----	-----	-----
	6,022,108	11,959	38,714	34,729	74,982	34,416	965	11,535	6,229,408
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Accumulated Depreciation									
As at 1 July, 2018	300,774	7,539	15,245	12,840	29,409	18,035	321	0	384,163
Charge for the year	150,387	3,337	10,239	7,840	17,607	10,862	321	3,844	204,437
Disposals	0	0	-4,500	0	0	0	0	0	-4,500
	-----	-----	-----	-----	-----	-----	-----	-----	-----
As at 30 June, 2019	451,161	10,876	20,984	20,680	47,016	28,897	642	3,844	584,100
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Carrying Amounts									
As at 30 June, 2019	5,570,947	1,083	17,730	13,078	27,966	6,490	323	7,691	5,645,308
	=====	=====	=====	=====	=====	=====	=====	=====	=====
As at 30 June, 2018	5,714,713	3,920	18,055	9,382	29,690	11,103	644	0	5,787,507
	=====	=====	=====	=====	=====	=====	=====	=====	=====

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

COMPANY

	Land and Buildings	Intangibles	Motor Vehicles	Computer Equipment	Plant and Equipment	Office Equipment	Furniture and Fittings	Textbooks	Total
Cost									
As at 1 July, 2018	6,015,487	11,459	33,300	28,480	965	22,222	58,695	0	6,170,608
Additions	6,621	500	9,914	6,249	0	11,536	15,883	11,535	62,238
Disposals	0	0	-4,500	0	0	0	0	0	-4,500
As at 30 June 2019	6,022,108	11,959	38,714	34,729	965	33,758	74,578	11,535	6,228,346
Cost comprises:									
Cost	0	11,959	38,714	17,045	965	10,597	38,305	11,535	129,120
Valuation	6,022,108	0	0	17,684	0	23,161	36,273	0	6,099,226
	6,022,108	11,959	38,714	34,729	965	33,758	74,578	11,535	6,228,346
Accumulated Depreciation									
As at 1 July, 2018	300,774	7,539	15,245	17,870	321	12,840	29,308	0	383,897
Charge for the year	150,387	3,337	10,239	10,697	321	7,840	17,506	3,844	204,171
Disposals	0	0	-4,500	0	0	0	0	0	-4,500
As at 30 June 2019	451,161	10,876	20,984	28,567	642	20,680	46,814	3,844	583,568
Carrying Amounts									
As at 30 June 2019	5,570,947	1,083	17,730	6,162	323	13,078	27,764	7,691	5,644,778
As at 30 June 2018	5,714,713	3,920	18,055	10,610	644	9,382	29,387	0	5,786,711

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.

CONSOLIDATED

SEPARATE

2019

2018

2019

2018

10. SHORT TERM INVESTMENTS

CDH IB- Advances Revolving Fund	124	2,076	124	2,076
CDH IB-Prime Investors	1,654	920	1,654	920
	-----	-----	-----	-----
Total Short-Term Investments	1,778	2,996	1,778	2,996
	=====	=====	=====	=====



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

	CONSOLIDATED		SEPARATE	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
11. RELATED PARTY				
Due to related parties	0	0	-12,137	-11,704
	-----	-----	-----	-----
<i>Made up of:</i>				
Due from related party	-12,137	-11,704	-12,137	-11,704
Due to directors	0	0	0	0
Due to related party	12,137	11,704	0	0
	-----	-----	-----	-----
As At The End of The Year	0	0	-12,137	-11,704
	=====	=====	=====	=====
12. ACCOUNT AND OTHER RECEIVABLES				
Trade receivables	128,792	117,345	128,792	112,666
Prepayments and other receivables	18,064	10,908	17,926	10,468
Less: Provision for bad debts	0	-21,902	0	-17,223
	-----	-----	-----	-----
Total Trade and Other Receivables	146,856	106,351	146,718	105,911
	=====	=====	=====	=====
13. CASH AND CASH EQUIVALENTS				
NBM Savings	283	308	283	308
NBM Current	912	0	500	0
NBM Graduate Studies Centre	206	1,640	206	1,640
NBM FCDA	14,332	5,387	14,332	5,387
FDH Savings	558	506	558	506
Petty cash	159	0	159	0
	-----	-----	-----	-----
Cash and bank balances	16,450	7,841	16,038	7,841
Bank overdrafts				
NBM Current	0	12,720	0	12,589
	-----	-----	-----	-----
Total Bank overdraft	0	12,720	0	12,589
	-----	-----	-----	-----
Net Cash flow movement	16,450	-4,879	16,038	-4,748
	=====	=====	=====	=====

MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

	CONSOLIDATED		SEPARATE	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
14. ACCOUNT AND OTHER PAYABLES				
Trade payables	28,774	25,695	28,120	25,695
Prepayments	10,935	10,473	7,913	10,473
Taxes	83,491	55,855	78,050	51,852
Pension	66,704	65,191	65,513	62,711
TEVETA levy	6,025	0	5,863	0
Funds payable	43,139	0	43,139	0
Withholding tax payable	32,135	0	28,358	0
Other accrued expenses	6,122	17,402	2,521	17,383
	-----	-----	-----	-----
Total Trade and Other Payables	277,325	174,616	259,477	168,114
	=====	=====	=====	=====

15. TAX PAYABLE

As at the start of the year	10,601	10,601	10,601	10,601
Income tax charge	15,465	0	15,465	0
Payment during the year	0	0	0	0
Withholding tax	0	0	0	0
	-----	-----	-----	-----
As at the end of the year	26,066	10,601	26,066	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.



MAGU FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30TH JUNE 2019

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.

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 2019 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	
	2019	2018	2019	2018
Related Party Transactions				
Transactions				
Grants from National Church	8,029	7,548	8,029	7,548
Contributions to National Church	0	0		0
Scholarships	35,014	35,014	35,014	35,014
Premises charges to National Church	24,000	24,000	24,000	24,000
Council fees	4,423	6,520	4,423	6,520
Senior management emoluments	198,702	166,343	177,621	151,872
Outstanding Balances				
Due to related party	12,137	11,704	0	0
Due from related party	-12,137	-11,704	-12,137	-11,704
	=====	=====	=====	=====

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 lack of adequate working capital. Solvency ratio has averaged 65% 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 new programs and rationalization of expenses.



♦ Area 18 Plot # 1903
♦ Tel: +265 999 830 332

P.O. Box 1424 Lilongwe
+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





