TECHNICAL ENTREPRENEURIAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY (TEVETA)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

NATURE OF BUSINESS

The broad mandate of the TEVET Authority is to promote, facilitate and regulate the provision of technical, entrepreneurial, and vocational education and training in Malawi.

DIRECTORS

The following directors and secretary served during the year:

DIRECTORS	DURATION
Mr. Pyoka Tembo	3 Months
Mrs. Mary Deborah Phiri	3 Months
Mrs. Loyce Gadama	3 Months
Mrs. Lyness Manduwa	3 Months
Mrs. Anne Chavula	3 Months
Mr. Madalitso Njolomole	3 Months
Mrs. Hyacinta Chikaonda	3 Months
Sheikh Muslim Abbas Vinjenje	3 Months
Mr. Oswin Kasunda	3 Months
Inkosi Mabulabo	3 Months
Ex-officio members	
Chikondano Mussa	3 Months
Catherine Chilima	3 Months
Lindiwe Chide	3 Months
Mayeso Kazombo	3 Months
Francis Zhuwao	3 Months
Elwin Sichiola	3 Months

AUDITOR
Bakertilly Malawi
ADL House
Top Floor
P.O Box 31319
Lilongwe 3

BANKERS
National Bank of Malawi
FDH bank
NBS bank
Standard bank
Eco Bank
Centenary bank
First capita Bank
CDH Bank
Reserve Bank of Malawi

REGISTERED OFFICE
TEVET House
Private Bag
Lilongwe

LAWYER
M and M Global
E706, Post dot net,
Blantyre

TABLE OF CONTENTS

The financial statements are presented in Malawi Kwacha ("K").

DIRECTORS' REPORT

The Directors have the pleasure in submitting their report together with the financial statements for the year ended 31 March 2024.

Objectives of the authority

a) To promote an integrated, demand driven, competency based modular technical education and training system

b) To monitor gaps between supply and demand for skills

c) To support the adoption and application of appropriate technologies

d) To promote managerial and business skills, a spirit of entrepreneurial culture with regard to both wage and self-employ

e) To facilitate sound and sustainable financing funding mechanisms for technical education and training

f) To facilitate, bring together the expertise, moderate the different interests of stakeholders of technical education and training

Functions of the Authority

The function of the Authority is stipulated in the TEVET Act; 1999, is as follows;

(a) To facilitate the provision of technical education, training opportunities and facilitates for such training

(b) to facilitate the establishment of a technical education and training system which includes both basic and specialized training to meet the needs both the formal and informal sectors;

(c) to satisfy the demands of the labour market for employees with trade skills in order to improve production, and ensure maximum efficiency and relevance of technical education and training programmes.

(d) to ensure that the system of technical education and training is based on demand, is cost-effective and given a gradually decentralized planning and implementation authority to all the Regions of Malawi to ensure maximum utilization of resources.

(e) to foster and promote entrepreneurial values and skills as an integral part of all.

(f) to promote access to technical education and training for disadvantaged groups

(g) to secure adequate and sustainable financing for technical education and training;

(h) to raise the quality of technical education and training being provided by technical education and training institutions

(i) to promote the provision of technical education and training according to needs within the framework of overall national socio-economic development plans and policies;

(j) to promote the balancing of supply and demand for skilled labour with both wage-employment ad for skills need and for self employment in from rural and urban areas

(k) to promote and to provide short tailor-made course programmes and in-service training in order to improve the performance and productivy of the national economy;

(l) to provide a competency-based technical education and training system, combining broad basic training, gradual specialization and practical work experience

(m)to promote a flexible training approach and other appropriate teaching methodologies

(n) to provide technical education and training for the formal and informal sectors through co-ordination with recognized existing institutions;

(o) to monitor and review technical education and training policy;

(p) to set standards and qualifications for any occupation, skill, technology or trade in line

(q) to approve curricula of registered institutions providing technical education and training; and

(r) to regulate the conduct of national examinations and issuing of certificates relating to technical education and training

Progress to-date

The Authority undertook a number of interventions and activities during the period from 1 April 2023 to 31 March 2024 as follows:

a)During the period under review, a total amount of MK 1,389,513,202 was paid for 25,047 apprentices against a target of 12509.

b)In the period under review, the Authority managed to secure attachment places for 1351 apprentices against an annual target of 1030.

c) To enhance awareness of career opportunities in the TEVET sector to Primary and Secondary learners to help them make informed career choices. In total, 181 schools were engaged reaching out to 35,944 learners during financial year 2023/2024.

d)The bursary is meant to support vulnerable apprentices with tuition, Authorityiing, examination, living and book allowances for them to ably complete studies which would not have been the cases if they did not get this support. A total of 8,366 students benefited from the training bursary scheme in the period under review. Cumulatively, MK 363,879,000 has been spent in form of training bursary from April 2023 to date.

e)In 2023-2024 financial year a total of 2,916 beneficiaries were trained under the Informal Sector Window through 49 different partners across the regions.

f) Community Skills Development Centres (CSDCs) initiatives are trainings, both short- and long-term, taking place at a local training centre for technical, entrepreneurial and vocational skills in the village or local communities. The initiative aims to increase access to TEVET programmes to ensure availability of relevant technical and entrepreneurial skills in the rural areas. A total of 6894 trainees benefited from training under the informal sector window.

g) During the period under review, 63 graduates were linked to various Business Development Services as part of the Entrepreneurship Development Programme.

h) In 2023-2024 financial year, 6 tailor-made TEVET curricula were developed awaiting approval from Technical Qualifications Committee (TQC) and the Authority since it was not yet in place.

i)The TEVET Authority devolved implementation of tracer studies to TEVET Provider institutions and TEVET Provider Institutions were capacitated on the conduct of tracer studies. The activity was successfully conducted and report written. A total of 18 TEVET Providers participated in this year's study reaching out to 1251 graduates.

2. Financial performance

- The Authority reported a surplus of MK 12.2 billion in 2024 from a surplus of MK 257 million in the 2023 financial year

-The Authority's revenue grew by 145%.The growth in the Authority's revenue is attributed;

(a)The increase in number of employers complying with the TEVET Act by paying the TEVET levy.

(b) the salary increase by companies in response to the rise in inflation by 40 percent.

(c) to increased enforcement visits by the TEVET Authority and MRA to levy payers.

DIRECTORS' RESPONSIBILITIES

The TEVET Act, 1999 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of the operating results for that year ended.

The act also requires the Directors to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority and enable them to ensure that the financial statements comply with the TEVET Act, 1999.

In preparing the financial statements the directors accept responsibility on behalf of the Authority for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and consistent application thereof;
- Making judgements and estimates that are reasonable, prudent and are consistently applied;
- Compliance with applicable accounting standards when preparing financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Authority will continue in business in the foreseeable future.

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

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority.

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) **DIRECTORS**
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Independent auditor's report

To the Directors of Technical, Entrepreneurial and Vocational Education and Training Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Technical, Entrepreneurial and Vocational Education and Training Authority (the Authority), which comprise the statement of financial position as at 31 March, 2024 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the provisions of the Public Finance Management Act 2022.

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 Authority in accordance with the International Ethics Standards Council for Accountants' Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code and in accordance with other ethical requirements applicable to performing audits of financial statements in Malawi. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overall Materiality

How we determined it: 2% of total revenue

Rational for applying materiality benchmark:

In our view, revenue best reflects the performance of the Authority and its strategic intent to regulate, promote, and facilitate sustainable provision of quality technical, entrepreneurial and vocational education and training in Malawi. Whilst operating as a body corporate responsible for regulation, promotion and facilitation of TEVET in Malawi, TEVETA has financial obligation to operate and sustain itself without fully relying on government support. 2% of total revenue is consistent with qualitative materiality thresholds used for PIE as defined by ICAM. It is also a benchmark against which performance of the Authority is commonly measured by the government.

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.

Key audit matter	How our audit addressed the matter	Key observations communicated to those charged with governance
Impairment assessment of levies receivables IFRS 9 requires that the impairment measurement for financial assets be based on "expected credit loss model". At 31 March 2024, the carrying amount of levies receivables amounted to K63 billion (2023: K48 billion) and allowance for impairment of levies receivables amounted to K43 million (2023: K41 billion). The Authority assesses at each reporting period whether the financial assets carried at amortised cost are credit impaired. The Authority's management has applied a simplified expected credit loss ("ECL") model to determine the allowance for government and private levy receivables. The ECL model involves the use of various assumptions, macroeconomic factors and study of historical trends relating to the Authority history of collection of levies. We considered this a key audit matter due to the judgments	We developed an understanding of the relevant business process and performed the following: Tested controls over the following: • Recording of levies transactions • Identification and write off of bad debts Substantive testing: • We considered the validity of management conclusion that the main area of impact was in respect of levies receivable impairment, using our experience and knowledge of similar entities. • We verified whether the simplified ECL model applied by management is consistent with the requirement of IFRS 9. • We tested the accuracy and completeness of the underlying data in the model and the arithmetical accuracy of the computation of the expected credit loss. • Tested key assumptions and	Based on our procedures, no exceptions were noted, and we considered the key assumptions in the ECL model to be reasonable and disclosures appropriate and in line with IFRS 9.

and estimates involved in the application of expected credit loss model. Refer to notes 2.9, 2.10 and 9 to the financial statements for accounting policies and relevant detailed disclosures.	judgments, such as those used to calculate the likelihood of default and loss on default by comparing historical data. We also considered the appropriateness of the forward-looking factors (macroeconomics) used to determine expected credit losses and; • Reviewed adequacy of the Authority's disclosures included in the notes *2.9, 2.10* and 9 to the accompanying financial statements.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled *"Technical, Entrepreneurial and Vocational Education and Training (TEVET) Authority Financial Statements year ended 31 March*, 2024". The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 IFRSs, and the provisions of the Public Finance Management Act 2022, 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 Authority'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 Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority'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.
- 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 Authority'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 Authority'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 Authority 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.

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, actions taken to eliminate threats or safeguards applied.

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.

Bakertilly

Partner: Symon Kajitaye

Registered Practising Accountant

Date: 23 / 10 / 2024

TECHNICAL ENTREPRENEURIAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

ASSETS	**Note**	**2024 K'000**	**2023 K'000 Restated**
Non current assets			
Property, plant and equipment	5	3 806 893	3 124 594
Financial asset at fair value through other comprehensive inco	6	2 004 928	1 169 776
Loans and advances	8	293 620	237 949
Total non current assets		6 105 441	4 532 319
Current assets			
Inventories	7	18 461	24 400
Receivables	9	19 974 040	7 421 043
Cash and cash equivalents	10	3 940 455	3 566 341
		23 932 956	11 011 784
Total current assets		30 038 397	15 544 103
FUNDS AND LIABILITIES			
Funds			
Capital fund		1 332 320	789 216
Capital development fund		56 000	56 000
General fund		19 411 280	8 006 618
Endowment fund		2 104 403	1 309 854
Revaluation reserve		1 448 782	1 223 956
Total funds		24 352 785	11 385 644
Non current liabilities			
Apprenticeship credit restricted fund		107 672	98 457
Total non current liabilities		107 672	98 457
Current liabilities			
Trade and other payable	11	1 025 834	735 486
Deferred income		4 552 106	3 324 516
Total current liabilities		5 577 940	4 060 002
Total funds and liabilities		30 038 397	15 544 103

The financial statements were approved by the Authority of Directors on 06/09/2024 and are signed on its behalf by:

) DIRECTORS

TECHNICAL ENTREPRENEURIAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY
STATEMENTS OF COMPREHESIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

INCOME		**2024 K'000**	**2023 K'000 Restated**
Levy income	12	26 254 585	17 916 134
Interest received		32 366	251 900
Other income	13	111 418	348 866
Total income		26 398 369	18 516 900
EXPENDITURE			
Programme expenditure			
Productivity enhancement program	14	155 946	183 953
Apprenticeship training programme	15	3 674 422	1 943 738
Informal sector skills development programme	16	745 954	515 794
Quality assurance services	17	703 891	897 007
Planning, monitoring and research	18	779 900	542 503
Information, education and communication	19	369 038	354 860
Fund and finance management	20	1 362 466	1 156 750
Risk management services	21	175 898	129 151
Service centre management	22	766 585	625 344
Total programme expenditure		8 734 100	6 349 100
Governance and management expenses	23	2 903 243	2 120 891
Expected credit loss	9	2 588 434	9 789 377
Total expenditure		14 225 777	18 259 368
Surplus for the year		12 172 592	257 532
Other comprehensive income			
Fair value gain on investments		752 444	600 105
Total comprehensive income for the year		12 925 036	857 637

TECHNICAL ENTREPRENEURIAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2024

	Capital Fund	Capital Development fund	General fund	Endowment fund	Revaluation reserves	Total
	K'000	K'000	K'000	K'000	K'000	K'000
Year ended 31 March 2023	630 340	56 000	7 861 961	692 268	1 269 959	10 510 528
Comprehensive income						
Surplus for the period	-	-	257 532	-	-	257 532
Other comprehensive income						-
Transfer from revaluation reserve	-	-	46 005	-	(46 005)	-
Fair value changes through OCI	-	-	-	600 105	-	600 105
Reinvestment in endowment fund	-	-	-	17 479	-	17 479
Transfer to capital fund	506 891		(506 891)	-	-	-
Transfer from capital fund	(230 439)	-	230 439	-	-	-
Transfer to apprenticeship fund	(117 574)	-	117 574	-	-	-
Balance at 31 March 2023	789 218	56 000	8 006 620	1 309 852	1 223 954	11 385 644
Year ended 31 March 2024						
Balance at 1 April 2023	789 218	56 000	8 006 620	1 309 852	1 223 954	11 385 644
Comprehensive income						
Surplus for the period	-	-	12 172 592	-	-	12 172 592
Other comprehensive income						
Fair value gain assets held at fair value through OCI				752 444	-	752 444
Reinvestment in endowment fund				42 105	-	42 105
Transfer to capital fund	1 004 032	-	(1 004 032)	-	-	-
Transfer from capital fund	(304 328)	-	304 328	-	-	-
Transfer to apprenticeship fund	(156 630)	-	156 630	-	-	-
Balance as at 31 March 2024	1 332 292	56 000	19 636 138	2 104 401	1 223 954	24 352 785

TECHNICAL ENTREPRENEURIAL AND VOCATIONAL EDUCATION AND TRAINING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 K'000	2023 K'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	12 172 592	257 532
Adjusted for:		
Interest received	(32 366)	(251 900)
Depreciation	304 328	230 439
Operating surplus before working capital changes	12 444 554	236 071
Decrease/(increase) in inventories	5 939	(5 516)
Increase in receivables	(12 552 997)	(1 008 441)
Increase in payables	290 348	1 391 698
Decrease in deferred tax liability	-	(280 546)
Increase in deferred income	1 227 590	-
Net cash generated from operating activities	1 415 434	333 266
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment	(835 152)	-
Interest received	32 366	251 900
Purchase for property, plant and equipment	(1 004 032)	(506 891)
Proceeds from disposal of property and equipment	17 405	4 453
Movement loans and advances	(55 671)	(32 661)
Net cash used in investing activities	(1 845 084)	(283 199)
NET FLOWS FROM FINANCING ACTIVITIES		
Changes in apprenticeship fund	9 215	6 225
Changes in endowment fund	794 549	600 105
Loan repayment	-	(628 797)
Net cash generated from/(utilised in) financing activities	803 764	(22 467)
Net increase in cash and cash equivalents	374 114	27 600
Cash and cash equivalents at the beginning of the year	3 566 341	3 538 741
Cash and cash equivalents at the end of the year	3 940 455	3 566 341
Movement in working capital		
Excess of current assets over current liabilities	25 656 939	14 253 705
- at end of the year	18 355 016	7 301 923
- at beginning of the year	7 301 923	6 951 782

1. GENERAL INFORMATION

The TEVET Authority was established under the Technical, Entrepreneurial and Vocational Education and Training (TEVET) Act on 1 July 1999 to operate as an independent and autonomous body responsible for technical education and training in Malawi.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") Interpretations applicable to entities reporting under IFRS and in the manner required by the TEVETAct,1999. The financial statements have been prepared under the historical cost convention as modified by fair valuing of financial assets and liabilities .

The preparation of financial statements in conformity with IFRS requires use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Authority's' accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates that are significant to the financial statements are disclosed in note 4.

(a) International Financial Reporting Standards and amendments effective for the first time for March 2024 year-ends

The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.

For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin.As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.

IFRS 17, 'Insurance contracts' Amendments Effective Annual periods beginning on or after 1 January 2023 (Published June 2020).

In response to some of the concerns and challenges raised, the Authority developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

Amendment to IAS 1, 'Presentation of Financial Statement' on Classification of Liabilities as Current or Non-current (Annual periods beginning on or after 1 January 2023 (Published Jan 2020).

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and liabilities arising from a single transaction for annual periods 'beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021).

The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

Narrow scope amendments to IAS 1 'presentation of financial statements,' practice statement 2 and IAS 8 'Accounting policies, Changes in 'accounting Estimates and Errors' for annual periods beginning on or after 1 January 2023. Earlier application is permitted (Published February '2021)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

(b) New accounting standards and amendments issued before 31 March 2024 with an effective date for accounting periods beginning on or after 1 April, 2024.

Amendment to IFRS 16 – Leases on sale and leaseback (Published September 2022) Effective date Annual periods beginning on or after 1 January 2024.

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendment to IAS 1 – Non-current liabilities with covenants (Published January 2020 and November 2022) Effective date annual periods beginning on or after 1 January 2024.

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendment to IAS 7 and IFRS 7 - Supplier finance (Published May 2023) Effective date Annual periods beginning on or after 1 January 2024 (with transitional reliefs in the first year).

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendments to IAS 21 - Lack of Exchangeability (Published August 2023) Effective date Annual periods beginning on or after 1 January 2025 (early adoption is available)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

Items included in the financial statements of the Authority are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). These financial statements are presented in Malawi Kwacha ("K') which is the Authority's functional and presentation currency.

2.3.2 Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.4 Property and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Freehold land and capital work in progress are not depreciated. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Item	**Years**	**Percentage**
Buildings	20	2.5%
Plant and Equipment	10	10%
Motor Vehicles	5	25%
Furniture and Fittings	10	10%
Electronic Equipment	3	33%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than the estimated recoverable amount.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Authority. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits

2.5 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Authority expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities

The Authority has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

2.6 Capital work in progress

Capital work in progress consists of self-constructed assets that are still under construction or have not been certified as complete on the Statement of Financial Position date. An item that qualifies for recognition as Capital work in progress is measured at cost which includes the purchase price of construction materials, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any costs directly attributable to bringing the asset to its present location and condition. Costs to bring the asset to the location and condition necessary for it to be capable of operating in a manner intended by management are accumulated until such a time that the item is certified complete at which point the cost is transferred to Property Plant and Equipment.

Depreciation is not provided on capital work in progress, however, at the end of each reporting period the Corporation assesses whether there is any indication that any item of capital work in progress may be impaired. If any such indication exists, the Authority estimates the recoverable amount of the item of capital work in progress.

2.7 Impairment of non-financial assets

Assets that have an indefinite useful life, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purpose of assessing impairment assets are grouped at the lowest levels for which there are separately identified cash flows (cash generating units). Non-financial units that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Inventories

The Authority recognises inventories initially at cost when it has control of the inventories, expects it to provide future economic benefits and the cost can be measured reliably. The cost of inventories is determined on an average cost principle and includes expenditure incurred in acquiring the inventories and transporting them to their existing location and condition.

Inventories are stated at the lower cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Consumables are valued at cost on a weighted average cost basis.

Subsequently, inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

A provision for obsolete inventories is established when there is evidence that no future economic benefits will be obtained for such inventories. The carrying amount of the inventories is reduced and the amount of the loss is recognised in the statement of comprehensive income within cost of providing water services.

2.9 Trade receivables

Trade receivables are levies due from employers (customers). Trade receivables are initially recognise at fair value and subsequently measured at amortised cost, less impairments, using the effective interest rates method.

No fair value adjustment is made for the effort of time value of money where receivables have a short-term profile. Financial assets and liabilities are in the Statement of Financial Position when the Authority becomes a party to the instruments. Financial assets are recognised on the date the Authority commits to purchase the instruments (trade date accounting).

Trade receivables are levies due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Other receivables comprises of receivables mainly of a contractual nature, initially recognised at fair value and subsequently at amortised cost. The remainder of other receivables which are not of a contractual nature are recognised initially at fair value and subsequently at fair value through profit and loss.

The Authority applies the IFRS 9: Financial Instruments simplified approach to measuring expected credit losses which uses an expected credit loss allowance/provision for all trade receivables.

They are generally due for settlement within 365 days and are therefore all classified as current. IFRS 9 allows an entity to use a simplified "provision matrix" for calculating expected losses as a practical expedient for trade receivables, if consistent with the general principles for measuring expected losses. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

This provision is recognised through the use of an allowance account for losses. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for losses.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Authority for a period of greater than 1460 days past due.

For corporate customers management have made the assumption that a customer is in default when the debt is 180 days past due. This is on the basis of billing disputes taking time to resolve resulting in a high cure rate. If, in a subsequent period, the amount of the impairment loss, decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is credited against administrative expenses in the statement of comprehensive income

2.10 Investments and other financial assets

2.10.1 Classification

The Authority classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI);
- Fair value through the profit and loss (FVPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. At initial recognition, the Authority measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Fair value gains and losses on investments in equity instruments that are not held for trading, are recognised through other comprehensive income (FVOCI).

2.10.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Authority commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all the risks and rewards of ownership.

2.10.3 Amortised cost

Amortised cost relates to assets that are held for collection of contractual cash flows. Where those cash flows represent solely payments of principal and interest, they are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement. All material financial assets of the Authority are held at amortised cost.

2.10.4 Fair value through other comprehensive income (FVOCI);

Financial assets at fair value through other comprehensive income (FVOCI) are instruments whose contractual cash flows are solely principal and interest and the objective of the Authority's business model is achieved both by collecting contractual cash flows and selling financial assets.

(The Authority has an Endowment fund held under this category).(with the moving of funds to RBM due the new PFMA the Authority only investment is in the endowment fund)

2.10.5 Fair value through the profit and loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2.10.6 Equity instruments

Fair value, with gains and losses recognised directly in the fair value through OCI reserve. When equity financial assets are disposed of, the cumulative fair value adjustments in OCI are reclassified within reserves to retained income.

Dividends from equity investments are recognised in profit or loss as other income when the Authority's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. The Authority had equity investments under this category.

Impairment

The Authority assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.10.7 Debt instruments

Subsequent measurement of debt instruments depends on the Authority's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Authority classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).

  Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Categories of financial instruments

Financial instruments comprise the following in the statement of financial position:

	Financial assets at amortised cost K	Financial liabilities at amortised cost K	Financial liabilities at fair value through OCI K	Total carrying value K	Total fair value K	Total carrying value K
At 31 March 2023						
Endowment fund	-	-	1 169 776	1 169 776	1 169 776	1 169 776
Trade and other receivables	7 421 043	-	-	7 421 043	7 421 043	7 421 043
Cash and cash equivalents	3 566 341	-	-	3 566 341	3 566 341	3 566 341
Trade and other payables	-	(855 745)	-	(855 745)	(855 745)	(855 745)
	2 755 040	(10 531 171)	-	(7 776 131)	(7 776 131)	10 131 639
At 31 March 2024						
Trade and other receivables	19 974 040	-	-	19 974 040	19 974 040	19 974 040
Cash and cash equivalents	3 940 455	-	-	3 940 455	3 940 455	3 940 455
Trade and other payables	-	(5 298)	-	(5 298)	(5 298)	(5 298)
	23 914 495	(5 298)	-	23 909 197	23 909 197	23 909 197

The trade and other receivables and disclosed in the above tables exclude the non-financial assets and liabilities carried on the statement of financial position.

The carrying value of trade and other receivables approximates their fair value due to the short-term nature of these instruments. All trade receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost.

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. They therefore approximate fair value.

Trade payables are held at amortised cost and the impact of discounting is deemed to not be significant based on their short-term nature. Therefore the carrying value of trade and other payables is deemed to approximate its fair value.

Borrowings are made up of bank loan and overdrawn bank balances. Bank borrowings are held at amortised cost and calculated using the specific fixed terms of the agreements in place. The carrying value of bank borrowings is deemed to approximate its fair value due to the fact that the interest rates applicable are similar to that of current market rates.

2.10.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10.9 Impairment of financial assets

The Authority assesses at the end of each reporting period whether there is objective evidence that a financial asset or Authority of financial assets is impaired. A financial asset or a Authority of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Authority of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Authority of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.10.10 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after t he reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

2.11 Fair value estimation

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Authority's market assumptions. These two types of inputs have created the following fair value hierarchy:

Quoted market prices - Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This level includes listed equity securities traded on the Malawi Stock Exchange.

Valuation technique using observable inputs - Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market either directly (that is, as prices) or indirectly (that is, derived from prices).

Valuation technique using significant and unobservable inputs - Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

The hierarchy requires the use of observable market data when available. The Authority considers relevant and observable market prices in its valuations where possible.

The Authority had no financial assets or liabilities carried at fair value as at 31 March 2024 (2023: K nil).

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amounts of other financial liabilities carried at amortised cost closely approximate their fair values. The impact of discounting on borrowings and trade and other payables is not significant due to the market terms (rates and tenor) available and because the instruments are short term in nature (trade and other payables).

The carrying amount of financial assets not held at fair value approximate the respective fair values as the instruments are short term in nature.

The table below summarises the fair value hierarchy at 31 March:

Level 1
Endowment fund
Level 2
Property, plant and equipment
Level 3
- Cash and cash equivalents

2.12 Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value and subsequently carried at amortised cost. For the purposes of the statement of financial position, cash and cash equivalents comprise bank balances and short-term bank deposits. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities.

2.13 Trade payables

These amounts represent liabilities for goods and services provided to the Authority prior to the end of the financial year which are unpaid.

Trade and other payables are recognised when the Authority has a legal or a constructive obligation, as a result of a past event, and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation and the obligation can be measured reliably.

The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Financial instruments related to trade and other payables are classified as "at amortised cost" in terms of IFRS 9: Financial Instruments. Financial liabilities are recognised on the transaction date when the Authority becomes a party to the contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

2.14 Provisions

Provisions are recognised when the Authority has a present legal or constructive obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as "liabilities at amortised cost" in terms of IFRS 9: Financial Instruments. Financial liabilities are recognised on the transaction date when the Authority becomes a party to the contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Authority has a right to defer settlement of the liability for at least 12 months after the reporting date.

The exchange between the Authority and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment, unless if such costs or fees incurred are incremental and are directly related to the issue of the new debt instrument in which case any such costs or fees adjust the carrying amount of the liability and are amortised over the remaining term of the new financial liability. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Employee benefits

a) Short-term employee benefits

Short-term benefits consist of salaries, education allowances, accumulated leave payments, bonuses and any non-monetary benefits such as medical aid contributions. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Authority has a present legal or constructive obligation to pay this amount as result of past service provided by the employee and the obligation has been reliably estimated.

b) Pension obligations

The Authority contributes to a defined contribution plan. The scheme is generally funded through payments to a privately administered pension insurance plan on a mandatory and contractual basis. A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations 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 prior periods.

2.18 Government capital contribution

These are the contributions from government as principal shareholder.

2.19 Revaluation reserve

Surplus on revaluation of assets are transferred to a non-distributable revaluation reserve. Depreciation on revalued property, plant and equipment is transferred from revaluation reserve to retained earnings / deficit. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to the surplus/ (deficit) reserve.

2.20 Accumulated deficit

These are net accumulated losses over the years

2.21 Government grants

A government grant is recognised initially as deferred income when there is reasonable assurance that it will be received and that the Authority will comply with the conditions attaching to it. Grants that compensate the Authority for expenses incurred are recognised as revenue in the profit and loss on a systematic basis in the same years in which the expenses are incurred. Grants that compensate the Authority for the cost of an asset are recognised in the profit and loss as revenue on a systematic basis over the useful life of the asset.

2.22 Deferred income

Deferred income is income whereby receipts of services by the Authority are obtained prior to providing the services. The amount received in advance shall be treated as deferred income and transferred to income when the service is provided.

2.23 Endowment fund

This represents a sub fund established to support technical education and training. The assets of the fund are held in deposits and shares in listed companies and in cash. Section 4 of the Rules that established the Endowment Fund according to the Malawi Gazette Supplement dated 1st August 2003 requires TEVETA to allocate a portion of its public levy, fees collected or grants and donations received from any source, and appropriations from parliament to the Endowment Fund for the uses defined in section 4 of the same Rules.

2.24 Apprentice credit fund

This represents funds set aside to guarantee loans to enterprises of the TEVET graduates for income generating purposes.

2.24 Revenue

The Authority's main source of revenue is the TEVET Levy. The TEVET Levy is calculated at 1% of employer's total payroll relating to previous period. Other sources of the Authority's revenue include donor funds, investment income, rental income, registration fees and funds raised on disposal of fixed assets.

2.25 Revenue recognition

TEVET Authority shall only recognize revenue when it is probable that the economic benefits will flow to the authority and the amount of revenue can be measured reliably. Revenue from the TEVET Levy is recognised on an accrual basis

Rental income is recognized when due while interest is accrued on a time basis.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Authority makes estimation and assumptions concerning the future. The estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below:

3.1 Useful lives and residual values and valuation of Property, plant and equipment and intangible assets

The Authority's management determines the estimated residual values, useful lives and related depreciation charges for its property ,plant and equipment. The estimate is based on projected lives for these assets. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

3.2 Impairment losses on trade receivables

The Authority's receivables comprise of outstanding levies from customers. Management is aware that certain debts due to the Authority may not be paid. The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

3.3 Going concern

The financial statements have been prepared on the basis of accounting policies applicable for going concern. The basis presumes that funds will be available to finance future operations and that the realisation of the assets and settlement of liabilities and obligations and commitments will occur in the ordinary course of business.

3.4 Determination of net realisable value of inventories

Management is required to exercise considerable judgement in the determination of net realisable value. All inventories are at average cost. Management is also required to exercise significant judgement in estimating the provision for obsolete stock.
Such judgement would take into account the following:

- change in technology;
- regulatory requirements; and
- stock nearing expiry dates.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Authority's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk, and foreign exchange risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance.

Risk management is carried out under policies approved by the Authority of Directors ("the Authority"). The Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity.

The Authority is exposed to a variety of financial risks such as credit risk, market risk and liquidity risk. The Authority continuously reviews its risk exposures and takes measures to limit it to acceptable levels. Risk management is carried out by the Finance Department under policies approved by the Authority of Directors. The Authority provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The significant risks that the company is exposed to are discussed below:

The Authority has exposure to the following risks from its use of financial instruments:
- Market risk (which includes currency risk and interest rate risk)
- Credit risk
- Liquidity risk

The Directors has overall responsibility for the establishment and oversight of the Authority's risk management framework. The Directors and management employ the overall company risk management policies as set by the company. These policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

This note presents information about the Authority's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital. Further quantitative disclosures are included throughout these financial statements.

4.1.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The principal amounts of all monetary financial assets and liabilities are fixed and not subject to market related value adjustments.

4.1.2 Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. In the normal course of business, the Authority enters into transactions denominated in foreign currencies. In addition, the Authority has assets and liabilities in foreign currencies (mainly arising from imports/ purchases) which expose it to fluctuations in foreign currency exchange rates. The Authority monitors currency fluctuations on a regular basis to minimise this risk, but does not hedge currency movement risks.

The Authority did not undertake any transactions denominated in foreign currencies. Hence, there was no exposures to exchange rate fluctuations.

The Authority does not have foreign currency denominated monetary assets and liabilities.

4.1.3 Interest rate risk

The Authority's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Authority to cash flow interest rate risk. Borrowings issued at fixed rates expose the Authority to fair value interest rate risk.

4.1.4 Liquidity risk

Liquidity risk is the risk that the Authority may fail to meet its payment obligations when they fall due, the consequences of which may be the failure to meet the obligations to creditors. The Authority identifies this risk through periodic liquidity gap analysis and the maturity profile of assets and liabilities. Where major gaps appear, action is taken in advance to close or minimise the gaps.

The table below analyses the maturity profile of the Authority's financial assets and liabilities based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 31 March 2023	Up to1 Year K'000	Up to 2 Years K'000	Up to 3 Years K'000	Above 4 Years K'000	Total K'000
Assets					
Trade and other receivables (excluding prepayments)	5 317 099	12 740 560	6 041 155	23 657 768	47 756 582
Cash and cash equivalents	3 566 341	-	-	-	3 566 341
Total assets	8 883 440	12 740 560	6 041 155	23 657 768	51 322 923
Liabilities					
Trade and other payables (excluding statutory liabilities and provisions)	482 871	66 736	-	620 675	1 170 282
Total liabilities	482 871	66 736	-	620 675	1 170 282
Liquidity gap	8 400 569	12 673 824	6 041 155	23 037 093	50 152 641
Cumulative liquidity gap	8 400 569	21 074 393	27 115 548	50 152 641	
At 31 March 2024					
Assets					
Trade and other receivables (excluding prepayments)	16 654 630	11 304 995	10 411 289	25 004 042	63 374 956
Cash and cash equivalents	3 940 455	-	-	-	3 940 455
	20 595 085	11 304 995	10 411 289	25 004 042	67 315 411
Liabilities					
Trade and other payables (excluding statutory liabilities and provisions)	831 546	-	-	-	831 546
Total liabilities	831 546	-	-	-	831 546
Liquidity gap	19 763 539	11 304 995	10 411 289	25 004 042	66 483 865
Cumulative liquidity gap	19 763 539	31 068 534	41 479 823	66 483 865	-

The Authority determines ideal weights for maturity time buckets which are used to benchmark the actual maturity profile. Maturity mismatches across the time buckets are managed through borrowings.

5 PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March 2023	Land	Buildings	Plant and Equipment	Motorvehicles	Furniture	Electronic Equipment	Work in Progress	Total
Opening net book value	657 300	1 419 090	42 633	603 365	80 031	115 939	-	2 918 358
Additions	-	92 904	19 929	291 504	62 556	40 000	-	506 893
Disposals								
- Cost	-	-	(17 084)	(130 637)	(19 677)	(28 801)	-	(196 199)
- Depreciation	-	-	22	117 575	-	8 383	-	125 980
Depreciation charge	-	(35 490)	(5 163)	(137 134)	(12 215)	(40 436)	-	(230 438)
Closing net book value	657 300	1 476 504	40 337	744 673	110 695	95 085	-	3 124 594
At 31 March 2023								
Cost	657 300	1 568 718	81 351	1 866 696	158 245	348 796	-	4 681 106
Accumulated depreciation	-	(92 213)	(41 015)	(1 122 023)	(47 551)	(253 710)	-	(1 556 512)
Net book value	657 300	1 476 505	40 336	744 673	110 694	95 086	-	3 124 594
Year ended 31 March 2024								
Opening net book value	657 300	1 476 505	40 336	744 673	110 694	95 086	-	3 124 594
Additions	71 106	22 979	-	690 292	27 945	25 048	166 662	1 004 032
Disposals								
- Cost	-	-	-	(174 035)	-	-	-	(174 035)
- Depreciation	-	-	-	156 630	-	-	-	156 630
Depreciation charge	-	(37 601)	(5 769)	(202 953)	(14 804)	(43 201)	-	(304 328)
Closing net book value	728 406	1 461 883	34 567	1 214 607	123 835	76 933	166 662	3 806 893
At 31 March 2024								
Cost	728 406	1 591 697	81 351	2 382 953	186 190	373 844	166 662	5 344 441
Accumulated depreciation	-	(129 814)	(46 784)	(1 168 346)	(62 355)	(296 911)	-	(1 704 210)
Net book value	728 406	1 461 883	34 567	1 214 607	123 835	76 933	166 662	3 806 893

6 INVESTMENTS

Investment with Continental House Managers

Analysed as follows

	2024 K'000	2023 K'000
Opening balance	1 169 776	569 671
Additions for the year	40 602	-
Interest	42 106	-
Fair value	752 444	600 105
	2 004 928	1 169 776

The funds are invested in shares in listed companies as follows (with the balance in interest earning accounts):

Company	**No of Shares**	**Price**	**2024 Amount K 000**	**Price**	**2023 Amount K 000**
Illovo Sugar	521 500	1 350	704 088		391 125
National Bank of Malawi	254 584	2 400	611 007	750	449 669
National Insurance Company	1 000 000	200	199 670	1 766	136 000
First Merchant Bank	857 508	380	325 853	136	143 187
First Merchant Bank	41 300	380	15 694	167	6 896
First Merchant Bank	101 192	380	38 453	167	16 897
Malawi Property Investment Company	824 509	15	12 104	167	16 968
Old Mutual	8 609	1 500	12 914	21	7 576
Nedbank (RSA)	113	21 579	2 438	880	1 457
			1 922 220	12 897	1 169 776

7 INVENTORIES

	2024 K'000	2023 K'000
Stationery and other office consumables	18 461	24 400

8 LOANS AND ADVANCES

	2024 K'000	2023 K'000
Opening	237 949	205 288
Addition	157 531	150 116
Repayment	(101 860)	(117 455)
Closing balance	293 620	237 949

9 TRADE AND OTHER RECEIVABLES

	2024 K'000	2023 K'000
Accumulated Levy receivable	62 774 258	47 756 582
Expected credit losses	(43 230 508)	(40 642 074)
Net levy receivable	19 543 750	7 114 508
Staff receivables	293 620	247 728
Prepayments	27 964	34 209
Other receivables	108 706	24 598
	19 974 040	7 421 043

Provision for bad debts

	2024 K'000	2023 K'000
At 1 April	40 642 074	30 852 697
Provisions	2 588 434	9 789 377
At 31 March	43 230 508	40 642 074

The loss allowance as at 31 March 2024 was determined as follows for trade receivables:

	Current	Up to 30 days overdue	Up to 60 days overdue	Up to 90 days overdue	Up to 180 days overdue	Total
Government						
At 31 March 2024						
Gross carrying amount	-	15 039 422	10 693 851	9 433 930	20 667 186	55 834 389
Loss rates		74.1%	74.9%	75.2%	77.3%	
Expected credit loss	-	(11 147 642)	(8 004 448)	(7 096 239)	(15 978 750)	(42 227 079)
	-	3 891 780	2 689 403	2 337 691	4 688 436	13 607 310
Private customers						
At 31 March 2024						
Gross carrying amount	1 615 209	611 144	977 360	2 315 161	1 420 995	6 939 869
Loss rates	5.8%	6.5%	7.0%	7.7%	30.9%	
Expected credit loss	(93 530)	(39 491)	(68 379)	(178 312)	(623 717)	(1 003 429)
	1 521 679	571 653	908 981	2 136 849	797 278	5 936 440
Gross carrying value	1 615 209	15 650 566	11 671 211	11 749 091	22 088 181	62 774 258
Expected credit loss	(93 530)	(11 187 133)	(8 072 827)	(7 274 551)	(16 602 467)	(43 230 508)
	1 521 679	4 463 433	3 598 384	4 474 540	5 485 714	19 543 750

	2024 K'000	2023 K'000
10 CASH AND CASH EQUIVALENTS		
Bank balances	3 865 208	3 498 466
Call deposits	75 247	67 875
	3 940 455	3 566 341
11 TRADE AND OTHER PAYABLES		
Accruals	-	23 905
PAYE payable	55 254	37 719
Refunds	103 472	-
Staff pensions payable	30 264	22 886
Trade payables	831 546	649 625
Unallocated levy	5 298	1 351
	1 025 834	735 486
12 REVENUE		
LEVY		
Public sector (Government and other public) Levy	17 592 702	12 307 129
Private sector Levy	8 661 883	5 609 005
	26 254 585	17 916 134

13 OTHER INCOME

		2024 K'000	2023 K'000
College examination and registration fees		25 769	24 080
Tender documents		39 936	17 242
Miscellaneous income		29 908	298 770
Dividend received		15 805	8 774
		111 418	348 866

14 PRODUCTIVITY ENHANCEMENT PROGRAM

		2024 K'000	2023 K'000
Staff costs		88 137	74 919
Productivity enhancement programs - Industry		33 131	33 217
Productivity enhancement programs-TNA		19 452	55 912
Productivity enhancement-Businesses owned by TEVET beneficiaries		15 226	19 905
		155 946	183 953

15 APPRENTICESHIP TRAINING PROGRAMME

		2024 K'000	2023 K'000
Apprenticeship training	14.1	2 908 330	1 326 616
Entrepreneurship programs		30 024	52 508
Motor vehicle maintenance		19 359	21 124
Office consumables and stationery		3 943	278
Projects and developments	14.2	57 770	63 787
Skills contest		154 135	65 621
Staff costs		500 861	413 804
		3 674 422	1 943 738

14.1 Apprenticeship Training

	2024 K'000	2023 K'000
Apprentices tools	884 274	87 541
Apprenticeship attachment-allowances	114 110	104 501
Apprenticeship bursaries	36 140	26 858
Apprenticeship raining subsidies	1 558 326	709 547
Assessment-external verifications	108 741	92 991
Coordination of apprenticeship programs	186 211	268 880
Scholarship for girls in male dominated trades	20 528	36 298
	2 908 330	1 326 616

14.2 Projects and developments

	2024 K'000	2023 K'000
Apprentice training	39 177	51 309
Establish TEVETA owned enterprise	18 593	12 478
	57 770	63 787

16 INFORMAL SECTOR SKILLS DEVELOPMENT PROGRAMME

		2024 K'000	2023 K'000
Informal training	15.1	618 074	394 951
staff costs		127 880	120 843
		745 954	515 794

	2024 K'000	2023 K'000
15.1 Informal training		
Informal training - through CSDCs	154 423	114 383
Informal training - through master craftsmen	147 832	64 226
Informal training - through mobile training workshop	89 105	55 177
Informal training-through partners,CBOs,NGO,Donors	62 881	49 581
Mobile training -tools and accessories	77 999	49 702
Refurbish infrastructure - CSDCs	85 833	61 882
	618 074	394 951

17 QUALITY ASSURANCE SERVICES

	2024 K'000	2023 K'000
Assessment and certifications	42 792	63 425
Motor vehicle maintenance	19 836	17 478
Office consumables and stationery	15 322	15 524
Quality assurance activities	70 749	75 519
Registration and compliance	40 154	47 623
Staff costs	280 577	288 881
Standards and curriculum development	60 060	335 729
Support to ACU	174 401	52 828
	703 891	897 007

18 PLANNING, MONITORING AND RESEARCH

	2024 K'000	2023 K'000
Annual planning and review	35 714	77 917
ICT management and maintenance (WAN, Internet)	59 321	45 814
ICT software's and licences	36 372	20 665
IVETA conference	7 963	-
Labour market survey	43 849	-
Monitoring and evaluation activities	261 354	100 838
Motor vehicle maintenance	14 948	8 547
Office consumables and stationery	967	4 183
Record management, archiving and e-resource management	37 286	28 024
Research and demand driven surveys	41 778	51 320
Review of the TEVET Act	4 382	10 778
Staff costs	229 128	184 477
TMIS usage monitoring	6 838	9 940
	779 900	542 503

19 INFORMATION, EDUCATION AND COMMUNICATION

	2024 K'000	2023 K'000
Awareness and marketing of TEVET programs	172 103	119 684
Corporate Social Responsibility(CSR)	6 869	36 125
Motor vehicle maintenance	4 885	6 737
Office consumables and stationery	2 650	4 644
Production of various IEC materials	92 283	101 174
Staff costs	90 248	86 496
	369 038	354 860

20 FUND AND FINANCE MANAGEMENT

	2024 K'000	2023 K'000
Accounting systems licences and other costs	51 611	62 487
External audit costs	47 185	22 391
Finance lease charges	-	24 567
Financial management costs	102 880	117 753
Investment costs	42 089	28 667
Levy inspection and collection costs	56 206	100 213
Motor vehicle maintenance	24 723	15 407
MRA agency costs	543 649	381 243
Office consumables and stationery	3 578	7 127
staff costs	490 545	396 895
	1 362 466	1 156 750

21 RISK MANAGEMENT SERVICES

	2024 K'000	2023 K'000
Audit and risk management licence	9 389	1 167
Internal audit and risk management	53 606	35 385
Motor vehicle maintenance	16 609	6 313
Office consumables and stationery	287	2 578
staff costs	96 007	83 708
	175 898	129 151

22 SERVICE CENTRE MANAGEMENT

	2024 K'000	2023 K'000
Awareness and marketing of TEVET programs	8 834	7 805
Bank charges	13 739	11 541
Cleaning and landscaping	13 759	13 044
First aid and PPEs	1 676	1 744
Fuels	4 650	5 459
HIV/Aids policy implementation	198	-
IPDC-activities	16 840	9 219
Maintenance-buildings and equipment's	19 201	14 822
Motor vehicle maintenance	133 073	91 394
Office consumables and stationery	62 969	67 667
Office security	58 284	62 683
staff costs	392 209	292 987
Staff meetings	5 950	7 246
Staff welfare	3 616	7 037
Utilities	31 137	32 696
waste management	450	-
	766 585	625 344

23 GOVERNANCE AND MANAGEMENT EXPENSES

	2024 K'000	2023 K'000
Depreciation	304 328	230 439
Asset tracking and management	10 283	13 469
Authority and Authority committees	384 264	315 465
City and land rates	4 889	7 319
Cleaning and landscaping	30 211	14 176
Conduct IPDC	35 232	34 843
Coordinate meetings(staff and Management)	32 500	24 893
Environmental management costs	478	433
Fuels	3 736	4 858
HIV/Aids policy implementation	11 927	3 890
Implement HRD programmes	432 548	529 872
Infrastructure development costs	10 088	3 734
Insurance	79 284	53 349
Legal and professional fees	65 056	31 883
Loss on disposals	4 261	6 664
Maintenance-buildings and equipment's	22 559	23 070
Motor vehicle maintenance	55 540	52 710
Office consumables and stationery	156 899	154 098
PPDA levy	13 053	10 073
Programmes implementation checks	6 311	3 072
Staff costs	344 784	338 660
Staff insurance	202 356	142 583
Staff welfare	35 479	61 311
TEVET levy	16 176	11 393
Utilities	37 830	47 558
Write offs	600 698	-
Working expenses	2 473	1 076
	2 903 243	2 120 891

24 CONTINGENCIES

The Authority is claiming the sum of MK200 million being principal sum plus interest, damages for breach of contract and collection costs from Alliance capital. TEVETA invested with the Defendant the sum of MK200 million. The Authority waiting for appointment of a Liquidator for the winding up proceedings to commence in earnest.

The Authortiy is a defendant and claimant to various cases in the courts of Malawi. In the event that the case is not succesful, management estimates a total loss of K 24 million.

25 EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date that would require adjustments to be made to the financial statements

26 RESTATEMENTS DUE TO PRIOR YEAR ADJUSTMENT

In preparing these financial statements, management have identified an error relating to prior year periods. Accordingly, prior year adjustments have been made.

The adjustments reflect historical error relating to subsequent measurement of financial instruments (IFRS 9). The error resulted from incorrect application of IFRS 9, Financial instruments. In determining the expected credit losses, management applied IAS 39 instead of IFRS 9. As such, the expected credit losses were determined using general allowance rate of 70%. There was no scientific method that complies with IFRS 9, Financial Instrument to determine the 70% used as credit allowance rate.

In addition, all payments received in relation to the previous years trade receivables were recognized as other income despite clearing the outstanding balances. This resulted in overstatement of other income and reported surplus for the year.

a) Management recognised an error in application of income and deferred tax rules. The Authority is exempted from income taxes under the first schedule, subsection (viii) of the Taxation Act as a statutory corporation. As such, deferred tax liability amounting to K273 million erronously recognised on revaluation surplus has now been reversed.

b) An amount of K1.4 billion was reversed from expected credit loss and other income. These relates to settlement of receivables wrongly recognised as other income for the year ended 31 March, 2023.

The adjustments have been recognised as prior year errors, in accordance with IAS 8 Accounting policies, changes in accounting estimates and errors with the financial statements restated accordingly. The impact of the prior year adjustments on the affected primary statement line items is shown in the table below:

	31/03/2023			01/04/2022		
	As previously stated 2023 K'000	Increase/ (decrease) 2023 K'000	Restated 2023 K'000	As previously stated 2022 K'000	Increase/ (decrease) 2022 K'000	Restated 2022 K'000
Summary statement of financial position						
Non-current assets						
Receivables	8 845 264	(1 424 221)	7 421 043	6 412 602	(1 147 593)	5 265 009
Total current assets	8 845 264	(1 424 221)	7 421 043	6 412 602	(1 147 593)	5 265 009
Equity						
General Funds	9 157 308	(1 150 690)	8 006 618	7 852 490	(1 428 140)	6 424 350
	9 157 308	(1 150 690)	8 006 618	7 852 490	(1 428 140)	6 424 350
Non- Current liabilities						
Deferred tax	273 533	(273 533)	-	280 547	(280 547)	-
	273 533	(273 533)	-	280 547	(280 547)	-
Statement of Comprehensive Income						
Other income	1 492 540	(1 143 674)	348 866	1 192 686	(1 147 593)	45 093
Surplus for the year	1 401 207	(1 143 675)	257 532	1 992 094	(1 147 593)	844 501
Cashflow from working capital						
Movement in receivables	(2 432 662)	1 424 221	(1 008 441)	(132 768)	1 147 593	1 014 825
Decrease in deferred tax	-	(280 546)	(280 546)	280 546	(280 546)	-
	(2 432 662)	1 143 675	(1 288 987)	147 778	867 047	1 014 825

ACRONYMS AND ABBREVIATIONS

MRA	Malawi Revenue Authority
PAYE	Pay As You Earn
TNA	Training Needs Assessment
CSDC	Community Skills Development Centre
CBO	Community Based Organisation
NGO	Non Governmental Organisation
ACU	Assessment and Cerification Unit
ICT	Information and Communication Technology
WAN	Wide Area Network
IVETA	International Vocational Education Training Association
TMIS	Training Management Information System
IEC	Information, Education and Communication
PPE	Property, Plant and Equipment
IPDC	Internal Procurement and Disposal Committee
HRD	Human Resource Development
PPDA	Public Procurement and Disposal Authority