

TEST FOR TANZANIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021

TEST FOR TANZANIA
(REGISTRATION NUMBER 5316)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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TEST FOR TANZANIA
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

DIRECTORS' REPORT

The Board of Trustees have pleasure in submitting their report on the financial statements of TEST FOR TANZANIA for the year ended 31 July 2021.

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. The address of the registered office is set out on page 1.

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.

Aim and Objective

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 Board of Trustees

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

Directors	Title	Designation	Nationality
Prof. Ralph Masenge	Chairperson	Executive	Tanzanian
Elizabeth Kironde	Accountant	Executive	Tanzanian
Aisha Sinda	Lawyer	Executive	Tanzanian
Tumaini Thabiti	Member	Executive	Tanzanian
Beatus Mwendwa	Member	Executive	Tanzanian

There have been no changes to the board for the year under review.

4. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the The Trustees Incorporation Act, 2002. 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.

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DIRECTORS' REPORT

5. Source and mobilization of funds

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.

6. Employees' welfare

The trust had no employees during the year.

7. Political and charitable donations

The trust did not make any donations during the year.

8. 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

9. Going concern

The board of 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 board of trustees are not aware of any new material changes that may adversely impact the Trust. The board of 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.

10. Events after the reporting period

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

11. Auditors

AFRIQ Consultants have expressed their willingness to continue in the office and are eligible for reappointment. A resolution proposing the reappointment of AFRIQ Consultants as auditors of the Trust will be put to the Annual General Meeting.

The financial statements set out on pages 10 to 20, which have been prepared on the going concern basis, were approved by the board on 9 November 2021, and were signed on its behalf by:

Approval of financial statements



Prof. Ralph Masenge

Chairperson
9 November 2021



Elizabeth Kironde

Accountant
9 November 2021

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DIRECTORS' RESPONSIBILITIES AND APPROVAL

The board of trustees are required in terms of the The Trustees Incorporation Act, 2002 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 International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board of 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 board of trustees to meet these responsibilities, the board 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 board of 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 directors acknowledge that they are responsible for establishing appropriate policies and procedures to prevent non-compliance with laws and regulations (NOCLAR), including whistleblowing procedures as a necessary part of good internal governance.

The board of trustees have reviewed the trust's cash flow forecast for the year to 31 July 2022 and, in light of this review and the current financial position, they are satisfied that the trust has or had 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 pages 7 to 9.

The financial statements set out on pages 10 to 20, which have been prepared on the going concern basis, were approved by the board on 9 November 2021 and were signed on their behalf by:

Approval of financial statements



Prof. Ralph Masenge



Elizabeth Kironde

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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 Kinde 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: 11/11/2021

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 20, which comprise the statement of financial position as at 31 July 2021, 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 2021, 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 2021", 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.

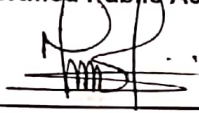
INDEPENDENT AUDITOR'S REPORT

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.

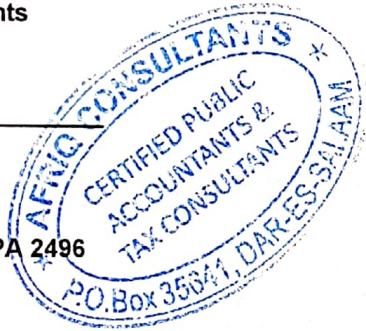
AFRIQ Consultants
Certified Public Accountants



Signed by: **Leo Bujune**
Partner

NBAA Membership No: **ACPA 2496**

09 November 2021



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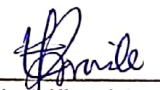
STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	Note(s)	2021 TZS	2020 TZS
Assets			
Current Assets			
Cash and cash equivalents	2	<u>19,506,026</u>	<u>16,348,021</u>
Equity and Liabilities			
Deferred donation		<u>17,736,026</u>	<u>11,688,020</u>
Liabilities			
Current Liabilities			
Other payables	3	<u>1,770,000</u>	<u>4,660,000</u>
Total Equity and Liabilities		<u>19,506,026</u>	<u>16,348,020</u>

The financial statements and the notes on pages 3 to 20, were approved by the board on the 9 November 2021 and were signed on its behalf by:



Prof. Ralph Masenge



Elizabeth Kironde

The accounting policies on pages 14 to 18 and the notes on pages 19 to 20 form an integral part of the financial statements.

TEST FOR TANZANIA
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STATEMENT OF INCOME AND EXPENDITURE

	Note(s)	2021 TZS	2020 TZS
Donations received	4	67,634,067	47,586,868
Direct expenditure on students	5	(60,355,800)	(36,774,200)
Surplus before other expenses		7,278,267	10,812,668
Other administrative expenses		(1,230,262)	(1,642,352)
Surplus for the year		6,048,005	9,170,316
Other comprehensive income		-	-
Total comprehensive income for the year		6,048,005	9,170,316

The accounting policies on pages 14 to 18 and the notes on pages 19 to 20 form an integral part of the financial statements.

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STATEMENT OF CHANGES IN FUND BALANCES

	Deferred donation TZS	Total equity TZS
Balance at 1 August 2019	2,517,705	2,517,705
Surplus for the year	9,170,316	9,170,316
Other comprehensive income	-	-
Total comprehensive income for the year	9,170,316	9,170,316
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 31 July 2021	17,736,026	17,736,026

Note(s)

The accounting policies on pages 14 to 18 and the notes on pages 19 to 20 form an integral part of the financial statements.

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STATEMENT OF CASH FLOWS

	Note(s)	2021 TZS	2020 TZS
Cash flows from operating activities			
Surplus for the year		6,048,005	9,170,316
Changes in working capital:			
Other payables		(2,890,000)	4,070,000
Cash generated from operations		3,158,005	13,240,316
Total cash movement for the year		3,158,005	13,240,316
Cash at the beginning of the year		16,348,021	3,107,705
Total cash at end of the year	2	19,506,026	16,348,021

The accounting policies on pages 14 to 18 and the notes on pages 19 to 20 form an integral part of the financial statements.

ACCOUNTING POLICIES

Entity information

TEST FOR TANZANIA is a trust incorporated and domiciled in United Republic of Tanzania.

The financial statements for the year ended 31 July 2021 were authorised for issue in accordance with a resolution of the board on 9 November 2021.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the The Trustees Incorporation Act, 2002.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Tanzanian Shillings, which is the Trust's functional currency.

1.2 Financial instruments

Financial instruments held by the trust are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the trust, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 7 Financial instruments and risk management presents the financial instruments held by the trust based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the trust are presented below:

ACCOUNTING POLICIES

1.2 Financial instruments (continued)

Trade and other payables

Classification

Other payables (note 3), are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the trust becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the trust to liquidity risk and possibly to interest rate risk. Refer to note 7 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The trust derecognises financial liabilities when, and only when, the trust obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

ACCOUNTING POLICIES

1.3 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.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.4 Impairment of assets

The trust assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the trust estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the trust also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

ACCOUNTING POLICIES

1.4 Impairment of assets (continued)

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.5 Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.6 Donations received

Donation is recognised on the basis of amounts received. Deferred donations are amounts received but not yet spent as at the year end.

1.7 Expenditure

Expenditure are recognised on accrual basis.

ACCOUNTING POLICIES

1.8 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Tanzanian Shillings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the trust receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the trust initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, trust determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Tanzanian Shillings by applying to the foreign currency amount the exchange rate between the Tanzanian Shilling and the foreign currency at the date of the cash flow.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

2. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	19,506,026	16,348,021
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3. Other payables

Financial instruments:

Accrued audit fees	1,770,000	1,180,000
Other payables	-	3,480,000
	<u>1,770,000</u>	<u>4,660,000</u>

Fair value of trade and other payables

The fair value of other payables approximates their carrying amounts.

4. Donations received

Funds received from TEST UK	67,634,067	47,086,868
Funds received from other donors	-	500,000
	<u>67,634,067</u>	<u>47,586,868</u>

5. Expenditure

Expenditure - tuition	58,000,800	31,624,200
Expenditure - meals and accomodation	2,355,000	5,150,000
	<u>60,355,800</u>	<u>36,774,200</u>

6. Expenditure by nature

Expenses by nature

Expenditure on tuition, meals and accomodation	60,355,800	36,774,200
Audit fees	590,000	590,000
Travel cost to universities upcountry	-	500,000
Bank charges	74,902	72,024
Foreign exchange (gain)/loss	565,360	480,328
	<u>61,586,062</u>	<u>38,416,552</u>

7. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2021

	Note(s)	Amortised cost	Total	Fair value
Cash and cash equivalents	2	19,506,026	19,506,026	19,506,026

TEST FOR TANZANIA
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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

NOTES TO THE FINANCIAL STATEMENTS

	2021 TZS	2020 TZS
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7. Financial instruments and risk management (continued)

2020

	Note(s)	Amortised cost	Total	Fair value
Cash and cash equivalents	2	16,348,021	16,348,021	16,348,021

Categories of financial liabilities

2021

	Note(s)	Amortised cost	Total	Fair value
Accrued audit fees	3	1,770,000	1,770,000	1,770,000

2020

	Note(s)	Amortised cost	Total	Fair value
Other payables	3	4,660,000	4,660,000	4,660,000

8. 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.

Since December 2019, the consequences of the COVID-19 outbreak have not adversely affected the Trust. Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

9. Contingencies

The board of trustees are not aware of any contingent liability at the reporting date and up to the date of this report.

10. 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.

11. Comparative figures

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