

TEST FOR TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

General Information

Country of incorporation and domicile

United Republic of Tanzania

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 2022

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TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Trustees' Report

The trustees have pleasure in submitting their report on the financial statements of TEST for Tanzania for the year ended 31 July 2022.

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 2022

Trustees' Report

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

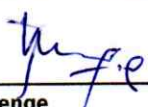
The trustees believe that the trust has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The trustees have satisfied themselves that the trust is in a sound financial position and that 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 surplus 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.


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 30 June 2023, and were signed on its behalf by:

Approval of financial statements



Prof. Ralph Masenge

30 June 2023



Elizabeth Kironde

30 June 2023

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Trustees' Responsibilities and Approval

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 2023 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 30 June 2023 and were signed on its behalf by:

Approval of financial statements



Prof. Ralph Masenge



Elizabeth Kironde

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Declaration of the Head of Accounts

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned records.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility and Approval statement on an earlier page.

I Elizabeth John Kirunde being the Head of Accounts of TEST for Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 July 2021, have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements of TEST for Tanzania comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.

Signed by 

Position: Head of Accounts

NBAA Membership No: GA 4768

Date: 30 June 2023

INDEPENDENT AUDITOR'S REPORT

To the members of TEST for Tanzania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TEST for Tanzania (the Trust) set out on pages 10 to 16, which comprise the statement of financial position as at 31 July 2022, and the statement of profit or loss and other 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 financial statements present fairly, in all material respects, the financial position of TEST for Tanzania as at 31 July 2022, and its financial performance and cash flows for the year then ended in accordance with IFRS.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 Trust in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in United Republic of Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in United Republic of Tanzania. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The management are responsible for the other information. The other information comprises the information included in the document titled "TEST for Tanzania financial statements for the year ended 31 July 2022", which includes the Managements' Report, the Statement of Management's Responsibilities and Approval and the Declaration of the Head of Accounts as required which we obtained prior to the date of this report. 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, 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 AUDITOR'S REPORT

Responsibilities of the management for the Financial Statements

The management are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the management 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 management are responsible for assessing the Trust'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 the management either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management' 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 management 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 AUDITOR'S REPORT
To the Members of Test for Tanzania**

Report on other legal and regulatory requirements

As required by the Trustees Incorporation Act, 2002 we report to you, based on our audit, that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the Trust, so far as appears from our examination of those books; and
- the Trust's statement of financial position and statement of profit and loss are in agreement with the accounting records of the Trust.

**AFRIQ Consultants
Certified Public Accountants**


Signed by: **Leo Bujune**
Partner



NBAA Membership No: **ACPA 2496**

30 June 2023


TEST for Tanzania

Financial Statements for the year ended 31 July 2022


Statement of Financial Position as at 31 July 2022

	Note(s)	2022 TSh	2021 TSh
Assets			
Current Assets			
Cash and cash equivalents		19,513,345	19,506,026
Total Assets		19,513,345	19,506,026
Equity and Liabilities			
Deferred donations		18,923,345	17,736,026
Liabilities			
Current Liabilities			
Trade and other payables	3	590,000	1,770,000
Total Equity and Liabilities		19,513,345	19,506,026

The financial statements and the notes on page 3, were approved by the board of trustees on the 30 June 2023 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 2022

Statement of Income and Expenditure

	Note(s)	2022 TSh	2021 TSh
Donations received	4	76,250,000	67,634,067
Expenditure	5	(75,062,681)	(61,586,062)
Operating surplus		1,187,319	6,048,005
Surplus before taxation		1,187,319	6,048,005
Taxation		-	-
Surplus for the year		1,187,319	6,048,005
Other comprehensive income		-	-
Total comprehensive income for the year		1,187,319	6,048,005

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Statement of Changes in Equity

	Deferred donations TSh	Total TSh
Balance at 1 August 2020	11,688,021	11,688,021
Surplus for the year	6,048,005	6,048,005
Other comprehensive income	-	-
Total comprehensive income for the year	6,048,005	6,048,005
Balance at 1 August 2021	17,736,026	17,736,026
Surplus for the year	1,187,319	1,187,319
Other comprehensive income	-	-
Total comprehensive income for the year	1,187,319	1,187,319
Balance at 31 July 2022	18,923,345	18,923,345
Note(s)		

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Statement of Cash Flows

	2022 TSh	2021 TSh
Cash flows from operating activities		
Cash receipts from donors	76,250,000	67,634,067
Cash paid for students and expenses	(76,242,681)	(64,476,062)
Cash generated from operations	7,319	3,158,005
Net cash from operating activities	7,319	3,158,005
Total cash movement for the year	7,319	3,158,005
Cash and cash equivalents at the beginning of the year	19,506,026	16,348,021
Total cash at end of the year	19,513,345	19,506,026

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Accounting Policies

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.

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.

TEST for Tanzania

Financial Statements for the year ended 31 July 2022

Accounting Policies

1.3 Impairment of assets (continued)

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 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 a liability.

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

1.5 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 2022

Notes to the Financial Statements

	2022 TSh	2021 TSh
2. Changes in accounting policy		
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.		
3. Trade and other payables		
Accrued audit fees	590,000	1,770,000
4. Grants/Donations		
Donations received	76,250,000	67,634,067
5. Expenditure		
Expenditure include the following:		
Expenditure - tuition	74,308,000	58,000,800
Expenditure - meals and accommodation	-	2,355,000
Audit fees	590,000	590,000
Bank charges	118,622	74,902
Foreign exchange gain/loss	46,059	565,360
	75,062,681	61,586,062

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.