

THE ICAZ- CASS SCHOLARSHIP TRUST FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MAY 2021

BUSINESS

The Trust is a not-for-profit organisation which was created in terms of a Notarial deed of trust-
Number MA0000828/2015.

BOARD OF TRUSTEES:

Arthur Mubaiwa
Gerald Matavata
Matthews Kunaka
Chiedza Dziva
Gloria Zvaravanhu
Tinashe Rwodzi

Chairman
Vice - Chairman
Treasurer
Public Relations Officer
Trustee
Trustee

REGISTERED OFFICE:

2 Bath Road
Belgravia
Harare

AUDITORS:

HLB Zimbabwe Chartered Accountants
14 Cleveland Avenue
Milton Park
Harare

BANKERS:

NMB Bank – Joina City
Joina City Branch
1st Floor Joina City
Corner Jason Moyo and Julius Nyerere
Harare

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2021**

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ICAZ CASS – SCHOLARSHIP TRUST FUND

BOARD OF TRUSTEES' RESPONSIBILITY STATEMENT

The Trustees are responsible for the preparation and fair presentation of the annual financial statements of The ICAZ-CASS Scholarship Trust Fund, comprising the statement of financial position as at 31 May 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards. In addition, the Trustees are responsible for preparing the Trustees' report.

The Trustees are also responsible for such internal control as the Trustees determine as necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The Trustees have made an assessment of the ability of the organization to continue as a going concern and have no reason to believe that the operations of the Trust Fund will not be a going concern in the year ahead.

COMPLIANCE WITH IFRS

Financial Statements are prepared with the aim of complying with reporting standards including International Financial Reporting Standards (IFRS) and these Financial Statements are in compliance with IFRS.

The financial statements and the related notes, which have been prepared on the going concern basis, were approved by the Board of trustees and were signed on its behalf by:



.....
Chairman of Board of Trustees



.....
Chief Executive officer

INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF THE ICAZ-CASS SCHOLARSHIP TRUST FUND

REPORT ON THE AUDIT OF THE INFLATION ADJUSTED FINANCIAL STATEMENTS

Audit Opinion

We have audited the inflation adjusted financial statements of The ICAZ-CASS Scholarship Trust Fund set out on pages 7 to 15, which comprise the inflation adjusted statement of financial position as at 31 May 2021, and the inflation adjusted statement of income and expenditure, the inflation adjusted statement of changes in the fund, and the inflation adjusted statement of cash flows for the year, and the notes to the inflation adjusted financial statements, including a summary of significant accounting policies.

In our opinion, the inflation adjusted financial statements present fairly, in all material respects, the inflation adjusted financial position of the Trust as at 31 May 2021, and its inflation adjusted financial performance and its inflation adjusted cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements section of our report. We are independent of The ICAZ-CASS Scholarship Trust Fund in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Other Information

The Trustees are responsible for the other information. The other information comprises the Glossary of terms, Trustees' responsibility statement and Trustees' report. Other information does not include the inflation adjusted financial statements and our auditors' report thereon.

Our opinion on the inflation adjusted financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Responsibilities of the Trustees for the Financial Statements

The Trustees 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund'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 Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Trustees' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Fund 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 Trustees 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.

HLB ZIMBABWE

HLB ZIMBABWE
Chartered Accountants
C.M Ruzengwe:
PAAB Registration Number 099

HARARE

15/07/2022

THE ICAZ- CASS SCHOLARSHIP TRUST FUND

STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2021

	<u>Notes</u>	<u>Inflation adjusted</u>		<u>Historical cost</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>ZWL</u>	<u>ZWL</u>	<u>ZWL</u>	<u>ZWL</u>
Assets					
Current assets					
Accounts receivable	3	579 695	343 608	579 695	131 196
Cash and cash equivalents	4	67 711	161 297	67 711	61 586
		647 406	504 905	647 406	192 782
Funds					
Accumulated funds		647 406	504 905	647 406	192 782
		647 406	504 905	647 406	192 782

Chairman of Board of Trustees: 

Date: 14 July 2022

Chief Executive Officer: 

Date: 14 July 2022

THE ICAZ- CASS SCHOLARSHIP TRUST FUND

STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 MAY 2021

	<u>Note</u>	<u>Inflation adjusted</u>		<u>Historical cost</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
		<u>ZWL</u>	<u>ZWL</u>	<u>ZWL</u>	<u>ZWL</u>
Income	5	1 223 762	1 364 818	1 118 149	371 041
Other income	6	-	37	-	4
Operating expenses	7	(723 319)	(801 504)	(663 525)	(188 876)
Operating surplus		500 444	563 352	454 624	182 169
Monetary loss		(357 942)	(234 624)	-	-
Surplus for the year		142 501	328 728	454 624	182 169

THE ICAZ- CASS SCHOLARSHIP TRUST FUND

STATEMENT OF CHANGES IN ACCUMULATED FUND

FOR THE YEAR ENDED 31 MAY 2021

	Inflation adjusted	Historical cost
	Fund	Fund
	<u>ZWL</u>	<u>ZWL</u>
Accumulated surplus as at 1 June 2019	176 177	10 613
Surplus for the year	328 728	182 169
Accumulated surplus as at 1 June 2020	504 905	192 782
Surplus for the year	142 501	454 624
Accumulated surplus as at 31 May 2021	647 406	647 406

THE ICAZ- CASS SCHOLARSHIP TRUST FUND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2021

	Inflation adjusted		Historical cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus for the year	142 501	328 728	454 624	182 169
Changes in working capital				
Increase in accounts receivable	(236 087)	(343 608)	(448 499)	(131 196)
Net cash flows from operating activities	(93 586)	(14 880)	6 125	50 973
Net increase/(decrease) in cash and cash equivalents	(93 586)	(14 880)	6 125	50 973
Cash and cash equivalents at the beginning of the year	161 297	176 177	61 585	10 613
Cash and cash equivalents at the end of the year	67 711	161 297	67 711	61 585

**THE ICAZ- CASS SCHOLARSHIP TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1 GENERAL INFORMATION

The objectives for which the Trust has been established are:

- To offer educational assistance to academically gifted persons from disadvantaged backgrounds wishing to pursue careers as Chartered Accountants in Zimbabwe;
- To provide financial support for less privileged students;
- To groom, mentor and provide life skills to beneficiaries;
- To promote the maintenance of any school or faculty providing education in relation to the business of ICAZ;
- To provide valuable life-skills information which children facing complex challenges need such as education, mentorship and career guidance in order for them to be able to make informed life decisions;
- To nurture scholarship beneficiaries to have a heart for the community that will help them to willingly make contributions to the Trust when they have successfully completed their training;
- To create awareness of the Chartered Accountancy profession to prospective students and the general public;
- To fund and set up libraries across the country with a bias on accounting related books;
- To generally promote the education of persons studying to become Chartered Accountants in Zimbabwe; and
- Generally to do or undertake all or any such other acts, matters or things and charitable activities as are necessary for the attainment of all of the above objects or any one of them.

**THE ICAZ- CASS SCHOLARSHIP TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The inflation adjusted financial statements of the Trust for the year ended 31 May 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Trust’s inflation adjusted financial statements have been prepared based on statutory records maintained under historical cost basis and are presented in Zimbabwe dollars (“ZWL”)

2.2 IAS 21 – The Effects of Changes in Foreign Exchange Rates

Government promulgated Statutory instrument (“SI”) 33 on 22 February 2019, giving legal effect to the reintroduction of the Zimbabwe dollar “ZWL” as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on the effective date would be deemed to be Zimbabwe dollars at a rate which was at par with the United States Dollar (“USD”). Guidance issued by the Public Accountants and Auditors Board (PAAB) noted that the requirements of SI 33 were contrary to the provisions of IAS 21. Therefore, the Trust was unable to comply with the requirements of IFRS in respect of the comparative financial information due to the conflict between IAS 21 and local statutory requirements.

2.3 Functional and presentation currency

The financial statements are presented in Zimbabwe dollars (“ZWL”) which is the functional currency of the Trust.

2.3 Inflation adjustment

These financial statements have been prepared under the current cost basis in line with the provisions of IAS 29 – *Financial Reporting in Hyperinflationary Economies*. PAAB pronounced that the economy is trading under hyperinflationary conditions in line with IAS (Pronouncement 1/2019). The trustees have applied the guidelines provided by the PAAB and the relevant accounting bodies and made various assumptions to produce inflation adjusted financials.

The Trust adopted the Zimbabwe Consumer Price Index (“CPI”) as a general price index to restate transactions and balances as appropriate. The conversion factors used to restate the financial results are as follows:

	Indices	Conversion factor
31 May 2020	1097.7	2.62
31 May 2021	2874.8	1.00

**THE ICAZ- CASS SCHOLARSHIP TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2.2 Assets receivable

Assets receivables are recognised initially at the transaction price. An allowance for impairment losses in respect of amounts receivable are recognised when there is objective evidence that the Trust will not be able to collect amounts due according to the original terms of the receivables.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

2.3 Revenue

Revenue comprises of donor funds. During the year ended 31 May 2021, The Trust received funding from the Institute of Chartered Accountants of Zimbabwe, the Chartered Accountants Students Society (CASS) as well as other well-wishers.

2.4 Going concern

The Trustees have assessed the ability of the Trust to continue operating as a going concern in the foreseeable future and determined that it is appropriate. Accordingly, the financial statements have been prepared on a going concern basis.

THE ICAZ- CASS SCHOLARSHIP TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

	Inflation Adjusted		Historical Cost	
	2021 ZWL	2020 ZWL	2021 ZWL	2020 ZWL
3 ACCOUNTS RECEIVABLE				
ICAZ	579 695	343 608	579 695	131 196
	579 695	343 608	579 695	131 196
4 CASH AND CASH EQUIVALENTS				
Cash at bank- NMB current account	67 711	161 297	67 711	61 586
5 INCOME				
ICAZ donations	1 134 945	1 364 818	1 073 499	371 041
Other donations	88 817	-	44 650	-
	1 223 762	1 364 818	1 118 149	371 041
6 OTHER INCOME				
Interest received	-	37	-	4
	-	37	-	4
7 ADMINISTRATION EXPENSES				
Tuition fees for beneficiaries undergraduates	708 878	446 454	650 310	120 475
Other administrative expenses	14 441	355 049	13 215	68 401
	723 319	801 504	663 525	188 876

8 TAXATION

In terms of paragraph 2(e) of the Third Schedule of the Income Tax Act (Chapter 23:06) the Trust's receipts and accruals are exempt from income tax.

9 CONTINGENCIES

The Trust does not have any contingent assets or liabilities (2020: ZW\$ nil).

10 EVENTS AFTER THE REPORTING PERIOD

There were no significant events subsequent to the statement of financial position date that required disclosure or adjustments to be effected to the reported amounts.

11 OTHER DONATIONS

The Trust received a donation of ZWL81, 000 from Mr and Mrs Mhlanga who are both members based in Australia.