

**THE ICAZ-CASS  
SCHOLARSHIP TRUST FUND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MAY 2019**

**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 Downie Avenue  
Alexandra Park  
Harare

**BANKERS**

NMB Bank – Joina City

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2019**

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## 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 ("The Trust" or "The Fund"), comprising the statement of financial position as at 31 May 2019, and the statements of comprehensive income, changes in funds 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 ("IFRS"). In addition, the Trustees are responsible for preparing the Trustees' Report.

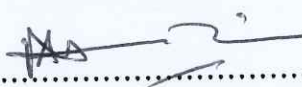
The Trustees are also responsible for such internal control as the Trustees determine as necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk 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 organisation 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). While full compliance was possible after 2009, it became increasingly difficult since 2017 due to effects of changes in functional currency and changes in price level in the economy. This culminated in the watershed monetary policy statement by the Reserve Bank Governor of 20 February 2019 which formally established an RTGS dollar currency. As a result, we have to accept that these Financial Statements are not fully compliant 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

Date... 17/03/20 .....

  
.....  
Trustee

Date... 17/03/20 .....

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE ICAZ-CASS SCHOLARSHIP TRUST FUND**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **Adverse Opinion**

We have audited the accompanying financial statements of ICAZ-CASS Scholarship trust fund, which comprise the statement of financial position as at 31 May 2019, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of 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 our opinion, the financial statements do not present fairly, in all material respects, the financial position of ICAZ-CASS Scholarship trust fund as at 31 May 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

##### **Basis for our Adverse Opinion**

The financial statements are prepared on the basis that the United States Dollar is the functional currency and figures reflected in the financial statements are US\$. This assumed that the US\$ and RTGS\$ were equal thus a 1:1 assumption was taken. However, post balance sheet event as noted in note 2 indicate that there are significant differences between the two currencies giving an exchange rate of not less than RTGS\$2.5 to RTGS\$4.0 against the US\$. Given that transactions taken over a period will have happened in conditions of different purchasing power, then resulting balances reflected in the balance sheet will be a mixture of the two currencies and conformity with IFRS standards will be lacking as well as not adhering to IAS 21 (*The Effect of Changes in Foreign Exchange Rates*).

##### **Other Information**

The trustees are responsible for the other information. The other information comprises the Trustees' Responsibility Statement. The other information does not include the financial statements and our auditor's opinion thereon. Our opinion on the financial statement does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit 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 the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report the 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.

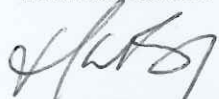
As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 trustees.
- 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 Fund'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**  
**Chartered Accountants**  
**C.M Ruzengwe:**  
**PAAB Registration Number 099**

**HARARE**

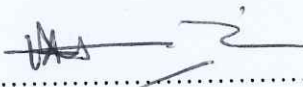
**17 March 2020**

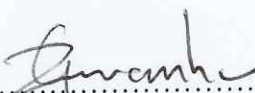
**THE ICAZ-CASS SCHOLARSHIP TRUST FUND**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MAY 2019**

	<u>Notes</u>	<u>2019</u> <u>ZWL</u>	<u>2018</u> <u>ZWL</u>
<b>Assets</b>			
<b>Current assets</b>			
Accounts receivable	3	-	2 912
Cash and cash equivalents	4	10 613	14 471
<b>Total assets</b>		<u>10 613</u>	<u>17 383</u>
<b>Funds</b>			
Accumulated funds		10 613	17 383
<b>Total funds</b>		<u>10 613</u>	<u>17 383</u>

  
 .....  
**(Chairman)**

  
 .....  
**(Trustee)**



**THE ICAZ-CASS SCHOLARSHIP TRUST FUND**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MAY 2019**

	<u>Note</u>	<u>2019</u> <u>ZWL</u>	<u>2018</u> <u>ZWL</u>
Income	5	17 762	17 105
Other income	6	28	21
Operating and administrative expenses	7	( 24 560)	( 5 456)
<b>Operating surplus/(deficit)</b>		<u>( 6 770)</u>	<u>11 670</u>
<b>Surplus/(deficit) for the year</b>		<u>( 6 770)</u>	<u>11 670</u>

**THE ICAZ-CASS SCHOLARSHIP TRUST FUND**

**STATEMENT OF CHANGES IN ACCUMULATED FUND**

**FOR THE YEAR ENDED 31 MAY 2019**

	<b>Accumulated Fund ZWL</b>
<b>Accumulated surplus as at 1 June 2017</b>	<b>5 713</b>
Surplus for the year	11 670
<b>Accumulated surplus as at 1 June 2018</b>	<b>17 383</b>
Deficit for the year	( 6 770)
<b>Accumulated surplus as at 31 May 2019</b>	<b>10 613</b>

**THE ICAZ-CASS SCHOLARSHIP TRUST FUND**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MAY 2019**

	<b>2019</b>	<b>2018</b>
	<b>ZWL</b>	<b>ZWL</b>
<b>Operating activities</b>		
(Deficit)/Surplus for the year	( 6 770)	11 670
<b>Changes in working capital</b>		
(Increase)/Decrease in accounts receivable	<u>2,912</u>	<u>( 1 012)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	( 3 858)	10 658
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>( 3 858)</u>	<u>10 658</u>
Cash and cash equivalents at the beginning of the year	14 472	3 813
<b>Cash and cash equivalents at the end of the year</b>	<u><b>10 613</b></u>	<u><b>14 472</b></u>

**THE ICAZ-CASS SCHOLARSHIP TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**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.

In the financial year ended 31 May 2019, the Trust recruited 8 more students bringing the total number of beneficiaries to 15. 8 of these students are on partial scholarship (which cover tuitions fees only) while the remaining 7 are on full scholarship (which covers tuition and accommodation expenses). There are 10 students studying at the University of Zimbabwe, 1 at the National University of Science and Technology and 4 at Midlands State University. The operating results and state of affairs of the organisation are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The Fund is planning on growing the fund, recruiting more beneficiaries in the coming years, as the fund continues to grow.

**THE ICAZ-CASS SCHOLARSHIP TRUST FUND  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2019**

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

The financial statements of the Trust have been prepared in accordance with IFRS. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Trust's accounting policies.

**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 2019, 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 2019

	2019 ZWL	2018 ZWL
<b>3 ACCOUNTS RECEIVABLE</b>		
ICAZ	-	1 122
Prepayments	-	1 790
	<u>-</u>	<u>2912</u>
<b>4 CASH AND CASH EQUIVALENTS</b>		
Cash at bank- NMB Current Account	<u>10 613</u>	<u>14 471</u>
<b>5 REVENUE</b>		
Donations received	17 762	15 983
Donations pledged	-	1 122
	<u>17 762</u>	<u>17 105</u>
<b>6 OTHER INCOME</b>		
Interest received	<u>28</u>	<u>21</u>
	<u>28</u>	<u>21</u>
<b>7 OPERATING AND ADMINSTATIVE EXPENSES</b>		
School fees for beneficiaries	17 573	5 049
Other administrative expenses	6 987	407
	<u>24 560</u>	<u>5 456</u>
<b>8 TAXATION</b>		
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.		
<b>9 CONTINGENCIES</b>		
The Trust does not have any contingent assets or liabilities (2018: US\$ 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 the financial statements.