

# **ANNUAL REPORT**



*Founded 1891*

**Institute of Chartered Secretaries and Administrators in  
Zimbabwe**

# **2014**

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## **GENERAL INFORMATION**

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### **INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE**

The Institute was established by the Chartered Secretaries Act (Chapter 27 :03) in 1971.

#### **NATURE OF BUSINESS:**

The main objective of the Institute of Chartered Secretaries and Administrators in Zimbabwe is the promotion and advancement of the efficient administration of commerce, industry and public affairs by the continued development of the study and practice of secretaryship and administration of companies and other bodies.

#### **REGISTERED OFFICE:**

22-32 McChlery Avenue, Eastlea, Harare

#### **AUDITORS:**

HLB Zimbabwe Chartered Accountants,  
14 Downie Avenue, Alexandra Park, Harare.

#### **BANKERS:**

Commercial Bank of Zimbabwe  
FBC Bank  
Standard Chartered Bank

#### **LEGAL ADVISORS:**

Dube, Manikai and Hwacha Legal Practitioners

**THE COUNCIL**

Richard Summers, FCIS	President
Simbarashe Admore Davira Dziva, FCIS	(Vice President)
Lovemore Kadenge, FCIS	(Vice President)
Pious Manamike, FCIS	(Past President – 2012 – 2013)
Paradza Paradza (Dr), FCIS	
George Mahembe, FCIS	
Charles Nhemachena, FCIS	
Ferida Matambo (Mrs), FCIS	
Loice Kunyongana (Ms), FCIS	
Letitia Nyama (Ms), ACIS	
Albert Nxongo, ACIS	Harare Branch Chairman
Sithembile Ncube (Mrs), FCIS	Bulawayo Branch Chairman
Joseph Bemani (Dr), FCIS	Masvingo Branch Chairman
Godfrey Nyika, ACIS	Midlands Branch Chairman
Shepherd Chinaka, ACIS	Mutare Branch Chairman

**INTERNATIONAL REPRESENTATIVES**

Joseph Goromonzi, FCIS	ICSA
Richard Anderson Summers, FCIS	CSIA

**THE SECRETARIAT**

**Chief Executive & Secretary**  
Joshua Farai Musamba, FCIS

**Manager – Members & Students Services**  
Tsongirai Tracy Mushonga (Ms)

**Finance & Administration Manager**  
Theresa Mazvabo (Mrs), ACIS

**ICT Manager**  
Remember Mubaiwa

**Technical Manager**  
Nelson Maseko, ACIS

## ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN that the 43<sup>rd</sup> Annual General Meeting of the Institute of Chartered Secretaries and Administrators in Zimbabwe will be held on Wednesday 20 May 2015, at Dzidzo House, Eastlea, Harare at 18:00 hours for the following business:-

1. To receive the Report of the Council for 2014.
2. To receive the Audited Accounts and the Auditors' Report for the year ended 31 December 2014.
3. To confirm the Auditors remuneration for 2014
4. To appoint the Auditors for 2015.
5. To declare the results of the election of members to Council.

By order of the Council.



J F MUSAMBA, FCIS

Chief Executive and Secretary

Note

- (a) In terms of Section 10 of the Institute's General By-laws, any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll. No person shall be appointed as a proxy unless he/she is a member of the Institute and qualifies to vote. All proxy forms must be received by the Secretary not less than 48 hours before the meeting.
- (b) Graduates may attend the Annual General Meeting of the Institute and may partake in the proceedings but shall have no voting rights.

## THE VISION AND MISSION STATEMENT

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### **Vision**

“To be the professional body of choice in the development of leading practitioners in corporate management.

### **Our Mission is:**

“To sustainably promote and advance the efficient administration of commerce, industry and the public sector using modern technology. We will achieve this through the study and practice of secretaryship, corporate governance, accountancy and management, guided by world class standards”.

### **Core values**

The Institute’s core values are:

#### **1. Collective Wisdom**

The Institute will harness the wisdom from Council, Members, Students and its Staff for the betterment of the Institute, community and the nation at large.

#### **2. Integrity**

Council, Members, Students and Staff of the Institute must live an honest, model and responsible life for all to aspire to.

#### **3. Transparency**

The Institute is committed to openness, scrutiny and accountability in all that it does.

#### **4. Teamwork at all times**

The Institute will achieve its Vision and Mission by building and creating strong teams in all its areas of endeavour.

#### **5. Innovativeness at all times**

An organization that does not value and inculcate innovativeness will eventually fall behind others. We therefore strive to bring innovative products and services for the benefit of our members, students, staff and the community at large.

These core values capture what we are about and what we would like to be known for and how we want to behave.

It gives me great pleasure to present the 2014 ICSAZ Annual Report.

The Institute began the year 2014 with optimism that the operating environment would change for the better. This was based on the expectation that the government would have found its feet and set a clear agenda on its objectives including the implementation of ZimAsset. The expected fruits from this exercise have however taken longer than the population (including us) had hoped for. As such, the economic challenges continued to affect business operations including those of the Institute. I am however glad that the support from members, students and other stakeholders enabled the Institute to continue to make its contribution to the nation.

### **Information and Communication Technology**

The Institute continued to benefit from the installed Microsoft Navision Enterprise Resource Planning software. Enhancements to the system enabled the Institute to improve its payment system with members and students paying into the bank and updating their payment record online through the real-time banking system. This has obviated the need for members and students to come to the office or to send their payment details to the office, thus saving on time. In order to fully benefit from the NAV ERP, the Institute is working on further enhancements which will allow transactions to be made using the mobile phones. An improved communications system is also being worked on. These enhancements will further improve service delivery in general and the students' communication and transactions in particular.

### **Students**

Students are the future of the Institute. The Institute has therefore spent material and time resources to address student specific activities. Most of the ICT enhancements are for the benefit of students. The Institute continued to run Winter Schools to improve the competitiveness of the ICSA students and graduates. Branches were also implored to revive student societies in their areas. Significant progress has been made in this direction and further improvements will be expected in the coming year. The year 2014 was the second year of examining the Integrative Case Study.

### **ICSA International**

The year 2014 was significant in the life of the Institute internationally. This was due to the commissioning of the new Charter and Bye-laws. As a Division, we are pleased that the new Council has not wasted time and has started to work on addressing the issues that have affected the Institute's growth in the Divisions and internationally. We are confident that the Institute will, very soon, start to benefit from the new strategic thrust of growing the Institute's members and its influence around the world.

### **CSIA**

The Corporate Secretaries International Association consolidated its position in the global corporate governance space. It continued to do its advocacy work on corporate secretaries' work and corporate governance in general. It has also worked on producing intellectual capacity through the Company Secretaries' Toolkit. The Company Secretaries Toolkit was completed and launched in 2014. It will now be rolled out in 2015 and members of CSIA will benefit from this Toolkit. Work on Thought Leadership in areas relevant to the Corporate Secretaryship and Corporate Governance profession was also commenced in 2014 and some issues will be addressed as early as the first quarter of 2015.

An e-magazine for CSIA will also be launched and distributed to members of the CSIA member bodies as from 2015.

### **Local By-Laws**

The Institute reported last year that it was working on revising the by-laws to align them with the International by-laws. This work is still in progress and will hopefully be completed soon.

### **Corporate Governance Awards**

The second edition of the Excellence in Corporate Governance Awards was held in November 2014. The awards were expanded to include the banking institutions. The awards were graced by the Minister of Finance, Honourable Patrick Chinamasa. We are gratified that the event is developing into an important date on stakeholders' calendars and we intend to further enhance the event.

### **Pan African Federation of Accountants (PAFA)**

For some years the Institute has been pursuing the membership of critical accounting federations. The Institute applied and was accepted as a member of PAFA. This is part of our building blocks to enhance the ICSAZ brand in the accounting field as the PAFA membership will mean ICSAZ is now recognised as an accounting body, not only in Zimbabwe but in Africa as well. We will use our membership to make the appropriate contributions to the accounting profession.



**IBAS**

You may be aware that the Institute operates the Institute of Business and Accounting Studies (IBAS), which runs a junior course to the ICSAZ qualification. In order to fill the void in the market for accredited Accounting Technician courses in Zimbabwe, the Institute embarked on the upgrading of the IBAS course. It worked with the Ministry of Higher and Tertiary Education, Science and Technology Development to upgrade the course which resulted in its accreditation by the Ministry. It is our hope that the Institute will make a meaningful contribution to the country and profession through this course

**Strategic Plan**

The Institute produced a strategic plan to take it to 2017. The outcome was a modification of the Vision, Mission and Core Values of the Institute. The new Strategic Plan focuses on key goals of revenue diversification, cost containment, e-business or technology, improving the education and training process, influencing the course of events in the country and retention and growth of the Institute's market share. Structures and activities to achieve these key goals were put in place in the plan.

**The Future**

The future is largely dependant on the economic environment. The Institute is in the business of producing members who will serve the needs of the Public Sector, Commerce and Industry. This is particularly so if these sectors are formalised. The challenge at this juncture is the lack of formal business structures that can be served by our members and students. The Institute will focus on finding innovative ways to delivering value to its stakeholders in the current operating environment, taking into account the informalised nature of business and the need to nurture entrepreneurship.

**Acknowledgements**

My gratitude goes to the Council members, the various Committee members and the Secretariat for their valuable contribution during the year. This made my task lighter. My hope is that this commitment to serve the Institute, its members, students and the wider stakeholders will continue in the future.



**Richard Anderson Summers (FCIS)**  
President

1 **THE 2014 COUNCIL**

1.1 **Council Members**

The following served on the Council for **2014**

		<u>Meetings Attended</u>
<u>Elected Members</u>		
Richard Anderson Summers, FCIS	President	4/4
Simbarashe Admore Davira Dziva, FCIS	(Vice President)	4/4
Lovemore Kadenge, FCIS	(Vice President)	4/4
Pious Manamike, FCIS	(Past President)	3/4
Paradza Paradza (Dr) FCIS		3/4
George Mahembe, FCIS		4/4
Charles Nhemachena, FCIS		1/4
*Loice Kunyongana (Ms), FCIS		3/3
* Letitia Nyama (Ms), ACIS		3/3
*Ferida Matambo, FCIS		1/3
**Sipithi Mailer Nkomo, FCIS		1/1
**Glovah Ngoni Madzima, FCIS	(Immediate Past President – 2013- 2014)	1/1
**Avilla Dororosa Goba, FCIS	(Past President)	1/1
 <u>Branch Chairmen</u>		
*Albert Nxongo, ACIS	Harare	2/3
Sithembile Ncube (Mrs), FCIS	Bulawayo	4/4
Joseph Bemani (Dr), FCIS	Masvingo	4/4
Godfrey Nyika, ACIS	Midlands	4/4
Shepherd Chinaka, ACIS	Mutare	4/4

**1.2 Rotation and Re-election**

Composition of Council: (Council) By laws 1973 Section 3.

The Council consists of ten elected members plus branch chairmen.

In terms of the Institute's By law 25.1, Richard Anderson Summers, Simbarashe Admore Davira Dziva and Pious Manamike will retire by rotation. Being eligible, Richard Anderson Summers and Simbarashe Admore Davira Dziva offer themselves for re-election.

The 2015/2016 Council, before the elections, stands as follows:-

Elected members	Lovemore Kadenge (Vice President)
	George Mahembe
	Paradza Paradza (Dr)
	Charles Nhemachena
	Loice Kunyongana (Ms)
	Letitia Nyama (Ms)
	Ferida Matambo (Mrs)

Three (3) vacancies will be filled at the Annual General Meeting.

**2.0 CORPORATE GOVERNANCE**

The Institute in Zimbabwe is a Division of ICSA International, which has its headquarters in London, United Kingdom. Locally, the Institute exists by an Act of Parliament, the Chartered Secretaries (Private) Act (Chapter 27.03). The Institute subscribes to standards of best practice as they are practised in a professional Institute.

The Division's Council recognizes its responsibilities to advance and protect the ideals of the profession together with interests of all stakeholders in a sustainable manner.

In order to achieve these objectives, the Council has established a framework of committees to which it has delegated responsibility for translating the policies and strategies into actions to meet the stakeholders' expectations.

The following committees and their composition were in place during the period under review:

2.1	<b>Executive, Finance and General Purpose Committee</b>	<u>Meetings Attended</u>
	Richard Anderson Summers	FCIS (President) 8/8
	*Lovemore Kadenge	FCIS (Vice President) 5/5
	*Simbarashe Admore Davira Dziva	FCIS (Vice President) 5/5
	Pious Manamike	FCIS (Past President) 4/8
	*George Mahembe	FCIS 4/4
	**Glovah Ngoni Madzima	FCIS 3/3
	**Sipithi Mailer Nkomo	FCIS 3/3
	**Avilla Dororosa Goba, (Mrs)	FCIS 1/3
2.2	<b>Education &amp; Examinations Committee</b>	
	*Lovemore Kadenge	FCIS <b>(Chairman)</b> 2/2
	Pascal Jerry Mudzikisi	FCIS 3/3
	*Loice Kunyongana (Ms)	FCIS 2/2
	Ruth Runyararo Kaseke (Ms)	FCIS 1/3
	Lovemore Pazvakavambwa	FCIS 4/4
	Obson Matunja (Dr)	FCIS 1/3
	Ratidzo Mugumbate (Mrs)	FCIS 2/3
	*Tyanayi Danha	FCIS 2/2
	*Joe Muzurura	FCIS 2/2
	**Richard Anderson Summers	FCIS 1/1
	**Joseph Makomva	FCIS 0/1
	**Pious Manamike	FCIS 0/1
	**Anne Denise Colls (Mrs)	FCIS 1/1
	**Paradza Paradza (Dr)	FCIS 0/1
2.3	<b>Legislation/Technical Committee</b>	
	*Simbarashe Admore Davira Dziva	FCIS <b>(Chairman)</b> 1/1
	Peter Madara	FCIS 3/3
	*Glovah Ngoni Madzima	FCIS 1/1
	*Letitia Nyama (Mrs)	ACIS 1/1
	*Charles Nhemachena	FCIS 1/1
	Davison Chirombo	FCIS 2/3
	Norman Ndlovu	ACIS 3/3
	Florid Mashonga (Mrs)	ACIS 3/3
	Joseph Goromonzi	FCIS 2/3
	**Siphiti Mailer Nkomo	FCIS 2/2
	**Winfred Sanyika	ACIS 2/2
	**Tendai Mavima	FCIS 2/2
	**Warner Mtisi	FCIS 2/2
	**Pension Makutu	ACIS 0/2

**2.4 Membership & Professional Competency Committee**

Pious Manamike	FCIS	<b>(Chairman)</b>	4/4
Constantine Mureyi Alois Mutiwanyuka	FCIS		4/4
Anne Denise Colls (Mrs)	FCIS		2/4
*Ferida Matambo (Mrs)	FCIS		1/2
George Mahembe	FCIS		3/4
Simbarashe Admore Davira Dziva	FCIS		4/4
*Charles Nhemachena	FCIS		2/2
**Letitia Nyama (Ms)	ACIS		2/2
**Peter Sai	FCIS		2/2

**2.5 Marketing & Strategy Committee**

			<u>Meetings Attended</u>
*George Mahembe	FCIS	<b>(Chairman)</b>	3/3
*Ferida Matambo (Mrs)	FCIS		1/3
Gumbusai Mhetu	ACIS		3/5
*Elizabeth Dungeni (Mrs)	ACIS		2/3
Westard Dzihwema	ACIS		3/5
*Taurai Mataka	FCIS		3/3
Lovemore Nhamo Gomera	FCIS		4/5
Peter Kadzere	FCIS		
**Avilla Dororosa Goba (Mrs)	FCIS		
**Lovemore Kadenge	FCIS		1/2
**Obson Matunja	FCIS		1/2
**Richard Summers	FCIS		2/2
**Glovah Ngoni Madzima	FCIS		0/2
**Charles Nhemachena	FCIS		1/2

**2.6 Investigations Committee**

John Mafungei Chikura	FCIS	<b>(Chairman)</b>	1/1
Viola Chasi (Mrs)	LLB, Grad ICOSA		1/1
Elliot Mugamu	FCIS		1/1
Underus Buragu Masvina Hove	FCIS		0/1
Anne Dennis Colls (Mrs)	FCIS		0/1

**2.7 Disciplinary Tribunal**

Peter Madara	FCIS	<b>(Chairman)</b>	0/1
Sibongile Mhlanga (Ms)	ACIS		0/1
Eric Harid	FCIS		0/1
William Kent Lunt	LLB		1/1
Michael Nyamazana	FCIS		0/1

2.8 **\*\*Appeals Tribunal**

Cleopas Makoni	FCIS	<b>(Chairman)</b>	1/1
Vunganai Wilson Javangwe	FCIS		1/1
Grace Slava Chella (Mrs)	FCIS		1/1
Victor Nkomo	LLB		0/1
Tyanai Danha	FCIS		1/1

2.9 **Nominations Committee**

*Richard Anderson Summers	FCIS	(President) <b>Chairman</b>	1/2
Glovah Ngoni Madzima	FCIS	(Immediate Past President)	2/2
Pious Manamike	FCIS	(Past President)	2/2
Pascal Jerry Mudzikisi	FCIS	(Past President)	2/2
Constantine Mureyi Alois Mutiwanyuka	FCIS	(Past President)	2/2

\* L. Kadenge, SAD Dziva and G. Mahembe joined the Executive, Finance and General Purpose Committee after the last Annual General Meeting.

\* L. Kadenge, L. Kunyongana, T. Danha and J. Muzurura joined the Education and Examinations Committee after the last Annual General Meeting.

\* F. Matambo and C. Nhemachena joined the Membership & Professional Competency Committee after the last Annual General Meeting.

\* G. Mahembe, F. Matambo, E. Dungeni and T. Mataka joined the Marketing and Strategy Committee after the last Annual General Meeting.

\* R.A Summers joined the Nominations Committee after the last Annual General Meeting.

\*\* No disciplinary cases were brought to the Investigations Committee, Disciplinary Tribunal and the Appeals Tribunal.

\*\* G.N Madzima, S.M Nkomo and A.D Goba, retired from the Council after the last Annual General Meeting.

\*\* G.N Madzima, S.M Nkomo and A.D Goba retired from the Executive, Finance and General Purpose Committee after the last Annual General Meeting.

\*\* R.A Summers, J. Makomva, P. Manamike, A.D Colls and P. Paradza (Dr) retired from the Education and Examinations Committee after the last Annual General Meeting.

\*\* S.M Nkomo, W.E Sanyika, T. Mavima, W. Mtisi and P. Makutu retired from the Legislation/Technical Committee after the last Annual General Meeting.

\*\* L. Nyama and P Sai retired from the Membership & Professional Competency Committee after the last Annual General Meeting.

\*\* A.D Goba, L. Kadenge, O Matunja (Dr), R.A Summers, G.N Madzima and C. Nhemachena retired from the Marketing and Strategy Committee after the last Annual General Meeting.

\*\*\* The Investigations Committee, Disciplinary Committee and the Appeals Tribunal held one combined meeting after the Annual General Meeting.

**3.0 MEMBERSHIP OF THE INSTITUTE**

Six (6) members transferred to other divisions during the year 2014. There were no transfers from other divisions during this period.

Some of the Institute’s members are struggling to pay their subscriptions due to economic challenges. This was attributed to the challenges the Zimbabwean economy is facing. The Institute is carrying out a vigorous exercise to have members pay their subscriptions. Defaulting members and graduates have been published in the Press and 698 members were delisted during the year. More defaulting members will be delisted in 2015.

Membership figures of the Institute as at 31 December 2014 were shown below.

	<b>Dec 2014</b>	<b>Dec 2013</b>	<b>Absolute Change</b>	<b>% Change</b>
<b>Fellows</b>	265	277	12	(4.33)
<b>Associates</b>	885	1179	294	(24.94)
<b>Graduates</b>	1030	1364	334	(24.49)
<b>Total</b>	<b>2180</b>	<b>2820</b>	<b>640</b>	<b>(22.70)</b>

	<b>Elections/Additions during the year</b>	<b>De-registrations during the Year</b>	<b>Deaths during the year</b>	<b>Restored To register</b>	<b>Transfers in</b>	<b>Transfers Out</b>	<b>Adjustments between grades</b>
<b>Fellows</b>	8	20	Nil	-	Nil	Nil	-
<b>Associates</b>	57	340	8	8	Nil	3	8
<b>Graduates</b>	66	338	4	2	Nil	3	57

**4.0 MEMBERSHIP AND PROFESSIONAL SERVICES**

**4.1 Continuing Professional Development (CPD) of Members**

Members are expected to input at least 20 CPD hours every year. In order to meet this requirement, the Institute conducted CPD Seminars across the country. These CPD seminars were held in Harare, Bulawayo, Mutare, Gweru and Masvingo. The CPD programmes assisted members in meeting the requirements by the profession for Continuous Professional Development.

**4.2 Relationship with Government and Regulatory Authorities**

As part of its relationship with the government, the Institute submitted recommendations on budgetary issues to the Ministry of Finance and Economic Development. It also continued to be represented on the Estate Administrators Council.

The Institute continued to interact with the Companies Registrar’s office and ZIMRA on issues affecting members and the profession.

**4.3 Members’ Activities**

**4.3.1.1 Annual Conference**

The Institute held an Annual Conference at the HALA Montclair Hotel in Nyanga from 26 September to 28 September 2014. The Keynote Speaker at the conference was the Honourable Professor Jonathan Moyo, Minister of Information Media and Broadcasting Services. Two hundred and two (202) delegates attended the conference. The theme of the Annual Conference was “Unlocking Zimbabwe’s Economic Potential”.

**4.3.1.2 Annual Dinner**

The Institute’s 2014 Annual Dinner was held in Harare on 1 August 2014. Dr Khupukile Mlambo, Deputy Governor - Reserve Bank of Zimbabwe was the Guest Speaker who addressed the diners. Forty two (42) members and their guests attended the dinner.

**4.3.2 Chartered Secretary of the Year Award**

Dr Merissa Kambani (ACIS), the Chief Executive Officer of the Avenues Clinic, was the winner of the Chartered Secretary of the year 2013 award. The award was presented at the Institute’s Annual Conference. The runner up was Mr Dzingirai Tusai (FCIS), the Principal of the Zimbabwe School of Mines in Bulawayo.

**4.3.3 Corporate Governance Awards**

The Institute presented the second edition of the Excellence in Corporate Governance Awards. These awards included the new category for financial institutions. The awards were held in November 2014. The awards gained momentum in 2014 and were well received. The following were the winners of the second edition of the Excellence in Corporate Governance Awards:

**List of winning ZSE listed companies per Award Category**

<b>Shareholder Treatment</b>	<b>Stakeholder Practices &amp; Sustainability Reporting</b>	<b>Board Practices</b>	<b>Overall: Best-governed Company</b>
1. Pretoria Portland Cement Limited	1. Dairibord Holdings Limited	1. CBZ Holdings Limited	1. CBZ Holdings Limited
2. Amalgamated Regional Trading (ART Corp)	2. Turnall Holdings Limited	2. British American Tobacco Zimbabwe	2. Dairibord Holdings Limited
3. NicozDiamond Insurance Limited	3. RioZim Limited	3. First Mutual Holdings Limited	3. Turnall Holdings Limited



**Banking Institutions**

<b>Best Banking Governance Practices</b>	<b>Best Banking Risk Management Practices</b>	<b>Best Banking Internal Audit Disclosures</b>	<b>Overall: Best-governed Banking institution</b>
1. ABC Holdings Limited	1. ABC Holdings Limited	1. NMBZ Holdings Limited	1. ABC Holdings Limited
2. CBZ Bank Limited	2. NMBZ Holdings Limited	2. CBZ Bank Limited	2. NMBZ Holdings Limited
3. NMBZ Holdings Limited	3. CBZ Bank Limited	3. MBCA Bank Limited	3. CBZ Bank Limited

**4.3.4 Annual Charity Golf Tournament**

The 2014 Annual Charity Golf Tournament was held on 18 July 2014. The event was successful, attracting 114 participants. Funds raised at the event were donated to charity.

**4.3.4 Reunion Party**

The Institute organised a Reunion Party on 28 November 2014 for members who have been in the profession for 10 years and more. A disappointing number of 20 members took the opportunity to reconnect with colleagues in the profession.

**4.3.5 Branch Activities**

The Institute conducted Continuing Professional Development seminars in all the country’s branches. Reasonable attendances were recorded at these seminars.

**4.3.6 Harare Branch Activities**

The Harare Branch organized several functions including a budget breakfast during the period under review. Dates, topics and speakers for the functions were:-

<b>Date</b>	<b>Participants</b>	<b>Topic</b>	<b>Presenter(s)</b>
28 February 2014	19	The Zimbabwean Economy	Dr Godfrey Kanyenze
27 June 2014	48	Corporate governance in Companies and Parastatals – Effectiveness of Boards in dealing with corruption and misuse of funds	Mr Edward Siwela
28 August 2014	43	Entrepreneurship opportunities for Chartered Secretaries/Accountants in Small and Medium Enterprises	Honourable S.G G Nyoni – MP Minister of Small and Enterprises and Cooperative
28 November 2014	53	Budget Breakfast Taxation issues of the 2015 Budget Economic issues of the 2015 budget	Trust Mawere Itai Chirume

**4.3.7 Public and Practicing Accountants**

A total of 331 members were registered as Public Accountants as at 31 December 2014. Members of the Institute are encouraged to register as Public Accountants as well as obtain Practicing Certificates. Members who are in Public Practice are encouraged to register with the Institute on the Institute's Practicing members database.

**4.3.8 PAFA**

The Institute applied for the Pan African Federation of Accountants (PAFA) membership in 2014. Its application for the full membership was accepted in December 2014. It is hoped that the Institute will derive immense benefits from its PAFA membership.

**4.3.9 Corporate Social Responsibility**

The ICSAZ Annual Charity Golf Day and Annual Conference were used to raise funds for charity. Goods worth \$3 562.00, purchased from the proceeds of the fund raising activities, were donated to Khayelihle Children's Village in Matabeleland North.

**4.3.9 Corporate Secretaries International Association (CSIA)**

The Institute retained its membership of the Corporate Secretaries International Association. The Institute participated in some of the CSIA Working Groups. The Company Secretaries Toolkit was launched in 2014 and will now be rolled out in 2015.

**5.0 STUDENTS SERVICES**

**5.1** The students' registration figures slightly decreased during the year. The decline in the students' body is attributed to the difficult economic environment characterized by liquidity challenges in the market. Efforts are underway to mitigate the decline in student numbers.

**5.2 Winter School**

Two students Winter Schools were held during the year. One was held in Mutare at the Golden Peacock Villa Hotel from 6 – 8 June 2014. It was attended by one hundred and twenty eight (128) delegates. The other Winter School was held at the Village Lodge in Gweru from 4-6 July 2014. Sixty (60) delegates attended this Winter School.

**5.3 Examinations**

A total of 83 students completed their examinations in 2014 and will graduate on 25 April 2015. This number is lower than the previous years. A reduced number of students are sitting the examinations as finalists as a result of the changes in the qualifying scheme.

**5.4 The Prize Winners for the year were:-**

<b>Prize Winner</b>	<b>Subject</b>
James Mupudzi	Business Law
Thandiwe Mugabe	Economics
Ndabezinhle Gabriel Mavunda	Auditing
Tapiwa Emmanuel Kwava	Human Resources Management
Ernest Maromo	General and Strategic Management
Ngonidzashe Majindwi	Advanced Accounting and Financial Reporting
Bruce Maunganidze	Corporate Governance & Risk Management
Matthew Mabusha	Corporate Financial Management

**2014 Best Finalist Students**

The year 2014's best student and the winner of the President's trophy was Herbert Kayimbanemoyo.

The first runner up was Phillip Magara.

The second runner up was Talent Mudiwa.

**5.7 Student Attachment**

The Institute continued to actively source for attachment facilities for its students. Student attachment is now a core component of the Institute's Training Programme. The Institute is very grateful for the assistance offered to the Institute's students by members and companies.

**6.0 INSTITUTE OF BUSINESS AND ACCOUNTING STUDIES**

The Institute reviewed the IBAS curriculum and applied for the accreditation of the IBAS qualification with the Ministry of Higher and Tertiary Education, Science & Technology Development. The accreditation was granted in December 2014.

With the accreditation, the Institute will embark on repositioning of the IBAS qualification as a Technician course. In the long term, this should increase the Institute's foot print on the market.

**7.0 PUBLICATIONS AND PUBLIC RELATIONS**

Four issues of the Institute's Chartered Secretary magazine were published during the year 2014. It is expected that the Institute will continue to publish the full complement of four issues in 2015.

**8.0 STAFF**

There were no major changes in the Institute's staff compliment during the year. The significant change was the departure of the Human Resources Officer. This position was not filled due to the difficult operating environment. It will however be filled in due course.

**9.0 INTERNAL CONTROLS**

Three internal audit assignments were carried out during the year. The results of each assignment were tabled at the Executive, Finance and General Purpose Committee meetings. Corrective measures were taken in areas where shortcomings were identified.

**10.0 THE INTERNATIONAL COUNCIL**

Following the approval of the revised Charter and Bye laws by the Privy Council, the Institute started to operate using the new Charter and Bye laws. The Council was reconstituted in line with the new bye laws. The Council has begun the process of refocusing the Institute and will now be implementing the agreed strategies. The Division was represented at all the Council meetings by its International Representative.

**11.0 FUTURE**

The country continues to encounter challenges on the economic front. This has affected the ability of members to meet their obligations to the Institute. Reduced student numbers have also been witnessed during the period. The Institute has put in place robust measures to encourage members to meet their obligations and to recruit and retain students. These measures should help sustain the Institute going forward.

**12.0 ACKNOWLEDGEMENT**

The Council wishes to place on record its appreciation and gratitude to members of the various Committees and their Chairmen for their efforts in carrying out the committees' respective tasks during the year 2014.

The Council is also grateful to all members, graduates and students who in one way or another contributed to the Institute during the year and hope that this support will continue during the year 2015.

Finally, the Council extends its appreciation to the Secretariat staff for their commitment and performance during the year.



**RICHARD ANDERSON SUMMERS (FCIS)**

President



**JOSHUA FARAI MUSAMBA (FCIS)**

Chief Executive Officer and Secretary

## COUNCILLORS' RESPONSIBILITY FOR FINANCIAL REPORTING

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The Councillors are responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information. HLB Ruzengwe and Company have audited the financial statements and their report appears on page 21.

The Councillors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Councillors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements are prepared on the going concern basis. Nothing has come to the attention of the Councillors to indicate that the Institute will not remain a going concern for the foreseeable future.

The financial statements set out on pages 22-27 were approved by Council on 11 April 2015 and are signed on its behalf by



**RICHARD ANDERSON SUMMERS (FCIS)**

President



**JOSHUA FARAI MUSAMBA (FCIS)**

Chief Executive and Secretary

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

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We have audited the accompanying consolidated financial statements of the Institute of Chartered Secretaries and Administrators in Zimbabwe (the Group) as set out on pages twenty two to forty three, which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a consolidated summary of significant accounting policies and other explanatory information.

**Council's responsibility for the consolidated financial statements**

The Council members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), Chartered Secretaries Act (Chapter 27:03), Companies Act (Chapter 24:03) 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.

**Auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Institute of Chartered Secretaries and Administrators in Zimbabwe as at 31 December 2014 and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Report on other legal and regulatory requirements**

In our opinion, the consolidated financial statements have been properly prepared in conformity with the disclosure requirements of the Chartered Secretaries Act (Chapter 27:03) and Companies Act (Chapter 24:03).



**HLB Zimbabwe**  
**Chartered Accountants (Zimbabwe)**

**HARARE**  
**Date: 11 APRIL 2015**

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	<u>NOTES</u>	<u>2014</u> USD	<u>2013</u> USD
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	4	528 606	590 783
Long term investment	5	68 404	155 959
Intangible asset- software	6	55 728	117 902
Deferred tax	13	5 222	4 270
		<u>657 960</u>	<u>868 914</u>
<b>CURRENT ASSETS</b>			
Inventory	7	57 778	50 755
Accounts receivable	8	11 567	13 527
Short term investments	9	1 121 830	742 734
Cash and bank balances	10	97 692	127 595
Loan to joint operation		107	8 733
		<u>1 288 974</u>	<u>943 344</u>
<b>TOTAL ASSETS</b>		<u><b>1 946 934</b></u>	<u><b>1 812 258</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and Reserves</b>			
Retained earnings		1 386 664	1 272 894
Non distributable reserves		349 228	349 228
		<u>1 735 892</u>	<u>1 622 122</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax	13	16 500	17 596
		<u>16 500</u>	<u>17 596</u>
<b>Current Liabilities</b>			
Current tax		1 181	2 255
Accounts payable	11	71 102	65 674
Provisions	12	122 259	104 611
		<u>194 542</u>	<u>172 540</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1 946 934</b></u>	<u><b>1 812 258</b></u>



PRESIDENT



CHIEF EXECUTIVE & SECRETARY

DATE : 11 APRIL 2015



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>NOTES</u>	<u>2014</u> USD	<u>2013</u> USD
<b>INCOME</b>			
Revenue	<b>14</b>	1 754 664	1 991 620
Other income	<b>15</b>	117 369	173 740
Finance income		95 098	70 121
Administration costs	<b>16</b>	( 1 252 165)	( 1 494 746)
Staff costs	<b>16.1</b>	( 600 422)	( 599 199)
Fair value adjustment on investments		<u>( 2 822)</u>	<u>5 874</u>
<b>Profit before taxation</b>		<b>111 722</b>	<b>147 410</b>
Income tax expense	<b>13</b>	<u>2 048</u>	<u>5 232</u>
<b>Profit for the year</b>		<b>113 770</b>	<b>152 642</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive profit for the year</b>		<u><b>113 770</b></u>	<u><b>152 642</b></u>

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE'S STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>2014</u> USD	<u>2013</u> USD Restated	<u>2012</u> USD Restated
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	199 591	239 961	256 888
Investment in joint operation	1 000	1 000	1 000
Long term investment	68 404	155 959	150 259
Intangible asset- software	55 728	117 902	181 458
	<u>324 723</u>	<u>514 822</u>	<u>589 605</u>
<b>CURRENT ASSETS</b>			
Inventory	57 778	50 756	40 198
Accounts receivable	9 786	12 106	11 450
Short term investments	1 121 830	742 734	621 434
Cash and bank balances	96 865	125 266	78 757
Prepayments	425	-	-
Related parties	214	6 825	-
	<u>1 286 898</u>	<u>937 687</u>	<u>751 839</u>
<b>TOTAL ASSETS</b>	<u><u>1 611 621</u></u>	<u><u>1 452 509</u></u>	<u><u>1 341 444</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>RESERVES</b>			
Accumulated Fund	1 341 336	1 206 721	1 041 502
Non distributable reserves	78 740	78 740	78 740
	<u>1 420 076</u>	<u>1 285 461</u>	<u>1 120 242</u>
<b>CURRENT LIABILITIES</b>			
Related parties	-	-	10 086
Accounts payable	70 171	63 761	127 352
Provisions	121 374	103 287	83 764
	<u>191 545</u>	<u>167 048</u>	<u>221 202</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1 611 621</u></u>	<u><u>1 452 509</u></u>	<u><u>1 341 444</u></u>

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE'S STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>2014</u> USD	<u>2013</u> USD Restated	<u>2012</u> USD Restated
<b>INCOME</b>			
Revenue	1 754 663	2 017 737	1 859 603
Other income	116 514	193 213	111 618
Finance income	95 098	67 607	82 226
Administration costs	( 1 209 762)	( 1 519 547)	( 1 541 760)
Staff costs	( 577 964)	( 599 665)	( 468 225)
Fair value adjustment on investments	( 2 822)	5 874	704
<b>Surplus for the year</b>	<u>175 727</u>	<u>165 219</u>	<u>44 166</u>
<b>Other Comprehensive Income</b>	-	-	-
<b>Total comprehensive surplus for the year</b>	<u><u>175 727</u></u>	<u><u>165 219</u></u>	<u><u>44 166</u></u>

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	<b>Non Distributable Reserve USD</b>	<b>Retained Earnings USD</b>	<b>Total USD</b>
<b>Balance as at 1 January 2013</b>	<b>349 228</b>	<b>1 047 626</b>	<b>1 396 854</b>
Profit for the year	-	152 642	152 642
Separate Land and Buildings recognition effect on deferred tax	-	72 626	72 626
<b>Balance as at 31 December 2013</b>	<b>349 228</b>	<b>1 272 894</b>	<b>1 622 122</b>
<b>Balance as at 1 January 2014</b>	<b>349 228</b>	<b>1 272 894</b>	<b>1 622 122</b>
Profit for the year	-	113 770	113 770
<b>Balance as at 31 December 2014</b>	<b>349 228</b>	<b>1 386 664</b>	<b>1 735 892</b>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>NOTES</u>	<u>2014</u> USD	<u>2013</u> USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Operating (loss)/profit for the year</b>		<b>111 722</b>	<b>147 410</b>
<b>Adjustments for:</b>			
Depreciation		98 268	77 643
Amortisation of intangible asset		62 174	63 556
Interest received		( 95 098)	( 70 121)
Impairment of long term investment		84 733	-
(Profit)/loss on sale of property and equipment		-	3 085
Fair value adjustment on equity investments		2 822	( 5 874)
		<u>152 899</u>	<u>68 289</u>
<b>Net operating cash flows before working capital changes</b>		<b>264 621</b>	<b>215 699</b>
<b>Changes in working capital</b>			
Increase in inventories		( 7 023)	( 10 522)
Decrease in receivables		1 960	598
Increase/(decrease) in payables		5 428	( 64 005)
Increase in provisions		17 648	20 941
Net movement in related party balances		8 626	( 3 793)
<b>Total changes in working capital</b>		<b>26 639</b>	<b>( 56 811)</b>
<b>Net cash flow from operating activities</b>		<b>291 260</b>	<b>158 888</b>
Taxation paid		( 1 074)	( 1 172)
<b>Return on investments</b>			
Finance income		95 098	70 121
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>95 098</b>	<b>70 121</b>
Proceeds from sale of property and equipment		-	840
Acquisition of property and equipment		( 36 091)	( 61 045)
Proceeds from disposal of long term investment		-	174
<b>Cash utilised in investing activities</b>		<b>( 36 091)</b>	<b>( 60 031)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>349 193</b>	<b>167 806</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR</b>		<b>870 329</b>	<b>702 523</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR</b>	<b>10</b>	<b>1 219 522</b>	<b>870 329</b>

**1. GENERAL INFORMATION**

The consolidated financial statements of the Institute of Chartered Secretaries and Administrators in Zimbabwe Group for the year ended 31 December 2014 were authorised for issue in accordance with Council's resolution on 11 April 2015.

**2. BASIS OF PREPARATION**

**2.1** In the past, the Institute of Chartered Secretaries and Administrators in Zimbabwe prepared separate financial statements for the Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ), Institute of Business and Accounting Studies (IBAS) and Dzidzo House (Pvt) Ltd. The financial statements for the year ended 31 December 2014 are the first the Institute has prepared on a consolidation basis in accordance with the International Financial Reporting Standards hence it will be referred to as a Group throughout these financial statements. Accordingly, the Group has prepared financial statements which comply with International Financial Reporting Standards applicable for the period ending 31 December 2014, together with the comparative period data as at and for the year ended 31 December 2013, as described in the accounting policies.

**2.2 Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board. The consolidated financial statements have been prepared in compliance with the Chartered Secretaries Act (Chapter 27:03) and Companies Act Chapter 24:03).

**New and revised IFRSs applied with no material effect on the financial statements.**

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

**New and revised standards and interpretations applied**

The Group has applied the following standards but they had no material impact on the current amounts and prior periods presented;

- IAS 32 Amendments: Offsetting Financial Assets and Financial Liabilities for annual periods beginning on or after 1 January 2014
- IAS 36 Amendments: Recoverable amounts disclosures for Non-Financial Assets for annual periods beginning on or after 1 January 2014
- IFRIC 21: Levies

**New and revised standards and interpretations not yet effective**

- IFRS 9 : Financial Instruments (2009 and 2010) effective for annual periods beginning on or after 1 January 2018
- IFRS 14 : Regulatory Deferral Accounts for annual periods beginning on or after 1 January 2016
- IFRS 15 : Revenue from contracts with customer for annual periods beginning on or after 1 January 2017
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation for annual periods beginning on or after 1 January 2016

**2.3 Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for financial investment accounted at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

**2.4 Functional and presentation currency**

The consolidated financial statements are presented in United States dollars, which is the Group's functional currency.

## 2.5 Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors, including making assumptions concerning future events that are believed to be reasonable under the circumstances. Actual results may differ from these accounting estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are accounted for prospectively.

In the process of applying the accounting policies as set out below, management has made the following judgements that have a significant risk of causing material adjustment to the amounts recognised in the financial statements:

### a) Useful lives and residual values of property and equipment.

The useful lives and residual values of property and equipment are reviewed at each year-end. The useful lives, which are estimated by management, are based on historic analysis and other available information. The residual values are estimated based on useful lives as well as other available information.

### b) Provisions and contingent liabilities

Various estimates and assumptions have been applied by management in arriving at the carrying value of provisions that are recognised in terms of the relevant accounting policy.

Management further relies on input from the Group's lawyers in assessing the probability of items of a contingent nature.

### c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

## 3. ACCOUNTING POLICIES

The principal accounting policies of the Group, set out below have been applied consistently to all periods presented in these consolidated financial statements.

### 3.1 Basis for consolidation

The consolidated financial statements incorporate the financial statements of the Institute of Chartered Secretaries and Administrators in Zimbabwe and its investments, using uniform accounting policies up to 31 December 2014. Control is achieved where the Institute has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. Intra-group balances and transactions, and any unrealised gains from intra-group transactions are eliminated in preparing the consolidated financial statements.

#### Joint operation

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Institute has a 50% interest in Dzidzo House (Pvt) Ltd and recognises, in relation to its interest in the joint operation, the following:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of any liabilities incurred jointly
- Revenue from the sale of its share of the output arising from the joint operation
- Share of the revenue from the sale of the output by the joint operation
- Expenses, including its share of any expenses incurred jointly

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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- The Group’s investment in the joint operation is accounted for using the proportionate method in the consolidated accounts.
- The Institute accounts for the joint operation at cost in its separate financial statements.
- The financial statements of the joint operation are prepared for the same period as the Group.

**3.2 Revenue**

Revenue is recognised when it is possible that future economic benefits will flow to the Group, and the revenue can be reliably measured. Revenue is in the form of fees and subscriptions receipts from students and members and is recognised on a receipt basis.

**3.3 Finance income**

Finance income comprises interest income from short term money market investments. Interest is recognised on an accrual basis.

**3.4 Property and equipment**

**Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and borrowing costs on qualifying assets.

**Subsequent costs**

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institute, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

**Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. If the residual value is less than the carrying amount then the carrying amount should be depreciated over the revised remaining life of the asset on a straight-line basis as follows:

Buildings	10%
Furniture and fittings	10%
Motor vehicles	20%
Computers	20%
Office equipment	10%
Solar equipment	10%
Land is not depreciated	-

**3.5 Intangible asset - Software**

An intangible asset is recognised if it is probable that expected economic future benefits that are attributable to the asset will flow to the Group and that the cost can be measured reliably. The intangible asset is carried at cost less accumulated amortisation over the estimated useful life of the asset which is three (3) years.



### 3.6 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount of the obligation can be made.

### 3.7 Financial instruments

#### Classification

The Group classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. The financial assets and financial liabilities are classified into the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

#### Financial assets at amortised cost

A financial asset is classified as “amortised cost” only if both of the following criteria are met: The objective of the Group’s business model is to hold the assets to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments by principal and interest on the principal outstanding.

Trade and other receivables is the only line item on the Group statement of financial position that is carried at amortised cost.

#### Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. The Group has not designated any financial asset as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

#### Financial liabilities at fair value through profit or loss

A financial liability is classified as “fair value through profit or loss” only if it is evaluated on a fair value basis, results in an accounting mismatch or it is a certain embedded derivative.

#### Financial liabilities at amortised cost

If either the three criteria on ‘financial liabilities at fair value through profit or loss’ are met, the financial liability is classified as ‘amortised cost’.

Trade and other payables are the line items on the statement of financial position that are carried at ‘amortised cost’.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group’s cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### 3.8 Inventory

Inventory is stated at the lower of cost and net realisable values. Cost is determined on the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**3.9 Impairment**

The Group assesses at the end of each reporting period whether or not there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

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. 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. An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the unit on a pro rata basis of the carrying amount of each asset in the unit.

The Group 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 attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized 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.

**3.10 Foreign currency**

Transactions in foreign currencies are translated to the reporting currency of the Institute at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the reporting currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the reporting currency at the exchange rate at the date that the fair value was determined. 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.

**3.11 Employee benefits**

**3.11.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

**3.11.2 Termination benefits**

Termination benefits are recognised as an expense when the Institute is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Institute has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

**3.11.3 Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**3.12 Taxation**

**Current and Deferred Income Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the profit or loss, except to that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**Current income tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred income tax**

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**Value added tax**

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the consolidated statement of financial position.

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

4 PROPERTY AND EQUIPMENT

	<u>Land</u>	<u>Buildings</u>	<u>Small</u> <u>Tools</u>	<u>Motor</u> <u>Vehicles</u>	<u>Computer</u> <u>Equipment</u>	<u>Office</u> <u>Equipment</u>	<u>Furniture</u> <u>and fittings</u>	<u>Solar</u> <u>Project</u>	<u>Total</u>
	USD	USD	USD	USD	USD	USD	USD	USD	USD
<b>Cost or valuation</b>									
Balance at 1 January 2013	135 000	215 000	20 579	168 657	115 969	79 352	55 008	18 755	808 320
Additions	-	-	650	24 310	15 510	3 000	17 575	-	61 045
Disposals	-	-	(13 115)	-	(4 520)	(1 858)	(703)	(500)	(20 696)
<b>Balance at 31 December 2013</b>	<b>135 000</b>	<b>215 000</b>	<b>8,114</b>	<b>192 967</b>	<b>126 959</b>	<b>80 494</b>	<b>71 880</b>	<b>18 255</b>	<b>848 669</b>
<b>Balance at 1 January 2014</b>									
Balance at 1 January 2014	135 000	215 000	8 114	192 967	126 959	80 494	71 880	18 255	848 669
Additions	-	-	-	11 650	4 852	13 818	2 725	3 046	36 091
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>135 000</b>	<b>215 000</b>	<b>8 114</b>	<b>204 617</b>	<b>131 811</b>	<b>94 312</b>	<b>74 605</b>	<b>21 301</b>	<b>884 760</b>
<b>Accumulated depreciation</b>									
Balance at 1 January 2013	-	-	(16 161)	(69 501)	(57 061)	(22 865)	(23 229)	(8 197)	(197 014)
Depreciation charge for the year	-	-	(1,623)	(38 001)	(23 288)	(8 040)	(4 855)	(1 836)	(77 643)
Disposals	-	-	10,492	-	4 459	843	493	484	16 771
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>-</b>	<b>(7 292)</b>	<b>(107 502)</b>	<b>(75 890)</b>	<b>(30 062)</b>	<b>(27 591)</b>	<b>(9 549)</b>	<b>(257 886)</b>
<b>Balance at 1 January 2014</b>									
Balance at 1 January 2014	-	-	(7 292)	(107 502)	(75 890)	(30 062)	(27 591)	(9 549)	(257 886)
Depreciation charge for the year	-	(21 500)	(307)	(39 623)	(20 801)	(8 749)	(6 115)	(1 173)	(98 268)
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>-</b>	<b>(21 500)</b>	<b>(7 599)</b>	<b>(147 125)</b>	<b>(96 691)</b>	<b>(38 811)</b>	<b>(33 706)</b>	<b>(10 722)</b>	<b>(356 154)</b>
<b>Carrying amount</b>									
At 1 January 2013	<b>135 000</b>	<b>215 000</b>	<b>4 418</b>	<b>99 156</b>	<b>58 908</b>	<b>56 487</b>	<b>31 779</b>	<b>10 558</b>	<b>611 306</b>
At 31 December 2013	<b>135 000</b>	<b>215 000</b>	<b>822</b>	<b>85 465</b>	<b>51 069</b>	<b>50 432</b>	<b>44 289</b>	<b>8 706</b>	<b>590 783</b>
<b>At 1 January 2014</b>									
At 1 January 2014	<b>135 000</b>	<b>215 000</b>	<b>822</b>	<b>85 465</b>	<b>51 069</b>	<b>50 432</b>	<b>44 289</b>	<b>8 706</b>	<b>590 783</b>
At 31 December 2014	<b>135 000</b>	<b>193 500</b>	<b>515</b>	<b>57 492</b>	<b>35 120</b>	<b>55 501</b>	<b>40 899</b>	<b>10 579</b>	<b>528 606</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	USD	USD
<b>5 LONG TERM INVESTMENTS</b>		
Money Market	130 859	130 859
Equities	22 278	25 100
	<u>153 137</u>	<u>155 959</u>
<b>Less:</b> Allowance for impairment losses	<u>( 84 733)</u>	<u>-</u>
	<u><u>68 404</u></u>	<u><u>155 959</u></u>
<p>Included in the long term investments is an amount of US\$130 859 representing an investment held with Interfin bank which was placed under liquidation. The Group has now decided to impair the investment by 65%.</p>		
<b>6 INTANGIBLE ASSET</b>		
<b>Enterprise Resource Planning System</b>		
<b>Cost</b>	<b>192 122</b>	<b>192 122</b>
<b>Accumulated amortisation and impairment</b>	<b>( 136 394)</b>	<b>( 74 220)</b>
Balance at beginning	( 74 220)	( 10 664)
Current year charge	( 62 174)	( 63 556)
<b>Balance at the end of year</b>	<u><u>55 728</u></u>	<u><u>117 902</u></u>
<b>7 INVENTORY</b>		
Past exam booklets	40 926	33 562
Study packs	10 476	9 211
Gowns	3 066	4 288
Ties	2 628	2 797
Conference bags	682	832
Past exam papers	-	65
	<u>57 778</u>	<u>50 755</u>
<b>8 ACCOUNTS RECEIVABLE</b>		
Sundry receivables	-	47
Prepayments	3 935	4 331
Staff debtors	7 632	9 149
	<u>11 567</u>	<u>13 527</u>
<b>9 SHORT TERM INVESTMENTS</b>		
Money market	1 121 830	742 734
	<u>1 121 830</u>	<u>742 734</u>

Money market investments are made up of Old Mutual and CABS Unit Trusts which are short term investments held at fair value through profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>
<b>10 CASH AND CASH EQUIVALENTS</b>		
<b>Opening balances</b>		
Cash and bank balances	127 595	81 089
Money market investments	742 734	621 434
	<u><b>870 329</b></u>	<u><b>702 523</b></u>
<b>Closing balances</b>		
Cash and bank balances	97 692	127 595
Money market investments	1 121 830	742 734
<b>Cash and cash equivalents at year end</b>	<u><b>1 219 522</b></u>	<u><b>870 329</b></u>
<b>Net increase in cash and cash equivalents</b>	<u><b>349 193</b></u>	<u><b>167 806</b></u>
<b>11 ACCOUNTS PAYABLE</b>		
Fees prepayments	43 685	17 356
Deposits not yet receipted	12 159	25 453
Accrued expenses	10 733	16 041
VAT	337	-
Withholding tax	3 794	5 722
Sundry payables	394	1 102
	<u><b>71 102</b></u>	<u><b>65 674</b></u>
<b>12 PROVISIONS</b>		
Provision for audit fees	14 515	11 418
Provision for capitation fees	42 076	35 727
Provision for bonus	30 342	24 154
Leave pay provision	35 326	33 312
	<u><b>122 259</b></u>	<u><b>104 611</b></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	<u>USD</u>	<u>USD</u>
<b>13 TAXATION</b>		
<b>Current tax</b>		
Zimbabwe income tax		
Current	-	-
Movement in temporary differences	( 1 096)	( 962)
Unutilised assessed loss	( 952)	( 4 270)
	<u>( 2 048)</u>	<u>( 5 232)</u>
<b>Tax rate reconciliation</b>		
Accounting profits	( 24 776)	( 17 804)
Tax @ 25.75%	( 6 380)	( 4 585)
Tax rate adjustment on permanent differences	4 354	-
Interest received	( 22)	( 647)
	<u>( 2 048)</u>	<u>( 5 232)</u>
<b>Deferred Tax</b>		
<b>Analysis of temporary differences</b>		
Property and equipment:		
Accelerated wear and tear	( 16 500)	( 17 596)
Assessed Loss	5 222	4 270
	<u>( 11 278)</u>	<u>( 13 326)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	USD	USD
<b>14 REVENUE</b>		
Continuous professional development	39 072	19 224
Election fees	10 800	12 535
Examination fees	740 474	867 869
Exemption fees	21 579	37 785
Membership fees	303 725	225 443
New registrations	40 431	57 378
Re-registrations	415 880	494 033
Annual conference	143 954	231 932
Winter school	38 749	45 421
	<u>1 754 664</u>	<u>1 991 620</u>
<b>15 OTHER INCOME</b>		
Annual charity golf day	8 081	4 047
Annual dinner	780	1 105
Gain on disposals	-	453
Gowns	4 063	26 520
Magazine advertising fees	9 182	10 442
Study packs and Past papers	33 842	40 372
Penalties-current year	18 274	18 818
Ties	751	777
Sundry income	39 476	69 151
Functions	2 920	2 055
	<u>117 369</u>	<u>173 740</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

16	<b>ADMINISTRATION COSTS</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
		<b>USD</b>	<b>USD</b>
	Audit fees-internal	9 200	8 049
	Audit fees-external	9 965	7 392
	Annual conference fund	106 289	210 374
	Amortisation of intangible asset	62 174	63 556
	Annual golf day expenses	8 081	6 205
	Annual dinner	2 927	2 379
	Bank charges	23 060	24 035
	Cleaning expenses	3 586	3 428
	Continuing professional development	35 872	33 694
	Corporate secretaries international	7 500	7 500
	Capitation fees	42 076	35 727
	Computer expenses	50 521	71 476
	Communications costs	58 956	73 719
	Depreciation	98 268	77 643
	Electricity and water	17 185	17 284
	Examination costs	270 210	355 593
	Exchange loss	13	-
	Functions	40 687	69 089
	Graduation prizes	1 825	1 505
	Impairment of investment	84 733	-
	Insurance	15 819	15 102
	International expenses	723	3 639
	Legal costs	10 446	30 253
	Library	10 304	8 833
	Loss on disposals of assets	-	3 538
	Meeting expenses	41 024	46 383
	Motor vehicle expenses	28 242	27 573
	Office expenses	21 157	22 238
	Publications	3 990	927
	Public relations	66 278	70 647
	Printing and stationery	15 554	28 047
	Repairs and maintenance	15 846	24 749
	Sale of stores and study packs expenses	7 978	45 312
	Security	619	767
	Travel expenses	30 297	34 626
	Winter school expenses	49 148	60 480
	Other expenses	1 612	2 984
		<b><u>1 252 165</u></b>	<b><u>1 494 746</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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**16.1 STAFF COSTS**

Basic salaries	429 534	401 363
Bonus	30 342	25 109
Wages	14 369	27 258
Medical aid contribution	30 446	28 751
Pension contributions	26 008	23 264
NSSA	7 587	6 878
Workers compensation insurance fund	4 015	4 710
Leave expense	20 228	20 747
Staff development costs	8 132	19 281
Staff uniforms	15 671	19 531
Overtime	7 111	11 023
Long service awards	5 117	8 372
Other staff costs	1 862	2 912
	<u>600 422</u>	<u>599 199</u>

**17 JOINTLY CONTROLLED ENTITIES**

The Institute owns a 50% interest in Dzidzo House (Pvt) Ltd which is the only jointly controlled entity within the Group. The company provides housing facilities to the Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ) and the Zimbabwe Institute of Management (ZIM). Its financial statements have been incorporated into the consolidated financial statements using the proportionate consolidation method. The financial information relating to the Group's share in Dzidzo House (Pvt) Ltd is as follows:

	<b><u>2014</u></b>	<b><u>2013</u></b>
	<b>USD</b>	<b>USD</b>
Non - current assets	329 015	350 822
Current Assets	<u>1 356</u>	<u>1 421</u>
<b>Total Assets</b>	<b><u><u>330 371</u></u></b>	<b><u><u>352 243</u></u></b>
Non - current liabilities	16 500	17 596
Current liabilities	<u>4 575</u>	<u>7 398</u>
<b>Total liabilities</b>	<b><u><u>21 075</u></u></b>	<b><u><u>24 994</u></u></b>
Income	854	1 626
Expenses	73 433	68 086

**18 PENSION AND OTHER POST RETIREMENT OBLIGATIONS**

Both the Group and the employees make contributions to the following pension funds:

**18.1 Institute of Chartered Secretaries and Administrators in Zimbabwe Pension Fund**

All eligible employees are required to be members of a defined contribution pension scheme administered by Old Mutual Pension Fund.

**18.2 National Social Security Authority**

This is a defined contribution scheme established under the National Social Security Authority Act (Chapter 17:04). The Group's obligations under the scheme are limited to specific contributions as legislated from time to time. These are presently 3.5% of basic salary up to the maximum insurable earnings limit of \$700 per month per person.

**19 FINANCIAL RISK MANAGEMENT**

The main risks arising from the Group's financial instruments are credit risk, interest rate risk and liquidity and cash flow risk. The Group does not use derivative financial instruments for speculative purposes.

**19.1 Credit risk management**

Credit risk is the risk that counterparty will not meet its obligation under a financial investment leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily from trade receivables) and from its financing activities including deposits with banks and finance institutions and other instruments.

Financial assets that potentially subject the Group to concentration of credit risk consist of amounts receivables and cash. The Group's cash and cash equivalents are placed with high credit quality financial institutions.

**19.2 Interest rate risk management**

The Group has adopted a non-speculative policy on managing interest rate risks. Only approved financial institutions with sound capital bases are used to invest surplus funds. The Group does not have borrowing or interest commitments.

The Group can only invest in certain clearly defined instruments. Where instruments are for medium to long term, these should be backed by security at all times. Investments and advances must be diversified in the market place. The composition of the Institute's investment portfolio must reflect market conditions.

**19.3 Liquidity risk management**

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring its scheduled payments as well as forecast cash inflows due on a day to day business.

**20 CORRECTION OF PRIOR PERIOD ERRORS**

**Institute of Business and Accounting Studies (IBAS)**

ICSAZ erroneously omitted the financial results for IBAS from the date pre 2000 financial year when the IBAS qualification was introduced. As a consequence, the current assets, current liabilities and surplus for ICSAZ were understated. IBAS has always prepared and produced audited financial statements since inception and these financials have been reviewed by IBAS Council that reports to the ICSAZ Council.

IBAS (formerly Foundation for Business Studies or FBS) was launched in 1980 as a foundation course for business studies. The aim of the Foundation was to bring practical business education within the reach of people who had attained a secondary school certificate but would not have acquired the requisite formal education to pursue the Institute of Chartered Secretaries and Administrators' course.

In the year 2014, Council conducted a detailed review of the terms and conditions regarding IBAS and discovered the error. From inception, IBAS was not registered as a separate legal entity. It has always remained to date a division of ICSAZ. Without the IBAS results, the historical ICSAZ results have always been incomplete, henceforth IBAS results will be reported together with ICSAZ's financial results.

The error has been corrected by restating each of the affected financial statement line items for prior periods from 2012 although the error occurred from inception of IBAS.

The effect of the correction of the error on the results for 2013 and 2012 is as follows:

	<b>2013</b>	<b>2012</b>
Increase in income	219 420	241 084
Increase in expenditure	(146 103)	(128 248)
<b>Increase in surplus</b>	<b>73 317</b>	<b>112 836</b>
<b>Assets</b>		
Increase in current assets	83 468	357 707
<b>Increase in current assets</b>	<b>83 468</b>	<b>357 707</b>
<b>Funds and liabilities</b>		
Increase in accumulated fund	73 317	344 501
Increase in current liabilities	10 151	13 206
<b>Increase in funds and liabilities</b>	<b>83 468</b>	<b>357 707</b>

**21 EVENTS AFTER THE REPORTING PERIOD**

**Interfin Investment**

The Group had a long term investment of \$130,859.00 with Interfin Bank. The Bank was however placed under final liquidation on 4 March 2015 before the financial statements were authorised for issue by Council on 11 April 2015. The effect of this event is that only \$500.00 will be paid immediately by the Deposit Protection Board with the balance likely to be paid once the assets of Interfin Bank have been disposed of. The Group has subsequently decided to impair the investment by 65% as at 31 December 2014.

**22 GOING CONCERN**

The Council members have assessed the ability of the Group to continue operating as a going concern and believe that preparation of these consolidated financial statements on a going concern is still appropriate.