

TEST FOR TANZANIA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2024

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## General Information

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**Country of incorporation and domicile**

Tanzania, United Republic of

**Auditors**

AFRIQ Consultants  
Certified Public Accountants  
TRES House, 2nd Floor  
TRA Road, Mwenge  
P.O. Box 35641  
Dar es salaam

**Bankers**

Equity Bank Tanzania Limited  
P.O Box 75104, Dar es Salaam

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Contents

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The reports and statements set out below comprise the financial statements presented to the trustee:

	<b>Page</b>
Trustees' Report	3 - 4
Trustees' Responsibilities and Approval	5
Declaration of the Head of Accounts	6
Independent Auditor's Report	7 - 9
Statement of Financial Position	10
Statement of Income and Expenditure	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 15
Notes to the Financial Statements	16

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Trustees' Report

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The trustees have pleasure in submitting their report on the financial statements of TEST for Tanzania for the year ended 31 July 2024.

### 1. Incorporation

The Trust was incorporated on 3 October 2016 and obtained its certificate number 5316. The Trust is domiciled in United Republic of Tanzania where it is incorporated as a Trust under the The Trustees Incorporation Act, 2002.

### 2. Nature of business

Tertiary Education Scholarship Trust (TEST) for Tanzania is a statutory registered entity under the Trustees Incorporation Act of Tanzania.

TEST for Tanzania is an initiative of the Tertiary Education Scholarship Trust for Africa, otherwise known as TEST for AFRICA, in collaboration with Tanzanian Scholars who have completed scholarships to study at the UK universities under the Commonwealth Scholarship scheme.

The main objective of the Trust is to provide scholarship funding for tertiary education at public universities in Tanzania for bright and financially needy students and thereby contribute to the socioeconomic development of the country

Funding shall be full or partial and to both new and continuing students and will be provided on annual renewable basis in consideration of the needs of recipients (students) and the level of their academic performance.

There have been no material changes to the nature of the trust's business from the prior year.

### 3. The Trust

The Trust seek to raise a minimum of 10,000 British Pounds annually from TEST for AFRICA and have a responsibility of seeking to raise additional sponsorship from third party individuals, corporations and business entities.

### 4. The Trust Governance

The Trust is governed by a General Assembly which is the highest decision making body of the Trust that meets annually, to prepare work programmes and financial reports, and shall be composed of:

- a) Board of Trustees;
- b) Advisory Board; and
- c) Other members

### 5. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the trust are set out in these financial statements.

### 6. Trustees' benefits

The trustees did not receive any remunerations from the trust during the year.

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Trustees' Report

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### 7. Board of Trustees

The trustees in office at the date of this report are as follows:

#### Board of Trustees

Prof. Ralph Masenge

Elizabeth Kironde

Aisha Sinda

Tumaini Thabiti

Dr. Beatus Mwendwa

There have been no changes to the trustees for the period under review.

### 8. Employees' welfare

The trust had no employees during the year.

### 9. Events after the reporting period

The trustees are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 10. Political and charitable donations

The trust did not make any donations during the year.

### 11. Going concern

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

### 12. Terms of appointment of the auditors

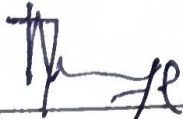
AFRIQ Consultants were appointed as the trust's auditors at the general meeting held on . Included in deficit for the year is the agreed auditor's remuneration of TSh590,000. Trustee wishing to inspect a copy of the terms on which the trust's auditors is appointed and remunerated may do so by contacting the Company Secretary.

### 13. Liquidity and solvency

The trustees have performed the required liquidity and solvency tests required by the Income Tax Act.

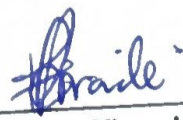
The financial statements set out on page 10, which have been prepared on the going concern basis, were approved by the board of trustees on 25 March 2025, and were signed on its behalf by:

#### Approval of financial statements



Prof. Ralph Masenge

25 March 2025



Elizabeth Kironde

25 March 2025

## TEST for Tanzania

Financial Statements for the year ended 31 July 2024

### Trustees' Responsibilities and Approval

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The trustees are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the trust as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the trust and place considerable importance on maintaining a strong control environment. To enable the trustees to meet these responsibilities, the board of trustees sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the trust and all employees are required to maintain the highest ethical standards in ensuring the trust's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the trust is on identifying, assessing, managing and monitoring all known forms of risk across the trust. While operating risk cannot be fully eliminated, the trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The trustees are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The trustees have reviewed the trust's cash flow forecast for the year to 31 July 2025 and, in the light of this review and the current financial position, they are satisfied that the trust has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the trust's financial statements. The financial statements have been examined by the trust's external auditors and their report is presented on page 7.

The financial statements set out on pages 3 to 16, which have been prepared on the going concern basis, were approved by the board of trustees on 25 March 2025 and were signed on its behalf by:

#### Approval of financial statements



Prof. Ralph Masenge



Elizabeth Kironde



# INDEPENDENT AUDITORS REPORT TO TEST FOR TANZANIA

## Report on the audit of the financial statements

### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of TEST for Tanzania (the trust) as at 31 July 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Income Tax Act.

### **What we have audited**

The financial statements of TEST for Tanzania as set out on pages 10 to 16 comprise:

- the statement of financial position as at 31 July 2024;
- the statement of income and expenditure for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include accounting policies and other explanatory information.

### *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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the National Board of Accountants and Auditors (NBAA) that are relevant to our audit of the financial statements in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the NBAA.

### *Other information*

The directors are responsible for the other information. The other information comprises the corporate information, directors' report, and statement of directors' responsibilities and declaration of the head of finance but 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 any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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.

## **INDEPENDENT AUDITORS REPORT TO TEST FOR TANZANIA**

*Report on the audit of the financial statements (continued).*

### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Income Tax Act 2004, and for such internal control as the directors determine 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, the directors are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 trust'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 trust 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 the directors 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

**INDEPENDENT AUDITORS REPORT  
TO TEST FOR TANZANIA**

*Report on the audit of the financial statements (continued).*

*Report on other legal and regulatory requirements*

This report, including the opinion, has been prepared for, and only for, the trust owner and for no other purposes.

As required by the Tax Administration Act, we are also required to report to you if, in our opinion, the Report by Those Charged with Governance is not consistent with the financial statements, if the trust has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the trust is not disclosed. In respect of the foregoing requirements, we have no matter to report.

The engagement partner on the audit resulting in this independent auditors' report is Leo Bujune.

**AFRIQ Consultants**

**Certified Public Accountants**

**Signed by: ACPA 2496 Leo Bujune (Managing Partner)  
Dar es Salaam**



**Date: 25 March 2025**

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Statement of Financial Position as at 31 July 2024

	Note(s)	2024 TSh	2023 TSh
<b>Assets</b>			
<b>Current Assets</b>			
Other receivables		3,720,000	
Cash and cash equivalents		4,900,169	15,575,214
<b>Total Assets</b>		<b>8,620,169</b>	<b>15,575,214</b>
<b>Equity and Liabilities</b>			
Deferred donations		8,030,169	14,395,214
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other payables	3	590,000	1,180,000
<b>Total Equity and Liabilities</b>		<b>8,620,169</b>	<b>15,575,214</b>

The financial statements and the notes on page 3, were approved by the board of trustees on the 25 March 2025 and were signed on its behalf by:

  
\_\_\_\_\_  
Prof. Ralph Masenge

  
\_\_\_\_\_  
Elizabeth Kironde

The accounting policies on pages 14 to 15 and the notes on page 16 form an integral part of the financial statements.

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Statement of Income and Expenditure

	Note(s)	2024 TSh	2023 TSh
Donations received	4	78,625,000	70,436,643
Expenditure	5	(84,990,045)	(74,964,774)
<b>Operating (deficit) surplus</b>		<b>(6,365,045)</b>	<b>(4,528,131)</b>
<b>(Deficit) surplus before taxation</b>		<b>(6,365,045)</b>	<b>(4,528,131)</b>
Taxation		-	-
<b>(Deficit) surplus for the year</b>		<b>(6,365,045)</b>	<b>(4,528,131)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(6,365,045)</b>	<b>(4,528,131)</b>

The accounting policies on pages 14 to 15 and the notes on page 16 form an integral part of the financial statements.

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Statement of Changes in Equity

	Deferred donations TSh	Total TSh
<b>Balance at 1 August 2022</b>	<b>18,923,345</b>	<b>18,923,345</b>
Surplus for the year	(4,528,131)	(4,528,131)
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(4,528,131)</b>	<b>(4,528,131)</b>
<b>Balance at 1 August 2023</b>	<b>14,395,214</b>	<b>14,395,214</b>
Deficit for the year	(6,365,045)	(6,365,045)
Other comprehensive income	-	-
<b>Total comprehensive deficit for the year</b>	<b>(6,365,045)</b>	<b>(6,365,045)</b>
<b>Balance at 31 July 2024</b>	<b>8,030,169</b>	<b>8,030,169</b>

**Statement of Cash Flows**

	Note(s)	2024 TSh	2023 TSh
<b>Cash flows from operating activities</b>			
Cash receipts from donors		78,625,000	70,436,643
Cash paid for students and expenses		(84,990,045)	(74,374,774)
Cash (used in) generated from operations		<u>(6,365,045)</u>	<u>(3,938,131)</u>
Increase in receivables		(3,720,000)	
Decrease in payables		(590,000)	
<b>Net cash from operating activities</b>		<u>(10,675,045)</u>	<u>(3,938,131)</u>
<b>Total cash movement for the year</b>		<u>(10,675,045)</u>	<u>(3,938,131)</u>
Cash and cash equivalents at the beginning of the year		15,575,214	19,513,345
<b>Total cash at end of the year</b>		<u>4,900,169</u>	<u>15,575,214</u>

The accounting policies on pages 14 to 15 and the notes on page 16 form an integral part of the financial statements.

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Accounting Policies

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### 1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities. The financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shilling.

These accounting policies are consistent with the previous period.

#### 1.1 Financial instruments

##### Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Financial instruments at amortised cost

These include loans, receivables and payables. They are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

#### 1.2 Tax

##### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

##### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Accounting Policies

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### 1.2 Tax (continued)

#### Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

### 1.3 Impairment of assets

The trust assesses at each reporting date whether there is any indication that assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

### 1.4 Provisions and contingencies

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event; it is probable that the trust will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

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

Provisions are not recognised for future operating losses.

### 1.5 Grants and donation

Grants/donations that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants/donations that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants/donations received before the revenue recognition criteria are satisfied are recognised as equity.

Grants/donations are measured at the fair value of the asset received or receivable.

### 1.6 Foreign exchange

#### Foreign currency transactions

Exchange differences arising on monetary items are recognised in surplus or deficit in the period in which they arise.

All transactions in foreign currencies are initially recorded in Tanzanian Shilling, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in surplus or deficit.

# TEST for Tanzania

Financial Statements for the year ended 31 July 2024

## Notes to the Financial Statements

	2024 TSh	2023 TSh
<b>2. Changes in accounting policy</b>		
The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities on a basis consistent with the prior year.		
<b>3. Other payables</b>		
Accrued audit fees	590,000	1,180,000
<b>4. Grants/Donations</b>		
Donations received	78,625,000	70,436,643
<b>5. Expenditure</b>		
Expenditure includes the following:		
Expenditure - tuition	84,741,500	74,846,500
Audit fees	590,000	590,000
Bank charges	59,115	165,505
Foreign exchange (gain)/loss	(400,570)	(637,231)
	<u>84,990,045</u>	<u>74,964,774</u>

### 6. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

### 7. 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.

The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The trustees are not aware of any new material changes that may adversely impact the trust. The trustees are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the trust.

### 8. Events after the reporting period

The board of trustees is not aware of any material event which occurred after the reporting date and up to the date of this report.