

PARADISO TB PATIENTS TRUST

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2019

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PARADISO TB PATIENTS TRUST

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2019

1. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The management of Paradiso TB Patients Trust 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.

This Statements of Receipts and Payments were approved on 2020 and were signed on its behalf by:


.....
CHAIRMAN


.....
EXECUTIVE DIRECTOR

DATE..... 2020

DATE..... 2020

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2. INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PARADISO TB PATIENTS TRUST

Opinion

We have audited the financial statements of Paradiso TB Patients Trust 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 Paradiso TB Patients Trust for the year ended 31 December 2019, 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. The engagement partner on the audit resulting in this independent auditor's report is Peter Kamange

PARADISO TB PATIENTS TRUST

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2019

3. STATEMENT OF RECEIPTS AND PAYMENTS

	LHL International Norad grant		LHL International -Post TB Grant		ACHAP		EGPAF contribution		Paradiso IGA contribution		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	MWK	MWK	MWK	MWK	MWK	MWK	MWK	MWK	MWK	MWK	MWK	MWK
Income												
Opening balance	74,099	49,046	(1,752)	-	-	-	-	-	-	-	72,347	49,046
Grant Income	287,917,896	248,802,039	49,134,825	-	30,330,770	-	1,160,900	-	-	-	368,544,391	248,802,039
Other income	-	-	-	-	-	-	-	-	4,872,124	-	4,872,124	-
Bank Interest	29,031	631	138,875	-	122,848	-	-	-	-	-	290,754	631
Total Income	288,021,026	248,851,716	49,271,948	-	30,330,770	-	1,160,900	-	4,872,124	-	373,779,616	248,851,716
Expenditure												
4007 Vehicles	12,197,176	17,353,960	-	-	-	-	-	-	-	-	12,197,176	17,353,960
5600 Education, competence strengthening local partner	29,053,288	49,154,747	-	-	-	-	-	-	-	-	39,799	29,053,288
5990 Salary local personnel	125,976,381	37,793,535	4,093,616	-	1,416,599	-	-	-	-	-	131,486,596	37,793,535
6067 TB in prison	2,333,630	9,992,450	-	-	-	-	-	-	-	-	2,333,630	9,992,450
6390 Office running costs	45,989,063	48,472,890	673,183	-	1,741,550	-	-	-	-	-	48,403,796	48,472,890
6550 Inventory, computers, software	15,510,391	17,079,733	524,250	-	-	-	-	-	-	-	16,034,641	17,079,733
6700 Audit	1,800,000	785,000	-	-	-	-	-	-	-	-	1,800,000	785,000

Notes

4.3

PARADISO TB PATIENTS TRUST

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2019

6727	External consultants	7,944,130	4,027,100	-	-	-	-	-	-	-	-	7,944,130	4,027,100
6860	Meeting costs and workshops	32,192,717	40,120,545	-	-	8,829,533	1,160,900	-	-	-	-	42,183,150	40,120,545
6865	Supervision and monitoring	7,688,195	5,683,280	-	-	-	-	-	-	-	-	7,688,195	5,683,280
6866	Public information campaigns and awareness raising	3,942,889	8,926,892	-	-	-	-	-	2,436,062	-	-	6,378,951	8,926,892
6867	Research	-	-	2,164,174	-	3,207,000	-	-	-	-	-	5,371,174	-
6868	Patient related activities	2,085,350	531,000	-	-	-	-	-	2,436,062	-	-	4,521,412	531,000
7146	International travel partner	624,000	-	-	-	-	-	-	-	-	-	624,000	-
7790	Other costs	-	7,420,775	-	-	-	-	-	-	-	-	0	7,420,775
7792	Gen.adm. Costs / overhead	1,091,102	1,435,709	42,972	-	544,909	-	-	-	-	-	1,678,983	1,435,709
	Total Expenditure	288,428,312	248,777,616	7,498,195	-	15,739,591	1,160,900	-	4,872,124	-	-	317,699,122	248,777,616
	Surplus for the year	(407,286)	74,099	41,773,753	-	14,714,027	-	-	-	-	-	56,080,494	74,099
	Represented by:												
	Cash and Bank	(397,088)	(902)	41,773,753	-	14,231,094	-	-	-	-	-	55,607,759	(902)
	Field advances	-	75,001	-	-	482,933	-	-	-	-	-	482,933	75,001
	Payables	(10,198)	-	-	-	-	-	-	-	-	-	-10,198	-
		(407,286)	74,099	41,773,753	-	14,714,027	-	-	-	-	-	56,080,494	74,099

PARADISO TB PATIENTS TRUST

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2019

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, African Comprehensive HIV/Aids Partnership (ACHAP) and Elizabeth Glazer Foundation (EGPAF) towards the cost of alleviating the TB pandemic in the districts 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 the LHL International, African Comprehensive HIV/Aids Partnership and Elizabeth Glazer Foundation as transacted through the following bank account maintained by the Paradiso TB Patients Trust on behalf of the Projects:

First Merchant Bank Account (MK)	0005262344005
First Merchant Bank Account (MK)	0005262344269
First Merchant Bank Account (USD)	0262988426
FDH Bank (MK)	1970000134468

i) Receipts

Receipts represent funds received by Paradiso TB Patients Trust from LHL International, African Comprehensive HIV/Aids Partnership and EGPAF 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.

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For the year ended 31 December 2019

ii) Interest

Net Interest received in the bank accounts maintained by Paradiso TB Patients Trust 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.

vi) Related Programme Activities

The Statement of Receipts and Payments represents the Receipt and Utilization of funds received from the donor and income generated activities 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.

PARADISO TB PATIENTS TRUST

STATEMENT OF RECEIPTS AND PAYMENTS

For the year ended 31 December 2019

4.3 Grant income

	2019 MWK	2018 MWK
LHL	287,917,896	248,802,039
LHL- Post TB	49,131,276	-
ACHAP	30,330,770	-
AGPAF	1,160,900	-
	<u>368,540,842</u>	<u>248,802,039</u>

4.4. Cash and Bank Balances

The amount represents the Bank balance on the Paradiso TB Patients Trust account for the period ended 31 December 2019 as follows:

LHL FMB – Malawi Kwacha	(397,088)	(397,088)
LHL FMB – Malawi Kwacha	41,634,878	-
FDH – ACHAP Projects Accounts (MK)	14,231,094	-
	<u>55,468,884</u>	<u>(397,088)</u>

4.5. Going concern

The statement of receipts and payments have been prepared on the basis of accounting policies applicable to a going concern. This 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.

The ability of the organization to continue as a going concern is dependent on a number of factors. The most significant of these is that donors will continue to procure funding for the ongoing operations for the organization.

4.6. Subsequent events

Paradiso TB Patients Trust continues to carefully monitor the ongoing developments regarding the COVID-19 outbreak. In relation to the country's state of economy, the organization currently expects the COVID-19 outbreak to only have a modest impact on the performance of the organization and its operations and expects this impact to be largely contained in 2020.

Other than that there have been no material events occurring after the period end that require adjustments to or disclosures in the statement of receipts and payments.

PARADISO TB PATIENTS TRUST

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5. SUPPLEMENTARY INFORMATION

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

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5.2. FIXED ASSETS REGISTER

NUMBER OF ITEMS	DESCRIPTION	AMOUNT MWK
Land and Buildings		
1	Main Building	6,500,000
1	Land	450,000
1	Land and building	500,00
1	Maize Mill	2,550,000
1	Bakery	957,750
3	Containers (Afri-Can Cafés)	4,800,000
1	Land	2,000,000
Motor Vehicle		
1	Nissan 4 X 4	7,571,501
1	Nissan X-Trail	10,800,000
1	Minibus	6,700,000
90	Bicycles	3,825,000
Furniture		
49	Large Plastic Chairs	78,400
	Plastic chairs	3,000,000
25	Small Plastic Chairs	14,750
100	High Back Plastic Chairs	386,787
1	Khonde Set	25,000
4	Office Desks	150,000
1	Small Table	3,000
2	Bookshelves	8,000
23	Office chairs	476,000
1	Filling Cabinet	8,000
1	Computer Table	12,000
1	Office furniture	656,420
1	Book shelf	370,000
Computers		
2	Desktop Computers	300,000
8	Desktops & laptops	4,218,350
2 (4)	Laptop	510,000
4	Laptops	2,000,000
1	TV Screen	20,000
1	Photocopier	1,210,000
3	Printer	738,400
1	Internet Installation	739,650
	Laptop computers	3,206,208
	Purchasing Laptops,Printer,Flashes and Extensions	2,242,736
	Desktop computers	1,965,775
1	Laptop for OVC	375,000
	Laptop	687,350
Accounting Software		
	Quick Books	1,855,000

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Equipment

7	Pedal bicycles	249,450
5	Sewing Machines	74,500
1	Electrical Sewing Machine	49,800
1	Fridge	68,700
3	Fans	60,000
	Cutlery and kitchen equipment	1,240,000
	Cell Phones	1,070,000

Fixtures

1	Fixtures and fittings	40,000
	Office furniture	7,950,425

82,213,952
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