

**MALAWI INSTITUTION OF ENGINEERS**

**FINANCIAL STATEMENTS**

**For the year ended**

**30<sup>th</sup> June 2019**

# **MALAWI INSTITUTION OF ENGINEERS**

## **Financial statements for the year ended 30<sup>th</sup> June 2019**

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# **MALAWI INSTITUTION OF ENGINEERS**

## **Financial statements for the year ended 30<sup>th</sup> June 2019**

### **Council Members' Report**

The Council Members have pleasure in submitting their report together with the annual financial statements of the institution for the year ended 30<sup>th</sup> June 2019.

### **Nature of business**

The institution is involved in the advancing of science and practice of engineering thereby enhancing the contribution of engineering professionals to the social economic development in the country.

### **Financial performance**

The results and state of affairs of the institution are set out in the accompanying income statement, statement of changes in fund balances, statement of financial position, statement of cash flows and notes.

### **Council members**

The Council members who served during the year are listed below:-

Eng. Wilson Chirwa	President
Dr. Gregory Gamula	1 <sup>st</sup> Vice President
Eng. Sam Kadangwe	2 <sup>nd</sup> Vice President
Eng. Gerald Khonje	Honorary Secretary
Eng. Newton Kambala	Honorary Treasurer
Eng. David Mzandu	Immediate Past President
Eng. Paul Kulemeka	Member
Eng. Dr. Collen Zalengera	Member
Eng. Dr. Burnett Mkandawire	Member
Eng. Dr. Zedi Nyirenda	Member
Eng. Saulosi Gwengwe	Member
Eng. Moses Kalenga	Member
Eng. Stanley Malombe	Member
Eng. William Nyirenda	Member
Mrs. Phederia Moyo	Member
Mrs. Trinity Chitowe	Member
Ms. Shamiso Kacelenga	Member
Mr. Layison Likandawe	Member
Mr. Morris Mabvumbwe	Member
Mrs. Susan Mponda	Member
Mr. Ashley Kanyoza	Member
Eng. Saulos Kazitche	Member

### **Auditors**

A resolution will be proposed at the forthcoming Annual General Meeting to re-appoint AMG Global, Chartered Accountants, as auditors in respect of the Institution's 30<sup>th</sup> June 2020 annual financial statements.

**MALAWI INSTITUTION OF ENGINEERS**

**Financial statements for the year ended 30<sup>th</sup> June 2019**

**Council Members' Responsibility and Approval**

The Trustees Incorporation Act, 1962, requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the institution as at the end of the financial year and of the operating results for that year.

In preparing the financial statements, the Council Members accept responsibility on behalf of the Institution for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the institution will continue in business.

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

The Council Members are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the institution and of their operating results.

The financial statements, which have been prepared on the going concern basis, were approved by the Council Members on .....2019 and were signed on their behalf by:

**President:** \_\_\_\_\_

**Honorary Secretary:** \_\_\_\_\_

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALAWI INSTITUTION OF ENGINEERS**

## **Report on the Audited Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of Malawi Institution of Engineers, which comprise the statement of financial position as at 30 June 2019 and the statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Malawi Institution of Engineers as at 30 June 2019 in accordance with the provisions of the Trustees Incorporation Act, 1962 and in conformity with International Financial Reporting Standards.

### **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 Institute in accordance with the International Federation of Accountants (IFAC) code of Ethics together with the ethical requirements that are relevant to our audit of the Institute's financial statements in Malawi. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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, 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 Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Institute'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.

- 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 Institute’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 Institute’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 Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Institute to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Joseph Nangantani.

**AMG Global  
Chartered Accountants  
Blantyre, Malawi**

Date: .....2019

**STATEMENT OF FINANCIAL POSITION**  
**as at 30<sup>th</sup> June 2019**  
*In Malawi Kwacha*

	<b>Note</b>	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<b>1</b>	<b>5,884,464</b>	1,780,593
<b>Current assets</b>			
Receivables	<b>2</b>	<b>37,795,270</b>	23,736,070
Long term investments		<b>13,678,949</b>	1,678,949
Bank and cash balances	<b>3</b>	<b>15,857,010</b>	3,782,700
		<b>66,331,229</b>	29,197,719
<b>Total assets</b>		<b>72,215,693</b>	30,978,312
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital</b>			
General fund		<b>61,301,611</b>	(1,134,016)
<b>Current liabilities</b>			
Payables	<b>4</b>	<b>11,434,082</b>	32,112,329
<b>Total equity and liabilities</b>		<b>72,215,693</b>	30,978,313

These financial statements were approved by the Council Members on..... 2019 and were signed on its behalf by:

.....  
**President**

.....  
**Honorary Treasurer**

The financial statements are to be read in conjunction with accounting policies on pages 8 to 14.

The auditor's report is on page 3.

## Statement of Comprehensive Income

In Malawi Kwacha

	Note	2019	2018
<b>Revenue</b>			
Member subscription		24,558,000	21,522,000
Income conference (net)	5	65,390,307	14,281,899
Income from dinner and dance (net)	6	800,011	2,018,129
Interest received		11,398	298,649
Other income		1,521,077	1,402,100
		<b>92,280,793</b>	<b>39,522,777</b>
<b>Administration expenses</b>			
Accountancy and Consultancy fees		1,485,000	660,000
Advertising		1,061,727	3,137,212
Audit fees		615,400	600,000
Bank charges		463,335	508,853
Council and Board Expenses		1,492,474	1,961,881
Donation - student professional development		680,000	1,778,840
Equipment Repairs and Maintenance		209,000	-
Motor vehicle expenses		1,607,500	2,935,627
Office expenses		1,419,739	1,455,261
Office rentals		822,300	1,096,856
Postage, Telephone and Internet		282,000	600,877
Salaries		19,037,629	24,932,227
Subscription - WFEO and SAFE0		1,444,538	734,778
Travel and accommodation		429,822	1,267,968
Insurance		112,250	-
Depreciation		1,648,565	498,078
Bad debts written off		-	1,147,500
Provision for doubtful debts		-	10,905,250
		<b>32,811,279</b>	<b>54,221,208</b>
Surplus/(deficit) for the year		<b>59,469,514</b>	<b>(14,698,431)</b>

The financial statements are to be read in conjunction with accounting policies on pages 8 to 14.

The auditor's report is on page 3.

**Statement of Changes in Fund Balances**  
*In Malawi Kwacha*

	<b>General Fund</b>	<b>Total</b>
Opening balance as at 1 <sup>st</sup> July 2017	13,564,416	13,564,416
Surplus for the year	<u>(14,698,432)</u>	<u>(14,698,432)</u>
<b>Balance as at 30 June 2018</b>	<b><u>(1,134,016)</u></b>	<b><u>(1,134,016)</u></b>
Opening balance as at 1 <sup>st</sup> July 2018	(1,134,016)	(1,134,016)
Deficit for the year	59,469,514	59,469,514
Reversal of gratuity over-provision in prior years	<u>3,446,114</u>	<u>3,446,114</u>
<b>Balance as at 30 June 2019</b>	<b><u>61,781,612</u></b>	<b><u>61,781,612</u></b>

The financial statements are to be read in conjunction with accounting policies on pages 8 to 14.

The auditor's report is on page 3.

## Statement of Cash Flows

*In Malawi Kwacha*

	Note	2019	2018
<b>Operating activities</b>			
Surplus for the year		62,915,628	(14,698,432)
Adjustment for:			
Depreciation		1,648,565	498,078
Increase in investment nominal values		-	(167,423)
		<u>64,564,194</u>	<u>(14,367,777)</u>
Increase in other receivables		(14,059,200)	(11,500,020)
Increase in other payables		(20,678,248)	20,184,215
<b>Net cash flows from operating activities</b>		<u>29,826,746</u>	<u>(5,683,582)</u>
<b>Investing activities</b>			
Increase in investments		(12,000,000)	-
Purchase of equipment		(5,752,436)	(669,349)
<b>Net cash flow from investing activities</b>		<u>(17,752,436)</u>	<u>(669,349)</u>
<b>Net increase in cash and cash equivalents</b>		<b>12,074,310</b>	<b>(6,352,931)</b>
Cash and cash equivalents at the beginning of the period		<u>3,782,700</u>	<u>10,135,631</u>
<b>Cash and cash equivalents at the end of the period</b>	<b>3</b>	<u>15,857,010</u>	<u>3,782,700</u>

The financial statements are to be read in conjunction with accounting policies and notes on pages 8 to 14.

The auditor's report is on page 3.

## Notes to the Financial Statements

### Accounting Policies

The following accounting policies have been consistently applied in all material respects by Malawi Institution of Engineers.

**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and interpretations issued by the Standing Interpretations Committee of the International Financial Reporting and Interpretations Committee (IFRIC).

**b) Basis of preparation**

The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires Council Members to exercise its judgment in the process of applying accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Council members believe that the underlying assumptions are appropriate.

**(c) New and amended standards and interpretations**

*Amendments applicable for periods beginning 1 July 2018*

IFRS 15 ‘Revenue from contracts with customers’ and associated amendments to various other standards

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

A new five-step process must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) – minimum amounts must be recognised if they are not at significant risk of reversal.

## Notes to the Financial Statements

### Accounting Policies

#### (c) New and amended standards and interpretations (continued)

- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

These accounting changes may have flow-on effects on the entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications.

Entities will have a choice of full retrospective application, or prospective application with additional disclosures.

#### *Amendments applicable for periods beginning 1 July 2018*

#### **IFRS 9 Financial Instruments and associated amendments to various other standards**

IFRS 9 replaces the multiple classification and measurement models in IAS 39 *Financial instruments: Recognition and measurement* with a single model that has initially only two classification categories: amortised cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognised at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss).

For financial liabilities that are measured under the fair value option, entities will need to recognise the part of the fair value change that is due to changes in their own credit risk in other comprehensive income rather than profit or loss.

## Notes to the Financial Statements

### Accounting Policies

#### (c) New and amended standards and interpretations (continued)

The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.

In December 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes introduce:

a third measurement category (FVOCI) for certain financial assets that are debt instruments  
a new expected credit loss (ECL) model which involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financing component (eg trade receivables). On initial recognition, entities will record a day-1 loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

#### (d) Revenue

Revenue is recognized in the income statement on accrual basis. These comprise membership fees, training fees, interest income and receipts from the sale of magazine. Subscriptions are accounted for on accruals basis for the period in which they relate to. Prepaid subscriptions are accounted for as deferred income in period of receipt and recognized as income in the relevant year.

#### (e) Income tax

The Malawi Institution of Engineers is a non-profit making organisation and is exempt from income tax under sub-paragraph (b) (iii) of the first schedule of the Taxation Act.

#### (f) Equipment

##### (i) *Owned assets*

Items of equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of equipment comprises major components having different useful lives, they are accounted for as separate items of equipment.

##### (ii) *Depreciation*

Equipment are depreciated on straight line basis at annual rates estimated to reduce them to their anticipated residual value over their expected useful life. Equipment is depreciated over 5 years and Furniture and Fittings is depreciated over 10 years.

## Notes to the Financial Statements

### Accounting Policies

#### (g) Foreign currencies

Transactions in foreign currencies are translated into Malawi Kwacha at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities dominated in foreign currencies are translated into Malawi Kwacha at the rate of exchange ruling at the statement of financial position date and the resulting gains or losses are taken into account in arriving at the profit before taxation.

#### (h) Financial instruments

The term financial instruments include financial assets and financial liabilities. Financial assets are classified and accounted as follows:

- i. Held for trading: - assets which are acquired for the purpose of selling or repurchasing in the short term or on which short term profit/loss arise. Held for trading assets are accounted initially at fair value (which at the time of acquisition will normally be at cost, assuming purchase at market values) and subsequently measured at fair value through the profit and loss account.
- ii. Held-to-maturity investments: - assets with fixed or determinable payments and fixed maturity over which the institution has intention and ability to hold to maturity. Held-to-maturity assets are accounted initially at fair value and subsequently measured at amortised cost using the effective interest method, through the profit and loss account.
- iii. Loans and receivables: - assets with fixed or determinable payments. Loans and receivables are accounted initially at fair value and subsequently measured at amortised cost using the effective interest method, through the profit and loss account.
- iv. Available-for-sale: - assets that do not fall under a) to c) above. Available-for-sale assets are accounted initially at fair value (cost) and subsequently measured at fair value. Gains or losses on changes in fair value are recognized directly in equity, except for impairment losses and foreign exchange gains and losses.

Exposure to credit, interest rate and currency risk arises in the normal course of the institution's business. Derivative financial instruments are used to reduce exposure to fluctuations in the foreign exchange and interest rates. While these are subject to the risk of market rates changing subsequent to acquisition, such changes are generally offset by opposite effects on the items being hedged.

## **Notes to the Financial Statements**

### **Accounting Policies**

#### **(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the institution's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### **(i) Trade and other payables**

Trade and other payables are stated at their fair values.

#### **(j) Provisions**

A provision is recognised in the statement of financial position when the institution has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are measured at the Council Members' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where effect is material.

#### **(k) Impairment**

The carrying amount of the assets is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

#### **(l) Related party transactions**

Any related party transactions are made on arms' length basis and are fully disclosed.

#### **(m) Comparative information**

Comparative information has been restated where necessary to facilitate comparison.

<b>1. Plant and equipment</b>	<b>Office Equipment</b>	<b>Software</b>	<b>Office furniture</b>	<b>Motor Vehicle</b>	<b>Total</b>
<b>2018</b>					
<b>Cost</b>					
At 1 July 2017	2,241,578	512,600	311,400	2,000,000	5,065,578
Additions	669,349	-	-	-	669,349
<b>At 30 June 2018</b>	<b>2,910,927</b>	<b>512,600</b>	<b>311,400</b>	<b>2,000,000</b>	<b>5,734,927</b>
<b>Depreciation</b>					
At 1 July 2017	1,273,056	-	183,200	2,000,000	3,456,256
Charge for the year	375,708	102,520	19,850	-	498,078
<b>At 30 June 2018</b>	<b>1,648,764</b>	<b>102,520</b>	<b>203,050</b>	<b>2,000,000</b>	<b>3,954,334</b>
<b>2019</b>					
<b>Cost</b>					
At 1 July 2018	2,910,927	512,600	311,400	2,000,000	5,734,927
Additions	-	-	-	5,752,436	5,752,436
<b>At 30 June 2019</b>	<b>2,910,927</b>	<b>512,600</b>	<b>311,400</b>	<b>7,752,436</b>	<b>11,487,363</b>
<b>Depreciation</b>					
At 1 July 2018	1,648,764	102,520	203,050	2,000,000	3,954,334
Charge for the year	375,708	102,520	19,850	1,150,487	1,648,565
<b>At 30 June 2019</b>	<b>2,024,472</b>	<b>205,040</b>	<b>222,900</b>	<b>3,150,487</b>	<b>5,602,900</b>
<b>Carrying amounts</b>					
<b>At 30 June 2019</b>	<b>886,455</b>	<b>307,560</b>	<b>88,500</b>	<b>4,601,949</b>	<b>5,884,464</b>
At 30 June 2018	1,262,163	410,080	108,350	-	1,780,593

*In Malawi Kwacha*

	<u>2019</u>	<u>2018</u>
<b>2. Receivables</b>		
Trade receivables	21,748,970	19,518,970
Conference Receivables	-	-
Membership receivables	<u>15,833,300</u>	<u>14,939,050</u>
	<b>37,102,270</b>	<b>34,458,020</b>
Provision for doubtful debts (membership)	-	(10,905,250)
Prepayments	<u>213,000</u>	<u>183,300</u>
	<b><u>37,795,270</u></b>	<b><u>23,736,070</u></b>
<b>3. Cash and cash equivalents</b>		
Bank balances	<u>15,857,010</u>	<u>3,782,700</u>
<b>4. Payables</b>		
Accrued accountancy and consultancy fees	516,500	445,000
Audit	1,000,000	1,270,000
Accrued conference expenses	-	7,422,100
Provision for staff costs	9,857,582	12,671,114
Other payables	<u>60,000</u>	<u>10,304,115</u>
	<b><u>11,434,082</u></b>	<b><u>32,112,329</u></b>
<b>5. Income from conference (net)</b>		
Contributions towards conference	108,044,000	75,612,835
Conference expenses	<u>(42,653,693)</u>	<u>(61,330,936)</u>
	<b>65,390,307</b>	<b>14,281,899</b>
<b>6. Income from dinner and dance (net)</b>		
Contributions towards dinner and dance	4,425,000	6,515,000
Conference expenses	<u>(3,624,989)</u>	<u>(4,496,871)</u>
	<b>800,011</b>	<b>2,018,129</b>
<b>7. Capital commitments</b>		
There were no capital commitments at the end of the year.		
<b>8. Contingent liabilities</b>		
There were no contingencies as at the end of the year.		
<b>9. Incorporation</b>		
Malawi Institution of Engineers is a trust incorporated under the Trustees Incorporation Act 1962. It was incorporated on 29 <sup>th</sup> April 2002.		
<b>10. Subsequent events</b>		
Subsequent to the statement of financial position date no events have occurred necessitating adjustments to or disclosures in the financial statements.		

**11. Going concern**

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