

**TERTIARY EDUCATION SCHOLARSHIP TRUST  
FOR MALAWI (TEST)**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**KCC FINANCE ASSOCIATES**  
**AUDIT. TAX. ADVISORY**

**TERTIARY EDUCATION SCHOLARSHIP TRUST  
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**1 STATEMENT OF TRUSTEES RESPONSIBILITIES**

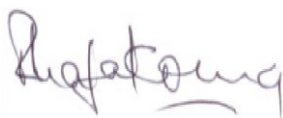
The Trustees of Tertiary Education Scholarship Trust (TEST) accept that it is their duty to prepare financial statements annually, which give a true and fair view of the state of affairs of the association at the balance sheet date and the results for the year then ended in accordance with TEST requirements.

The Trustees also acknowledges their duty to ensure that the association keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that the financial statements comply with relevant regulations.

In preparing the financial statements, the Trustees accepts responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing 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 association will continue in operation.

The Trustees are also responsible for establishing internal controls that ensure the propriety of transactions and accuracy and reliability of the accounting records and to safeguard the assets of the association against loss by theft, fraud, defalcation or otherwise. These financial statements have been approved by the Trustees of TEST and are signed on its behalf by:



**Board Chairman**

14<sup>th</sup> July 2025

**Date**

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## **THE INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF TERTIARY EDUCATION SCHOLARSHIP TRUST**

### **Opinion**

We have audited the financial statements of Trustees of Tertiary Education Scholarship Trust, which comprise the income statement for the year ended 31 August 2024 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the Trustees of Tertiary Education Scholarship Trust financial statements present fairly, in all material respects, the financial position of Trustees of Tertiary Education Scholarship Trust as at 31 August 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Standard on Auditing and Trustees Incorporation Act 1965.

### **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 organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Malawi, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 in accordance with Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organisation or to

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cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the organisation 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 Organization'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 Organization'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

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based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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, 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 internal benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

*Compliance with the Trustees, Incorporation Act 1965*

The Trustees has complied with the requirements of the Act.

The firm on the audit resulting in this independent auditor's report is;



**Lilongwe, Malawi**

**Date: 14<sup>th</sup> July 2025**

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**STATEMENT OF INCOME AND EXPENDITURE**

		<b>2024</b>	<b>2023</b>
<b><u>Income</u></b>	<b>Notes</b>	<b>MWK</b>	<b>MWK</b>
<b>Opening balance</b>		23,657,206	14,242,215
TEST for Africa	1.5	58,781,185	32,560,580
		-----	-----
<b>Total Income</b>		<b>82,438,391</b>	<b>46,802,795</b>
		-----	-----
<b><u>Expenditure</u></b>			
School Fees	Appendix I	60,835,000	22,480,000
Operations costs		200,000	100,296
Bank Charges		834,824	265,293
Audit fees		400,000	300,000
		-----	-----
<b>Total Expenditure</b>		<b>62,269,824</b>	<b>23,145,589</b>
		-----	-----
<b>Bank Balance as at year end</b>		<b>20,168,567</b>	<b>23,657,206</b>
		=====	=====

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**1.1 NATURE OF BUSINESS**

Tertiary Education Scholarship Trust for Malawi was officially registered in June 2010 to provide scholarships to needy and bright students in the Public Universities of Malawi. The establishment of TEST comes from the background that, the country is facing a lot of challenges in the education sector. Amongst the many problems the country is facing the low access to tertiary education by the majority of the underprivileged students more especially those coming from poor families, orphans and those requiring special needs and aspiring to join the university education. Though the Government provides some subsidized scholarships to very few students, the majority of the poor students cannot even afford to pay the tuition fees, buy books, accommodation and let alone their upkeep.

**1.2 TRUSTEES OBJECTIVES**

To advance the education of needy students by funding scholarships for undergraduate studies at public technical colleges and Universities in Malawi.

**1.3 ACCOUNTING POLICIES**

The principal accounting policies of the Trust, which are set out below have been consistently followed in all material respects. The accounting policies comply with the Generally Accepted Accounting Principles.

**1.4 BASIS OF PREPARATION**

The financial statements have been prepared on a cash receipt and disbursement basis.

**1.5 INCOME**

Income consists of funds received as grants from TEST for Africa and other well-wishers as shown in the table below;

<b>Income</b>	<b>GBP</b>	<b>MWK</b>
TEST for Africa	25,000.00	58,781,185.00
	-----	-----
<b>Total Income</b>	<b>25,000.00</b>	<b>58,781,185.00</b>
	-----	-----

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**1.6 SUBSEQUENT EXPENDITURE**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of Property, Plant and Equipment. All other expenditure is recognised in the income statement as an expense as they are being incurred. Allowances include monthly allowances for the admin assistance and her terminal pay, Transport cost and accommodation for the visits to the respective Universities.

**1.7 FOREIGN CURRENCY TRANSACTIONS**

Transactions in Currencies other than the Malawi Kwacha are initially recorded at rates of exchange ruling on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated to Malawi Kwacha at rates of exchange ruling at the balance sheet

**1.8 RELATED PARTY TRANSACTION**

In the context of the Trust, related party transactions are considered by management to include any of the following:

- Board of Trustees
- Donors
- Senior Management
- Tertiary Education Scholarship Trust for Africa
- Tertiary Education Scholarship Trust - Ghana

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**APPENDIX I – DETAILED INCOME AND EXPENDITURE STATEMENT**

	<b>2024</b>	<b>2023</b>
	<b>MWK</b>	<b>MWK</b>
<b><u>Income</u></b>		
<b>Opening balance</b>	45,625,589	14,242,215
TEST for Africa	58,781,185	32,560,580
	-----	-----
<b>Total Income</b>	<b>104,406,774</b>	<b>46,802,795</b>
	-----	-----
<b><u>Expenditure</u></b>		
Mzuzu University	17,625,000	-
Malawi University of Science and Technology	3,900,000	3,810,000
Malawi University of Business and Applied Science	650,000	2,800,000
Chancellor College	1,300,000	3,150,000
Kamuzu University of Health Sciences	22,000,000	7,900,000
Lilongwe University of Agriculture and Natural Resources	15,360,000	4,820,000
	-----	-----
	<b>60,835,000</b>	<b>22,480,000</b>
	=====	=====
<b>Operations costs</b>		
Stationery	200,000	100,296
Bank Charges	834,824	265,293
Audit fees	400,000	300,000
	-----	-----
<b>Total operation costs</b>	<b>1,434,824</b>	<b>665,589</b>
	-----	-----
<b>Total Expenditure</b>	<b>62,269,824</b>	<b>23,145,589</b>
	-----	-----
<b>Bank Balance as at year end</b>	<b>20,168,567</b>	<b>23,657,206</b>
	=====	=====