

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND
NATIONAL ORGANIZATION OF NURSES AND MIDWIVES (NONM)**

STATEMENT OF RECEIPTS AND PAYMENTS

*For the year ended
31 December 2021*

**KCC FINANCE ASSOCIATES
AUDIT. TAX. ADVISORY**

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 December 2021

Contents

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES	1
2. INDEPENDENT AUDITOR'S REPORT.....	2
3. STATEMENT OF RECEIPTS AND PAYMENTS.....	5
4. NOTES TO THE STATEMENT OF RECEIPTS AND PAYMENTS.....	7
5. SUPPLEMENTARY INFORMATION.....	10

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2021

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The management of Paradiso TB Patients Trust and National Organization of Nurses and Midwives are required to prepare Statement of Receipts and Payments for each financial year which give a true and fair view of the state of affairs of the business as at the end of the particular year and of the operating results for that year as required by the regulations.


The management are also required to ensure that the business keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the business and enable them to ensure that the Statement of Receipts and Payments comply with the related regulatory requirements.

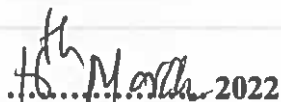
In preparing the Statement of Receipts and Payments, the management accept responsibility for the following:

- 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 Statement of Receipts and Payments, subject to any material departures being disclosed and explained in the Statement of Receipts and Payments; and
- Preparation of Statement of Receipts and Payments on a going concern basis unless it is inappropriate to presume that the business will continue in business for the foreseeable future.

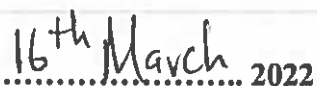
The management also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the business and to maintain adequate systems of internal controls to prevent and detect fraud and other irregularities.

The management are of the opinion that the Statement of Receipts and Payments give a true and fair view of the state of the financial affairs of the business and of their operating results.


.....
CHAIRMAN


..... 2022
Date


.....
EXECUTIVE DIRECTOR


..... 2022
Date

Certified Public Accountants
Plot No.14/34, Area 14
P.O. Box 31609
Lilongwe 3
Malawi

Tel: +265-888-488-488
+265-1-771-873
+265-1-771-874
Email: info@kccfinanceassociates.com

2. INDEPENDENT AUDITOR'S REPORT TO THE DONORS OF POST TB DISABILITY PROJECT

Report on the Audited Statement of Receipts and Payments

Opinion

We have audited the financial statements of LHL International Tuberculosis Foundation – Post TB Disability Project which comprise the statement of receipts and payments and notes to the statement of receipts and payments, including a summary of significant accounting policies.

In our opinion, the accompanying statement of receipts and payments present fairly, in all material respects, the financial position LHL International Tuberculosis Foundation – Post TB Disability Project for the year ended 31 December 2021, and its financial performance for the year then ended in accordance with donor agreement.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Federation of Accountants (IFAC) code of Ethics together with the ethical requirements that are relevant to our audit of the Organization's financial statements in Malawi. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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 Generally Accepted Accounting Principles, 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Organization'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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 Entity'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 Entity 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 entities or business activities within the entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with 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 interest benefits of such communication. The engagement partner on the audit resulting in this independent auditor's report is Peter Kamange

Kcc Finance Associates
KCC Finance Associates
Public Accountants

16 March 2022
Lilongwe, Malawi

3. STATEMENT OF RECEIPTS AND PAYMENTS

	PTBDP-Paradiso		PTBDP-NOMIN		Total	
	2021		2020		Total	
	MWVK	MWVK	MWVK	MWVK	2021 MWVK	2020 MWVK
Income						
Donor Income	861,457	41,773,753	821,010	5,591,269	1,682,467	47,365,022
Opening Balance	243,714,444	171,661,680	83,104,632	79,925,302	326,819,076	251,586,982
Grant Income	4.3	750,937			750,937	924,376
Bank Interest						
Total Income	245,326,837	214,359,809	83,925,642	85,516,571	329,252,480	299,876,380
Expenditure						
5990 - Salary local personnel	56,369,807	38,475,053	15,869,540	-	72,239,347	38,475,053
5600 - Education, competence strengthening local partner	63,669,173	89,424,799	7,070,000	39,525,435	70,739,173	128,950,234
6869- Support PTBDP Friendliness	-	902,465	-	-	-	902,465
6860 - Meeting costs and workshops	37,396,174	31,061,002	8,801,504	12,272,581	46,197,678	43,333,583
6866 - Public Information campaigns/Awareness raising	543,000	6,888,400	7,172,896	142,245	7,715,896	7,030,645
6867 - Research	-	-	23,620,545	257,500	23,620,545	257,500
6868 - Patient related activities/interventions	21,374,988	-	4,733,000	-	26,107,988	-
6865 - Supervision and monitoring	50,737,955	6,883,179	-	-	50,737,955	6,883,179
6390 - Office running cost	8,170,984	8,989,728	5,025,685	8,321,287	13,196,668	17,311,015
7790 - Other costs	-	-	600,000	16,929,260	600,000	16,929,260
7792 - Gen. Adm. Costs, overhead	1,327,169	1,013,226	529,987	-	1,857,156	1,013,226
7000 - Audit	2,000,000	750,000	-	-	2,000,000	750,000
6968 - Lang Rehab programme	-	-	-	6,135,489	-	6,135,489
6550 - Inventory, computers, software,	815,200	-	-	-	815,200	-

KCC Finance Associates ▶ ◀

4007 - Vehicles	-	-	1,500,000	-	1,500,000	-
4005 - Other investments	2,835,000	29,110,500	-	-	2,835,000	29,110,500
Total Expenditure	246,239,449	213,498,353	74,923,157	83,583,797	320,162,606	297,082,150
Surplus for the Year	87,388	861,457	9,002,486	1,932,774	9,089,874	2,794,231
Cash at Bank	87,388	565,458	7,802,486	221,010	7,889,874	786,468
Receivables	-	295,999	1,200,000	1,711,763	1,200,000	2,007,762
	87,388	861,457	9,002,486	1,932,773	9,089,874	2,794,231

*The accounting policies on page 5 to 6 and the notes on page 7 to 10 form part of the Statement of Receipts and Payments.
The Independent auditor's report is on page 2*

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2021

4. NOTES TO THE STATEMENT OF RECEIPTS AND PAYMENTS

4.1 PROJECT BACKGROUND

Paradiso TB Patients' Trust is a community TB initiative, functioning as a Non-Governmental Organization existing according to the laws of Malawi with its offices on M1 Road, soon after St. John's Secondary School, in Lilongwe district. It was founded in 2000 and officially registered in 2003 with Malawi Government Act No. 19 of 1984 Section 15; Paradiso is led and supported by people living with HIV and those affected by Tuberculosis (TB Survivors). It currently runs programs in Tuberculosis (TB) and HIV in seven (7) districts through TB Clubs that are housed within the Ministry of Health's Community Health Centres, Community and District Hospitals. Paradiso continuously engage with other stakeholders of society such as Traditional Leaders, Parliamentarians, and Ward Councilors in a bid to get support to be able to penetrate hard to reach sections of the community with messages on TB. Another group that is actively involved with Paradiso are the traditional healers who are able to refer patients coming for their services to the health centres for TB screening and treatment.

Paradiso TB Patients Trust carries out a number of activities with the aim of financing its organization. It provides training services to volunteers to equip them with high knowledge of TB and HIV/AIDS which are in titled to allowances. It also trains its volunteers to sew which help them produce money for procuring assets, stationeries and food.

Paradiso TB Patients Trust also obtains assistance from various donors to finance the implementation of activities within the context of the Malawi National TB Control Programme Strategic Plan. Paradiso TB Patients Trust received a grant from the LHL International Facility towards the cost of alleviating the TB pandemic in the district that Paradiso is implementing its activities.

4.2 SIGNIFICANT ACCOUNTING POLICIES

The Statement of Receipts and Payments is prepared on a cash basis.

The Statement of Receipts and Payments reflects the activities of LHL- Post TB Disability Project implemented by Paradiso TB Patients and National Organization of Nurses and Midwives.

i) Receipts

Receipts represent funds received by Paradiso TB Patients Trust and National Organization of Nurses and Midwives from LHL International into the designated bank accounts. Translation to USDs is done at the end of the period for reporting purposes only using the average exchange rate.

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2021

ii) Interest

Net Interest received in the bank accounts maintained by Paradiso TB Patients Trust and National Organization of Nurses and Midwives for its activities is accounted for as other income.

iii) Payments

Payments made represent expenditure in line with the donor financing agreements. All payments are in Malawi Kwacha. The expenditure is translated into USDs at the end of the period using the average exchange rate for the funds received for reporting purposes only.

vi) Related Programme Activities

The Statement of Receipts and Payments represents the Receipt and Utilization of funds received from the donor only.

vii) Exchange rate

The Statement of Receipts and Payments has been translated to USDs for reporting purposes only by using the average exchange rate for the funds received during the period.

viii) Exchange gain/loss

Exchange gains or losses are recognized when there is an increase or decrease in cashflow caused by a change in the exchange rate of US Dollar and Malawi Kwacha currencies such that a result of converted amount from one currency to another or the asset of cash exposed to exchange rate fluctuations do not correspond with similar exposed payments.

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

**STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 December 2021**

4.3 Receipts

	2021	2020
	MWK	MWK
Opening balance:		
Paradiso TB Patient Trust	861,457	41,773,753
NONM	1,932,773	5,591,269
Adjustment of opening receivable balance for NOMN	(1,111,763)	
Adjusted opening balance	1,682,467	47,365,022

Donor funding

Represents funds received from LHL International Tuberculosis Foundation and its co-financiers as follows:

Organization	Donor		
Paradiso TB Patients Trust	LHL	243,714,444	171,661,680
NONM	LHL	83,104,632	79,925,302
		326,819,076	251,586,982

4.4. Cash and Bank Balances

The amount represents the Bank balance for the project on the Paradiso TB Patients Trust and NONM account for the year ended 31 December 2021 as follows:

Paradiso TB Patients Trust	87,388	565,458
NONM	6,725,486	221,010
	6,812,874	786,468

4.5. Receivables

Timveni Radio	1,200,000	-
Others	-	2,007,762
	1,200,000	2,007,762

4.6. Payables

Paradiso TB Patient Trust	1,077,000	-
	1,077,000	-

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2021

4.7. Project financing

The Statement of Receipts and Payments is prepared from funds received and payments made from the designated account. It represents the receipt and the utilization of funds received from LHL International Tuberculosis Foundation. All payments which have been converted from USD to Malawi Kwacha have been used for the project.

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND
MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 December 2021

5. SUPPLEMENTARY INFORMATION

(The following pages do not form part of the Statement of Receipts and Payments)

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND MIDWIVES**

**STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 December 2021**

BUDGET VS ACTUAL EXPENDITURE

PARADISO- PTBD

Budget code	Description	Budget 2021 PTBD - Paradiso share	Accounts 2021	Deviation	Explanation
Salaries	Salaries (implementing staff)	49,930,456	56,369,807	-6,439,351	This is because of the social security contribution done by the organization towards an employee which is the 12.5% was not budgeted for. If this was to be charged from LHL's original grant, the budget line 5990 could have a deficit.
5990	Salary local personnel	49,930,456	56,369,807		
Travel	Travel				
7146	Travel partner organization				
Activity cost	Activity cost (materials, rent of workshop facilities etc.)	172,019,111	173,721,290	-1,702,179	
5600	Education, competence strengthening local partner	91,041,913	63,669,173		
6866	Meeting costs and workshops	9,129,000	37,396,174		
6866	Public information campaigns/Awareness raising & information sharing		543,000		
6867	Research				
6868	Patient related activities/interventions	50,777,538	21,374,988		
6869	Supervision and monitoring	21,070,660	50,737,955		
Operational cost	Operational cost	11,363,323	9,498,153	1,865,170	
6390	Office running costs	9,793,161	8,170,984		
7790	Other costs	1,570,161	1,327,169		
7792	Gen. Adm. Costs, overhead				
Consultants	Consultants and external services	2,500,000		2,500,000	
6723	Evaluations	2,500,000			

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2021

6727	External consultants					
Audit	Audit	3,229,247	2,000,000	1,229,247	We had negotiated that the new adjusted charge should take effect in 2022, hence the positive variance	
6700	Revision / Audit	3,229,247	2,000,000			
Other costs	Other costs (Investments)	4,560,000	3,650,200	909,800		
6550	Inventory, computers, software,		815,200			
4006	Land and property					
4007	Vehicles					
4005	Other investments	4,560,000	2,835,000			
	TOTAL	243,602,136	245,239,449			

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND MIDWIVES**

**STATEMENT OF RECEIPTS AND PAYMENTS
For the year ended 31 December 2021**

BUDGET VS ACTUAL EXPENDITURE

NONM- PTBD

	NONM	Actual expenditure Q1	Actual expenditure Q2	Actual expenditure Q3	Actual expenditure Q4	Year to date
EXPENDITURE						
Salaries (implementing staff)	21,936,391	3,712,500	4,157,040	4,500,000	3,500,000	15,869,540
5990 - Salary local personell	21,936,391	3,712,500	4,157,040	4,500,000	3,500,000	15,869,540
Travel	-	-	-	-	-	-
7146 - Travel partner organization	-	-	-	-	-	-
Activity cost (materials, rent of workshop facilities etc.)	\$4,770,084	16,383,297	8,915,253	10,051,350	16,048,045	51,397,945
5600 - Education, competence strengthening local partner	17,925,598	-	-	-	7,070,000	7,070,000
6860 - Meeting costs and workshops	3,184,699	-	8,801,504	-	-	8,801,504
6866 - Public information campaigns/Awareness raising & information sharing	5,369,339	7,039,147	113,749	-	-	7,172,896
6867 - Research	28,290,448	9,324,150	-	10,051,350	4,245,045	23,620,545
6868 - Patient related activities/interventions	-	-	-	-	4,733,000	4,733,000
6865 - Supervision and monitoring	-	-	-	-	-	-
Operational cost	7,088,609	-	694,233	927,530	4,533,909	6,155,672
6390 - Office running costs	4,229,919	-	94,233	927,530	4,003,922	5,025,685
7790 - Other costs	2,858,690	-	600,000	-	-	600,000
7792 - Gen. Adm. Costs, overhead	-	-	-	-	529,987	529,987
Consultants and external services	3,132,983	-	-	-	-	-
6723 - Evaluations	-	-	-	-	-	-

**LHL INTERNATIONAL TUBERCULOSIS FOUNDATION
POST TB DISABILITY
PARADISO TB PATIENTS TRUST AND NATIONAL ORGANIZATION OF NURSES AND MIDWIVES**

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2021

6177 - External consultants	3,132,983							
Audit	1,627,296							
6700 - Revision / Audit	1,627,296							
Other costs (investments)	-	1,500,000						1,500,000
6530 - Inventory, computers, software,	-							
4006 - Land and property	-							
4007 - Vehicles	-	1,500,000						1,500,000
4005 - Other investments	-							
Total	88,555,363	21,595,797	13,766,526	15,478,880	24,081,954	74,923,157		