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When I took office, I emphasised on the following objectives:

- Need for involvement of the Institute of Chartered Accountants of Zimbabwe (ICAZ) membership in the Institute's affairs through participation and feedback;
- Being proud of and upholding the ICAZ brand;
- Upholding our technical values; and
- Walking a high moral ground.

I should admit that the 2009/2010 ICAZ term was quite challenging and hectic and am looking back in disbelief that more than a year has already passed! I am, however, excited about the achievements made by our institute in the past year. In all this I never stop being amazed by the level of commitment of all the ICAZ committee members as well as Council and secretariat who, together, have worked tirelessly throughout the year to ensure the above objectives are achieved.

The above objectives are embodied in our key pillars as follows:

- Membership;
- Students;
- Technical; and
- Stakeholders.

Membership

ICAZ members currently stand at 1 663, an increase of 85 in the past year. I would like to encourage all those who have met the requirements to become members to register as soon as possible in order to enjoy full membership benefits. I am glad to say that our brand is growing stronger by the day as we keep receiving invitations to submit names of our members to sit on various committees and boards as the nation tries to gear itself for economic recovery. The worldwide spread of our members, though a "loss" to the country, bears testimony to the strength of our brand.

This year saw increased member activity, and I am happy to report that, in addition to 4 local district societies, we now have 4 constituted Diaspora Chapters. With more than half of our members being outside our borders, the Council welcomes this development as a necessary ingredient to our membership structures. Membership participation in ICAZ activities continued to increase, with this year witnessing a very high number of nominations to Council, something not experienced in the recent past. This no doubt is a good indication of members' willingness to contribute meaningfully to the institute's activities.

On financial matters, we have witnessed a better member subscription rate this year. I would like to acknowledge and thank all our members who have been timeously paying their subscriptions. However, I regret to note that we have commenced the process of deregistering 301 members for non-payment of 2009 subscriptions, in accordance with the ICAZ by-laws. This is a very sad development in light of the many years we spent studying and working hard to become Chartered Accountants. Council and secretariat will continue looking at ways to create and maintain a strong membership structure.

Students/Education

Our Chartered Accountants Students Society (CASS) has really come of age. The inter-firm sports day, where all the ICAZ training offices meet for sports and for fun was introduced in August last year, and now seems to be a permanent feature on the students' calendar with this year's event pencilled for 20 August. The drive for charity is quite visible within the students, having donated sports kits to 2 underprivileged schools at last year's Interfirm sports event, and following up the same with cleaning up the Harare CBD for a whole Saturday morning and topping it all up by donating hard brooms, plastic bins, overalls and face masks to the City of Harare. Special thanks to our students for profiling the ICAZ brand and the profession.

Students' education remains at the core of ICAZ's focus areas. ICAZ council acknowledges the GIGO (Good Input Good Output) concept and hence the engagement with UNISA continued, while relations with the University of Zimbabwe (UZ) were further strengthened and saw the Institute signing an MOU with the UZ in a partnership aimed at providing local examination services and ensuring that students have an option to register locally or through UNISA. The local services will enhance the role ICAZ plays in the academic content and quality of the courses.

ICAZ continued with its strategic partnership with the South African Institute of Chartered Accountants (SAICA) to ensure that we maintain the good education standards by utilizing the already existing education structures at SAICA to which we contribute technically. I had the opportunity to attend the First African Meeting of Institutes at SAICA at which 5 other Institutes from Southern Africa were represented. The main focus of the meeting was co-ordination of the Final Qualifying Examinations in the region. The Institutes are trying to see what can be done to further improve on co-ordination including taking out the necessity of writing conversion exams. Issues of reciprocity within the region were also discussed and are still a main item on the agenda.

Technical

I would like to also acknowledge the technical desks who have continued their research, consultation, and engagement of the relevant bodies and authorities on the topical issues of audit reports and change in functional currency. It is such levels of attention to professional values that gives us comfort as to the very high standards that our members have set for themselves, which they seek to maintain. It is interesting to note that in dealing with other countries, we have suddenly realized the strength that we have as a body, of being able to work together to reach common positions. The technical committees have had to work very hard to ensure that our important stakeholders, mainly SAICA and IASB understand the basis for the guidance that was issued to members. This they did with determination and hard work and managed to put across our view point, to the extent that their presentations to IASB will possibly see some changes being made to the IFRS.

Engagement with stakeholders

We have continued engaging with various stakeholders as applicable. We did commit ourselves to contribute to the "new Zimbabwe" in all possible ways. This objective has largely been achieved with ICAZ secretariat, Council, committees and individual members alike playing different, but co-ordinated roles. This engagement has helped in ensuring that we make use of our professional skills and make our collective voice count where it matters most. ICAZ will continue to flight any such requests to members so that we get the best possible skills. ICAZ has also been on the lookout for opportunities to give input into any proposed new legislation. Similarly, concerted efforts have been directed towards reviewing any publications and/or legislation that are deemed to have an impact on our members. Details of engagements done during the year are highlighted in the CEO's report.

Gratitude

In conclusion, I am indebted to my very energetic Presidium team who were almost "camped" at the institute throughout, to an engaging and committed Council with all those extra-ordinarily long sessions, to hardworking ICAZ Committees and a very loyal and hardworking secretariat team, for making my presidential year a memorable one and more importantly for ensuring the continued survival of the Institute. Together we made a great team!



Emilia Chisango
ICAZ President

29 August 2010

REGISTRY

Council

The first female president of the Institute of Chartered Accountants of Zimbabwe – Emilia Chisango – was elected at the Winter School held at Troutbeck Inn, Nyanga in July 2009, which marked the beginning of a new presidential year. Canada Malunga was elected Senior Vice-President and Brian Njikizana was elected the Junior Vice-President.

Members

Membership as at 14 July 2010	1663
New Admissions – July 2009 to date	101
Deaths – July 2009 to date	1
Resignations – July 2009 to date	15
Membership as at July 2009	1578

Sad to say, of the 1663 members, 301 members have been served with letters notifying them of the intention to deregister them as their subscriptions for 2009 and 2010 remain outstanding.

Geographical spread of our Membership

Local		Absentee	
City	No. of Members	Country	No. of Members
Bulawayo	74	Australia	71
Gweru	5	Bermuda	9
Harare	657	Canada	17
Kwekwe	6	Cayman Island	21
Mutare	14	South Africa	236
-	-	U.K	164
Other	36	Other	353
Total	792	Total	871

Total Number of Members 1663

Student Accountants (Articled clerks)

We currently have a total of 49 training offices throughout the country with the following students:

Student Accountants registered as at 31 July 2010	682
Registrations – July 2009 to date	114
Discharges – July 2009 to date	141
Cancellations & Suspensions – July 2009 to date	13

Accredited Training Offices

TIPP		TOPP	
Training Office	No. of Students	Training Office	No. of Students
BDO	43	African Sun	17
Deloitte	134	Astra	5
Ernst & Young	100	Delta	
KPMG	105	Meikles Africa	236
PWC	75	Old Mutual	-
Other	117	TA Holdings	7
-	-	Other	50
Total	574	Total	108

Total Number of Students 682

EDUCATION

University of South Africa (UNISA) Bachelor of Accounting Science Degree (B Compt)

The number of ICAZ students currently enrolled for the B Compt degree is 248. The B Compt results for the past two semesters have been summarized below per level (year) per module, with the total enrolment per module as well as the percentage pass rate of each of the 34 B Compt modules.

SUMMARY OF B COMPT RESULTS FOR SEMESTER 2 (Oct/Nov) 2009

MODULE*	ENROLMENT	%PASS	MODULE	ENROLMENT	%PASS	MODULE	ENROLMENT	%PASS
LEVEL 1	56	95%	LEVEL 2	74	82%	LEVEL 3	99	76%
INM101-3	54	100%	CLA201-V	28	82%	ACN306-Y	27	90%
INM102-4	41	100%	ACN203-S	33	94%	FAC3701	32	81%
CLA101-S	43	100%	FAC2601	32	69%	FAC3704	35	46%
FAC1502	45	98%	AUE201-L	25	88%	AUE301-P	27	78%
MNB101-D	43	100%	TXN201-B	44	82%	AUE302-Q	32	84%
ECS101-6	42	100%	TXN203-D	50	78%	ACN307-3	37	78%
CLA104-V	25	100%	CLA202-W	26	96%	ACN308-4	41	83%
MNB102-E	9	100%	FAC2602	42	74%	FAC3703	56	55%
ECS102-8	11	73%	AUE202-M	39	97%	FAC3702	46	72%
FAC1601	12	92%	TXN202-C	44	91%	AUE303-R	39	100%
DCS1630	32	84%	DPA202-T	45	89%	AUE304-S	43	88%
DPA101-P	23	87%						

* For Key – Please refer below

SUMMARY OF B COMPT RESULTS FOR SEMESTER 1 (May/June)

MODULE*	ENROLMENT	%PASS	MODULE	ENROLMENT	%PASS	MODULE	ENROLMENT	%PASS
First Years	96	95%	LEVEL 2	57	74%	LEVEL 3	98	75%
INM101-3	54	100%	CLA201	37	89%	ACN306-Y	49	92%
INM102-4	41	100%	ACN203-S	20	55%	FAC3701	53	70%
CLA101-S	43	100%	FAC2601	25	68%	FAC3704	46	59%
FAC1502	32	94%	AUE201-L	15	100%	AUE301-P	42	98%
MNB101-D	32	100%	TXN201-B	21	71%	AUE302-Q	34	85%
ECS101-6	32	94%	TXN203-D	25	92%	ACN307-3	43	67%
CLA104-V	42	100%	CLA202-W	39	67%	ACN308-4	36	72%
MNB102-E	57	100%	FAC2602	32	38%	FAC3703	98	53%
ECS102-8	61	95%	AUE202-M	22	77%	FAC3702	51	57%
FAC1601	64	91%	TXN202-C	25	78%	AUE303-R	34	100%
DCS1630	50	86%	DPA202-T	27	81%	AUE304-S	30	73%
DPA101-P	50	84%						

* For Key – Please refer below:

The May/June 2010 results showed a decrease in the average percentage pass rate when compared to those of October/November 2009, especially for the second year modules. This decrease is mainly attributed to the poor performance in the module FAC2602 38% (Selected Generally Accepted Accounting Standards & The Valuation of Financial Instruments). There was a significant enrolment of 98 students in the module (FAC3703) Specific Financial Reporting during semester 1 2010, this is because most students were repeating the module to obtain a better average for entry into ZCTA. To qualify for ZCTA student must have an Average of 55% in the financial accounting modules.

KEY

B COMPT Degree – Modules 2010

1. INM1013-Economic and Management Environment 1A
2. INM1024-Economic and Management Environment 1B
3. CLA101S -Commercial Law 1A
4. FAC1502-Accounting Concepts
5. MNB101D-Business Management 1A
6. ECS1016-Economics 1A
7. CLA104V-Commercial Law 1B
8. DSC1630-Introductory Financial Mathematics
9. FAC1601-Accounting Reporting
10. DPA101 -Accounting Systems Development and Management
11. MNB102E-Business Management 1B
12. ECS1028-Economics
13. CLA 201V-Commercial Law 2A
14. ACN203S-Cost Accounting and Control
15. FAC2601-Financial Accounting for Companies
16. FAC2602- Accounting Standards & Valuations of Fin. Instruments
17. CLA202-W-Commercial Law 2A
18. AUE201L- Audit Theory and Practice
19. AUE202M - Audit Process
20. TXN201B -Taxation of Individuals and Companies
21. TXN203D -Taxation of Business Income
22. TXN202C -Estates and Trustees
23. DPA202T -Practical Accounting and Data Processing
24. ACN306Y -Management Accounting Techniques
25. FAC3701-General Financial Reporting
26. FAC3704-Group Financial Reporting
27. AUE301P- Aspects of Internal Control
28. AUE302Q -Legal Aspects
29. ACN3073-Financial Planning and Control
30. ACN3084-Financial Analysis and Valuations
31. FAC3703-Specific Financial Reporting

32. FAC3702-Distinctive Financial Reporting
33. AUE303R -Advanced Auditing
34. AUE304S -Computer Auditing

Zimbabwe Certificate in Theory Accounting (ZCTA)

2009 ZCTA results were quite worrying as they reflected the worst performance since the introduction of the programme by ICAZ. Both Exam Board and Education Committee members have been trying to establish the possible causes for such a low pass rate and this includes asking UNISA to comment on the whole examination.

The ZCTA results per module for 2009 are summarized in the table below:

Module	Fin. Accounting	Man. Accounting	Taxation	Auditing
No. of candidates	225	222	198	222
Number passed	39	88	172	79
Percentage Pass	17.3%	39.6%	86.86%	35.58%

The 3 UNISA modules were poorly passed, however Applied Financial Accounting proved to be the most difficult module, while the locally examined Advanced Zimbabwe Taxation fared very well.

Martha Memory Masaiti from Deloitte was the best overall student in the 2009 exam.

ZCTA Pass rates for the past four years have been as follows:

Year	2006	2007	2008	2009
% Pass Rate	37.59	26.21	22.34	20.26

Qualifying Examinations

Enrolment and pass rates for Part I and Part II Qualifying Examinations for the past five years are as follows:

Part I Qualifying Examination – Results for the past five years:

	2006	2007	2008	2009	2010
Number Sat	235	203	221	173	107
Number assed	99	74	94	94	30
% Pass Rate	42.1	36.5	42.1	54.3	28.0

PPE – Results for the past five years:

	2005	2006	2007	2008	2009
Number. Sat	130	144	108	113	140
Number Passed	73	104	76	62	127
% Pass Rate	56.2	72.2	70.37	54.9	90.7

Qualifying Examination II – Results for the past five years:

	2005	2006	2007	2008	2009
Number. Sat	9	18	9	9	9
Number Passed	4	9	2	7	5
% Pass Rate	44	50	22	78	56

Student Awards

Petros Piki of Deloitte took the Duff Award of Merit for being the best overall QE student taking into account both PPE and Part I results for 2009. Nyika Chimombe, again from Deloitte, took the District society Prize for being the best student in TIPP (Auditing), while Dony Mazingaizo from the Reserve Bank of Zimbabwe took the Econet Wireless prize for being the best TOPP (Financial Management) student for 2009.

TECHNICAL

Technical Committees

Given the background of the changeover to multiple currencies in the first quarter of 2009, technical committees were pre-occupied with currency changeover related issues. For the Auditing & Professional Standards Committee (APSC) the major highlights in the reporting period were the 2009 Audit Opinions. For the Accounting Procedures Committee (APC), the highlight was the development of the Guidance on Change in Functional Currencies. ICAZ's Public Sector Committee was also resuscitated.

Auditing & Professional Standards Committee (APSC)

The department was involved in APSC's initiatives and work which resulted in the issuance of the Audit Opinions for 2009. It may be recalled that in March 2010, Zimbabwe Accounting Practices Board (ZAPB), Public Accountants and Auditors Board (PAAB) and the Zimbabwe Stock Exchange (ZSE) issued a press statement containing guidance on the recommended audit opinions for the 2009 reporting period. The statement recommended an overall adverse opinion, with an alternative approach of having adverse opinion on the comparatives, statement of comprehensive income and an unqualified opinion on the statement of financial position (subject to the required disclosures in the components of equity in the notes).

The project on the 2009 opinions was necessitated by the realization of the practical impossibilities of complying with IFRS, particularly IAS 1, IAS 21 and IAS 29. Additional enhancements and clarifications for the 2009 audit reports have gone out to the market.

Accounting Procedures Committee (APC)

APC's efforts in the reporting period were on the development of the *Guidance on Change in Functional Currency*. Although the drafting of the guidance was spearheaded by APC, it was naturally done in collaboration with APSC. The guidance also had input from other ICAZ members and various stakeholders.

International Financial Reporting Standards (IFRS) did not envisage the extreme hyper-inflationary conditions prevalent in Zimbabwe prior to the multi-currency era and this posed challenges for converting to the hard currencies in terms of financial reporting. The *Guidance* however is in tandem with IFRS principles.

In the first quarter of 2010, the committee came up with interpretations and clarifications for the *Guidance on Change in Functional Currency* and members and other stakeholders have since been apprised of these clarifications.

The other conventional agenda items for APC like monitoring of financial statements progressed well. At the time of compiling this report, the committee was set to embark on the monitoring of financial statements for the just ended 2009n financial reporting season.

In the last quarter of 2009, APC became part of a project whose objective is to get Zimbabwean entities back to IFRS working closely with South Africa Institute of Chartered Accountants ("SAICA") to sponsor the initiative through the International Accounting Standards Board ("IASB"). A summary of developments to date in this regard is provided below in the section headed "Zimbabwe's Return to IFRS Compliance".

Public Sector Committee (PSC)

The Public Sector Committee is an old committee that ICAZ council resuscitated in the reporting period. The committee's thrust has been to engage various public sector offices with a view to rendering technical assistance where possible. Since the convening of its first meeting in September 2009, the committee has engaged the following offices:

- Urban Development Corporation (UDCORP)
- Office of the Comptroller & Auditor-General
- Accountant-General's Office; and
- Ministry of State Enterprises and Parastatals.

Through the above mentioned engagement and consultation, there has been an appreciation of the challenges the public sector faces. There are plans to also engage parliament's public accounts committee in the ensuing year.

With the passage of the Public Finance Management Bill in the first quarter of 2010, we anticipate that PSC will promote the adoption of International Public Sector Accounting Standards (IPSASs) within the public sector in the coming year. Although the Bill does not prescribe IPSASs as the accounting framework, a statutory instrument prescribing IPSASs may be issued in the foreseeable future.

Zimbabwe's Return to IFRS Compliance

ICAZ has been working closely with the South African Institute of Chartered Accountants (SAICA) in trying to find solutions to Zimbabwe's financial reporting challenges. After extensive discussions and advice from IASB staff, ICAZ and SAICA formed a joint committee, which comprised members of SAICA's APC and ICAZ's APC & APSC, to deal with the issue of returning to full IFRS compliance. The joint committee acknowledged that the Zimbabwean situation was unique and was not envisaged at the time of drafting the standards (IFRS) and came to a consensus regarding the roadmap to IFRS compliance. The efforts of this joint committee have culminated in the drafting of proposed amendments to IFRS, particularly IAS 29, IAS 21 and IFRS 1, in order to accommodate the extreme Zimbabwean situation and for the benefit of other countries that may experience the same predicament in future. The proposals were formally submitted to IASB through SAICA and the issue was first debated by the IFRS Interpretations committee (formally IFRIC) in its May public meeting. The Committee tentatively concluded that IAS 29 should be amended.

IFAC Compliance matters

The technical department has revised the ICAZ Action plan in compliance with IFAC requirements. ICAZ was one of the few bodies to have its action plan approved and published on the IFAC website by end of 2008. As a result of the ever changing environment, with its significant impact on the profession, ICAZ revised its action plan to align itself with recent developments on the local and international arena. The initial draft revised Action Plan has been reviewed by the IFAC Compliance Panel and the approved version will be published on the IFAC website in August 2010.

IASB 2008-2010 Cycle of Annual Improvements to IFRS

IASB concluded the 2008-2010 cycle of annual improvements to IFRS by issuing public amendments to seven (7) IFRS. The amendments are effective for periods beginning on or after 1 January 2011.

Detailed below is a list of the areas addressed by the amendments:

IFRS	Subject of amendment
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>	Accounting policy changes in the year of adoption
	Revaluation basis as deemed cost
	Use of deemed cost for operations subject to rate regulation
IFRS 3 <i>Business Combinations</i>	Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revised IFRS
	Measurement of non-controlling interests
	Un-replaced and voluntarily replaced share-based payment awards
IFRS 7 <i>Financial Instruments: Disclosures</i>	Clarifications of disclosures
IAS 1 <i>Presentation of Financial Statements</i>	Clarification of statement of changes in equity
IAS 27 <i>Consolidated and Separate Financial Statements</i>	Transition requirements for amendments made as a result of IAS 27 (as amended in 2008) to IAS 21, IAS 28 and IAS 31
IAS 34 <i>Interim Financial Reporting</i>	Significant events and transactions
IFRIC 13 <i>Customer Loyalty Programmes</i>	Fair value of award credit

Publications

TechNews

In February 2010, the 1st issue of the technical newsletter, TechNews was produced and published. TechNews is produced on an ad-hoc basis.

CPD

CPD Programme

The attendance to CPD seminars organized by the Institute continues to improve with members benefiting tremendously as indicated by the evaluation forms that they complete after every seminar. Since August 2009, we now advertise our CPD seminars in the local newspapers and this has really contributed significantly to the increase in the overall attendance by non-members from other sectors. The Institute will continue advertising topical topics in our local newspapers in order for our seminars to benefit the market as well as profile the Institute.

The following seminars were held from August 2009 to July 2010:

Topic	Attendance	
	Harare:	Bulawayo:
Presentation of Financial Statements	Members- 34 Non-Members-24 Total – 58	Members – 29 Non-Members -17 Total – 46
IFRS for SME	Members- 24 Non-Members-33 Total – 57	
Mergers & Acquisitions as a way of recapitalizing business	Members – 38 Non-Members - 21 Total – 59	
2009 Audit Opinions and Guidance on Change in Functional Currency	Members – 29 Non-Members - 47 Total – 76	
Tax Update Seminar	Members – 42 Non-Members - 51 Total – 93	Members – 23 Non-Members -41 Total – 64
2009 Audit Opinions and Further Clarifications on Change in Functional Currency	Members – 21 Non-Members - 27 Total – 48	Members – 28 Non-Members -26 Total – 54
Business Seminar	Members-32 Non-Members-10 Total- 42	
Presentation of Financial Statements -IAS 1 Revised Financial Statements Analysis	Members-36 Non-Members-18 Total- 54	
Tax Conference	Members: -59 Non-Members-53 ICAZ students: -16 Total - 128	

CPD – Reciprocal Agreements

During the 2009/2010 presidium year, the Institute resolved that:

“Members of ICAZ who are also members of one or more foreign Institutes where they reside, which have a reciprocal agreements with ICAZ, need only to fulfill CPD requirements of the foreign Institute, and in doing so, shall be deemed to have satisfied ICAZ’s requirements even if the 3 year cycles differ. For monitoring purposes, a member would be required by ICAZ to complete an annual declaration of CPD compliance. If selected for audit, such members will be required to produce their CPD records which they recorded with the foreign Institute and also relevant supporting documentary evidence.”

The Institute emphasized that a member should maintain his/her membership with the ICAZ, comply with foreign Institute's CPD requirements and make an annual declaration to ICAZ that he/she has complied with CPD requirements of the foreign Institute.

Monitoring of Compliance - CPD

The three year cycle for 2007-2009 ended on the 31st of December 2009. In 2009 the CPD Committee introduced a CPD recording form as an option for recording CPD hours though the Online recording system remains the preferred option. A significant number of members recorded their CPD hours through the Recording Form which resulted in more than 60% of members complying with CPD requirements for 2009. Members reported more than 120 hours for 2009, but had no records or had less than 20 verifiable hours in 2007 and 2008 and therefore resulting in non-compliance.

Compliance with CPD requirements still remains a challenge for the Institute as denoted by the fact that a sizeable number of members are not updating their CPD records. The Institute will consider further action such as disciplinary measures on members who do not comply.

Tax and Other Legislation Committee

Initiatives and Projects

1. Review of the Income Tax Act

During the last quarter of 2009, the committee seconded a member to the Ministry of Finance to assist in the drafting of the new Income Tax Act. The process is almost complete and the first draft of the Income Tax Act was launched in the second quarter of 2010. The Act has been circulated to stakeholders for comments and the committee is actively involved in the process. It is expected that the committee's input/comments will be sent to the Ministry before the end of the October 2010 deadline.

2. Contribution to the 2009 and Mid-Term 2010 Budget Proposals

The committee met with the Ministry of Finance in the last quarter of 2009 and second quarter of 2010 to present its proposals for the 2009 and midterm (2010) budget. It is pleasing to note that some of the committee's proposals were considered in the respective budgets.

Tax highlights from the midterm fiscal statement have been produced and circulated to members.

The committee also met with the Ministry to discuss various policy and operational issues and most of its proposals were also considered.

3. Liaison with ZIMRA and Other ZIMRA issues

The committee met with ZIMRA twice this year (2010) to discuss various technical and operational issues. In both meetings, ZIMRA pledged its commitment to resolve some issues that emanated from the meetings. Follow up meetings will be held in the third quarter of the year.

The committee provided input on the drafting of General Binding Ruling on the treatment of various tax issues that came out as a result of Zimbabwe adopting a multi currency system in 2009. In this ruling, issues to do with capital allowances, trading stock, losses, recoupment among other things will be addressed.

4. Liaison with Zimbabwe Investment Authority (ZIA), Ministry of Economic Planning (MOEP) and Ministry of Finance (MOF)

The committee had planned to arrange for meetings with ZIA, MOEP and MOF to discuss the tax incentives that taxpayers licensed under the repealed Export Processing Zones used to enjoy. The meetings with ZIA and MOEP did not take place as planned but the issues were discussed with MOF during the budget consultative meeting. It is pleasing to note that some of the issues were addressed in the Mid- Term Fiscal Review by the Minister of Finance.

5. Liaison with the Registrar of Companies

Meetings were held with the Registrar of Companies to discuss various issues that affected the operations of Company Secretaries. Most of the issues discussed revolved around redenomination of share capital in view of the multi currency regime and special resolutions where the Registrar's office is prescribing the wording of company resolutions.

6. Liaison with the Ministry of Justice

An initial meeting was held with the Master of the High Court in May 2010.

A follow-up meeting with the Ministry of Justice to discuss delays in finalization of Tax Cases brought before the courts is scheduled to be held in the 3rd Quarter 2010.

7. Indigenization Regulations

The committee was represented at a meeting between ICAZ council and the Minister of Indigenization to discuss the Indigenization Regulations.

8. Education - ZCTA program.

The department is actively involved in training students for the ZCTA program. A Tax module for use by ZCTA students was produced and there are plans to update the "Students' Guide to Tax in Zimbabwe 2006".

9. Tax Seminars

The department was actively involved in the Tax Update Seminars held on the 9th February in Harare and 19th February 2010 in Bulawayo. The Tax Conference was held on the 22nd of July.

PUBLIC RELATIONS AND MARKETING

ICAZ's public relations matters have been handled through the Public Relations Office (PRO) and the Public Relations Committee, who together have been ensuring that the designation Chartered Accountant Zimbabwe (CA) Z maintains its lustre, significance and relevance in the country. This has been made possible through a number of activities coordinated by the PRO:

- Professional coordination of Institute's events e.g. Winter School, Golf Day & Graduations
- Synchronisation of the events e.g. CASS activities, Seminars
- Institute's publications
- Pre and Post Event publicity i.e. the issuing of press release on various events
- Promotion of the study of Accounting in Schools and universities
- Introduction of the Accountancy month

It is the responsibility of the PRO to ensure that the Institute gets the desired publicity hence the past year was not an exception. We witnessed an extensive coverage of our events such as the inaugural CASS Sponsored Walk, Sports Day, CASS clean-up campaign and CPD seminars on national television, national papers and online papers, as well as national radio.

Through the Public Relations Committee, the Institute continues to make frantic efforts that would promote member to member interaction. Early this year on the 26th of February, a maiden golf day was held at Chapman Club with the aim of fundraising. Subsequently this event proved to be second best event after Winter School on our calendar of events. Further to the successful hosting of this event, the institute resolved to have it as a permanent feature on the ICAZ calendar.

The year 2009 also saw ICAZ heightening its efforts to promote awareness about the profession hence the month of October was declared to be an Accountancy month. The call to awareness creation was buttressed by the school visits. In terms of the Chartered Accountant Act Chapter 20:02, ICAZ has several obligations which inter-alia include the following:

- to encourage the study of accountancy,
- to promote information and education on accountancy matter,
- to represent the views of the profession.

Immediate beneficiaries of this initiative were selected high schools in the high density suburbs of Harare. Through the assistance from training firms, CASS and administrators, the spread of the Accountancy gospel became ubiquitous.

The coming of the Internal PR also saw the introduction of the monthly newsletter. This newsletter is meant to keep members updated on a number of issues ranging from technical and any other useful information. The PRO will continuously work on ensuring that the newsletter and the magazine are published on time to avert information gap.

DISTRICT, DIASPORA AND STUDENT SOCIETIES

The Institute has two District Societies locally – that is, Mashonaland District and Matabeleland District. The 2 districts are mainly responsible for organizing the annual winter school and sponsoring the top students for Public Practice Examination (PPE). Matabeleland Society has been responsible for Winter School 2010 with input from Mashonaland Society and the Diaspora Chapters.

We currently have 4 Diaspora Chapters – South Africa, UK, Canada and Cayman Islands. The SA and UK Chapters have been actively involved in the activities of the Institute. Both chapters are in the process of working on their constitutions with the UK Chapter nearing the completion stage. The Chapters have expressed willingness to be more involved in the affairs of the Institute and Secretariat is in the process of looking into ways of making this a reality.

The Chartered Accountants Students Society (CASS) has been very active in 2010. CASS successfully held a Clean up Campaign in April which was followed by their Annual Seminar at the Elephant Hills Hotel in June 2010. The Society still has a lot of projects lined up for the year including the Inter-Firm Sports Day and end of year braai.

PUBLIC ACCOUNTANTS AND AUDITORS BOARD – (PAAB)

A meeting for Accounting Bodies across Africa was held in Addis Ababa in June 2010 and also attended by the World Bank and the IASB. The Conference emphasized the importance of cooperation among countries and key international and regional players. Members present at the meeting pushed for regulatory bodies like PAAB to be more independent, a route which is being taken by the body.

Proposed activities for PAAB for 2010/2011

1. Operationalizing up the practice review function at PAAB level
2. Promoting the growth of the profession at both the technician and professional level
3. Monitoring and enforcement of CPD requirements
4. Engaging government and other stakeholders for the Companies Act to be updated
5. To promote interaction with the Auditor General's office and the Accountant General's office
6. To promote membership by constituent bodies, to ECSAFA and IFAC
7. Raising profile of PAAB through awareness campaigns, participation in conferences and seminars such as those organized by ECSAFA, IASB, World Bank and IFAC
8. Attaining membership of the International Forum for Independent Audit Regulators (IFIAR); and cooperating with similar bodies regionally and internationally

Secretariat

The CEO of ICAZ, Mr. Sonny Mabheju, resigned in April 2010. Mrs. Greta Mavengere is the Acting CEO. Recruitment for a new CEO is still underway and a sub-committee of the Council has been put in place to address this objective.

Report of Independent Auditors to the members of the Institute of Chartered Accountants

We have audited the accompanying financial statements of The Institute of Chartered Accountants of Zimbabwe, as set out on pages 16 to 25, which comprise the Institute's statement of financial position at 31 December 2009, the statement of comprehensive income, the statement of changes in equity and the 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.

Council Members' responsibility for the financial statements

The Institute's Council Members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Chartered Accountants Act (Chapter 27:02). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Institute's Council Members have elected to comply with the guidance in the Joint Media Statement on the Impact on Financial Reporting as a Consequence of the Change in Functional Currency issued jointly by the Public Accountants and Auditors Board (PAAB), the Zimbabwe Accounting Practices Board (ZAPB) and the Zimbabwe Stock Exchange (ZSE) in July 2009.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 of 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 risk 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

Our audit report has been modified in the manner in which we report on the compliance of these financial statements with provisions of the relevant Statutory Instruments (SI 33/99 and SI 62/96), as set out in the guidance and recommendations on audit reports issued jointly by the Public Accountants and Auditors Board, the Zimbabwe Stock Exchange and the Zimbabwe Accounting Practices Board in July 2009.

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

Report of Independent Auditors to the members of the Institute of Chartered Accountants (continued)

Basis for adverse opinion on the statement of comprehensive income, statement of changes in equity and statement of cash flows

Non-compliance with International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies" and International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates"

The Institute operated under a hyperinflationary economy in the prior year. The Institute changed its functional currency to United States dollars with effect from 1 January 2009. The statement of comprehensive income, statement of changes in equity and statement of cash flows have not been prepared in conformity with International Financial Reporting Standards in that the requirements of IAS 29 and IAS 21 have not been complied with in converting the financial information during the period of hyperinflation into an applicable measurement base at the date of reporting for the following reasons:

- the inability to reliably measure inflation because of the interaction of multiple economic factors which were pervasive to the Zimbabwean economic environment as explained in Note 12.1; and
- the inability to adjust items that were recorded in Zimbabwe dollars into United States dollars at the date of change of functional currency as more fully explained in Note 12.2.

Non-compliance with IAS 1 - Presentation of financial statements

The Council members have not presented any comparative information as required by IAS 1 because they believe the information will be misleading for reasons stated in Note 12.3.

Adverse opinion on non-compliance with International Financial Reporting Standards on the statement of comprehensive income, statement of changes in equity and statement of cash flows

In our opinion, because of the significance of the matters described in the Basis for Adverse Opinion paragraph, the statement of comprehensive income, statement of changes in equity and statement of cash flows do not give a true and fair view of the results of the Institute's operations and cash flows for the year ended 31 December 2009 in accordance with International Financial Reporting Standards.

Unqualified opinion on the statement of financial position

In our opinion, the statement of financial position, in all material respects, gives a true and fair view of the financial position of the Institute as at 31 December 2009 in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the Institute's financial statements have not been properly prepared in accordance with the accounting policies set out in Note 2 as required by the Chartered Accountants Act (Chapter 27:02) due to inability to comply with IAS 1 and IAS 21.

In our opinion, the Institute has complied, in all material respects, with the Financial Reporting Guidance. This Guidance was issued jointly by the Public Accountants and Auditors Board, the Zimbabwe Stock Exchange and the Zimbabwe Accounting Practices Board to assist preparers of financial statements in converting their financial statements from Zimbabwe dollars into their new functional currency in a manner that is consistent with the principles of International Financial Reporting Standards, in as far as is practicable, in the Zimbabwean economic environment, at the date of the change of functional currency.



ERNST & YOUNG

CHARTERED ACCOUNTANTS (ZIMBABWE)

HARARE

19 August 2010

Statement of Comprehensive Income

for the year ended 31 December 2009

OPERATING INCOME

	Notes	2009 US\$
Membership subscriptions and levies		642 951
ZCTA & QE examination fees		217 828
Investment income		9 348
Other Income	3	48 566
TOTAL OPERATING INCOME		937 925

EXPENDITURE

ADMINISTRATION EXPENSES

General expenses	4	20 583
Audit fees		22 000
Bank charges and interest		9 449
Computer costs		17 410
Conferences and seminars		13 466
Insurance - general		5 635
Canteen costs		9 942
Depreciation		24 787
Rates		2 348
Motor vehicle expenses		75 862
Allowances for credit losses	8	176 715
Postages and courier costs		8 434
Telephones, e-mails and faxes		36 222
Accounting and Professional		15 417
Advertising		9 547
Training		14 216
Printing and photocopying		14 184
Repairs and maintenance		7 229
Transport costs		2 289
Security costs		2 675
Staff costs		579 726
Bad debts written off		2 275
Water and electricity		2 964
Travelling		24 713
Newspaper subscription		621
TOTAL EXPENDITURE		1 098 709
NET DEFICIT FOR THE YEAR		(160 784)
Transferred to accumulated funds		

Statement of Financial Position

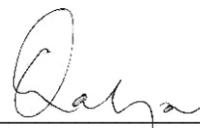
as at 31 December 2009

	Note	2009 US\$
NON CURRENT ASSETS		
Property and equipment	5	299 137
Investments	6	<u>2 081</u>
		301 218
CURRENT ASSETS		
Inventories	7	2 069
Accounts receivable	8	46 420
Cash on hand and at bank		<u>52 667</u>
		<u>101 156</u>
TOTAL ASSETS		402 374
CURRENT LIABILITIES		
Accounts payable	9	<u>218 675</u>
TOTAL LIABILITIES		<u>218 675</u>
TOTAL NET ASSETS		183 699
Representing:		
ACCUMULATED FUNDS		
At 31 December 2008		-
Transfer from income statement		<u>(160 784)</u>
At 31 December 2009		<u>(160 784)</u>
Non-distributable reserve		<u>344 483</u>
		183 699

Signed on behalf of the Council



E CHISANGO (PRESIDENT)



C MALUNGA (SENIOR VICE PRESIDENT)

HARARE

19 August 2010

Statement of Changes in Equity

for the year ended 31 December 2009

	Non-distributable Reserve US\$	Accumulated Fund US\$	Total US\$
Balance brought forward 1 January 2010	344 483	-	344 483
Deficit incurred in 2010	-	(160 784)	(160 784)
Closing balance at 31 December 2010	<u>344 483</u>	<u>(160 784)</u>	<u>183 699</u>

Statement of Cash Flows

for the year ended 31 December 2009

	2009 US\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Net deficit for the year	(160 784)
Adjustments for:	
Depreciation	<u>24 787</u>
Operating deficit before working capital changes	(135 997)
Increase in accounts receivable	(46 420)
Decrease in inventories	231
Increase in accounts payable	<u>206 969</u>
Net cash generated from operating activities	<u>24 783</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(26 933)
Investment in equity shares	<u>(2 083)</u>
Net cash used in investing activities	<u>(29 016)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4 233)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	56 900
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>52 667</u>
Cash and cash equivalents comprise:	
Cash at bank and on hand	<u>52 667</u>

1 GENERAL INFORMATION

The Institute of Chartered Accountants of Zimbabwe (ICAZ) or (the Institute) is incorporated under the Chartered Accountants Act (Chapter 27:02) and its principal place of business is No 2 Bath Road, Belgravia, Harare. Its main objectives are to serve the interests of its members, students, society at large and promote the Chartered Accountancy qualification in Zimbabwe while upholding the international recognition of ICAZ. The financial statements of the Institute for the year ended 31 December 2009 were authorised for issue in accordance with a resolution of the Council members on 19 August 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have not been prepared in conformity with International Financial Reporting Standards (IFRS), promulgated by the International Accounting Standards Board (IASB), which includes Standards and Interpretations approved by the IASB as well as International Accounting Standards and Standing Interpretations Committee (SIC) interpretations issued under previous constitutions (IFRSs), due to non-compliance with the following:

IAS 1 - Presentation of Financial Statements

IAS 21 - The Effects of Changes in Foreign Exchange Rates

IAS 29 - Financial Reporting in Hyperinflationary Economies

The effects of these departures have not been quantified but, having regard to their nature, are considered to be material and pervasive to the financial statements. The exceptions arise from the circumstances which have given rise to a change in the Institute's functional currency from the Zimbabwe dollar to the United States dollar, as more fully explained in Note 12.

As a result of the inability of most entities reporting in Zimbabwe to report fully in terms of IFRS, the Public Accountants and Auditors Board (PAAB), the Zimbabwe Accounting Practices Board (ZAPB) and the Zimbabwe Stock Exchange (ZSE) issued recommendations that assisted preparers of financial statements in converting their financial statements from Zimbabwe dollars into their new functional currency in a manner that is consistent with the principles of International Financial Reporting Standards, in as far as is practicable, in the Zimbabwean economic environment, at the date of the change of the functional currency. These recommendations were also made in order to achieve a fair measure of market comparability and consistency for regulatory oversight and in the interest of other relevant stakeholders who have an interest in high quality financial information. The PAAB, the ZAPB and the ZSE recommended that all entities reporting in Zimbabwe adopt this Financial Reporting Guidance for converting their financial statements into the entity's new functional currency at the date of changeover. Although it is not a legal requirement to apply the Financial Reporting Guidance, the Institute, in line with their fiduciary responsibilities to prepare financial statements that fairly present the state of affairs and performance of the Institute have adopted these recommendations as it is the best possible manner in which they can present financial statements that are as fair as is practical under the circumstances.

As suggested in the Financial Reporting Guidance, assets and liabilities carried at fair value were valued at the date of change of the functional currency and carried at their fair values in the new functional currency. Non-monetary assets and liabilities were valued at their deemed cost. Equity was recognised as the residual of the Institute's net assets and will be treated as a non-distributable reserve.

The following paragraphs describe the main accounting policies which have been applied consistently by the Institute and are consistent with those of the previous year except where stated.

2.2 Property and Equipment

All property and equipment are therefore measured at deemed cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight line method to write off the cost of assets to their residual values over their estimated useful lives as follows:

Buildings	- 2,5%
Furniture and equipment	- 10%
Computers and printing equipment	- 20%
Motor vehicles	- 20%

The residual values and estimated useful lives are reviewed at each financial year end and where the residual value exceeds the carrying amount, no depreciation is charged.

2.3 Inventories

Inventories which comprise consumable are valued at the lower of weighted average cost and net realisable value.

2.4 Accounts Receivable

Accounts receivable are stated at amortised cost less appropriate provisions for irrecoverable amounts.

2.5 Cash and Cash Equivalents

For cash flow statement purposes, cash and cash equivalents comprise cash in hand and bank balances.

2.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received.

Subscriptions

Subscriptions are recognised in the financial year to which they relate. Subscriptions not paid at the end of the financial year are not accrued because, in terms of the Institute's by-laws, membership lapses once they remain unpaid for six months from the beginning of the financial year

Education programmes

Net income, comprising student fees received less expenses incurred, is recognised at the completion of the academic year to which it relates. Accordingly, at balance sheet date, fees received net of expenses incurred, in respect of the current academic year, are included in current assets or current liabilities.

Interest

Interest is brought to account on an accruals basis.

2.7 Foreign Currency

The historical cost financial statements are presented in United States dollars (US\$) which is the Institute's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are dealt with in the income statement.

2.8 Pension and Retirement Plans

Retirement benefits are provided for eligible employees through an independently administered defined contribution pension fund and the National Social Security Authority. Contributions are charged to the income and expenditure account as they fall due.

Notes to the Financial Statements

for the year ended 31 December 2009

2.9 Adoption of New and Revised Standards and Interpretations

In the current year, the Institute adopted all of the new and amended Standards and Interpretations issued by the International Accounting Standard Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting periods beginning on 1 January 2009.

3 OTHER INCOME

	2009 US\$
Sale of books and material	35 484
Study school income	9 721
Other	3 361
	48 566

4 GENERAL EXPENSES

Winter school/travel allowances	11 000
Other general costs	9 583
	20 583

5 PROPERTY AND EQUIPMENT

	Deemed cost US\$	Additions US\$	Disposals US\$	2009 US\$
Land	40 000	-	-	40 000
Buildings	160 000	-	-	160 000
Furniture and equipment	24 455	430	-	24 885
Computers and printing equipment	10 535	6 504	-	17 039
Motor vehicles	62 000	20 000	-	82 000
TOTAL	296 990	26 934	-	323 924

At 31 December 2009	Charge for the year US\$	Elimination on disposal US\$	2009 US\$
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ACCUMULATED DEPRECIATION

Land	-	-	-	-
Buildings	4 000	-	-	4 000
Furniture and equipment	2 466	-	-	2 466
Computers and	2 588	-	-	2 588
Motor vehicles	15 733	-	-	15 733
TOTAL	24 787	-	-	24 787

NET BOOK AMMOUNT

Land	40 000	-	-	40 000
Buildings	156 000	-	-	156 000
Furniture and equipment	21 989	430	-	22 419
Computers and printing equipment	7 947	6 504	-	14 451
Motor vehicles	46 267	20 000	-	66 267
TOTAL NET BOOK AMOUNT	272 203	26 934	-	299 137

Notes to the Financial Statements

for the year ended 31 December 2009

6	INVESTMENTS	2009 US\$ <hr/>
	Equity investments	2 081
7	INVENTORIES	
	Sundry consumables	<hr/> 2 069
8	ACCOUNTS RECEIVABLE	
	Trade receivables	94 712
	Allowance for credit losses on members' subscriptions	(64 360)
		<hr/> 30 352
	Other receivables	128 423
	Allowance for credit losses	(112 355)
		<hr/> 16 068
		<hr/> 46 420
	Allowance for credit losses on other receivables comprises:	
	Balance due from the Reserve Bank of Zimbabwe	42 386
	Staff receivables	69 969
		<hr/> 112 355
	Staff receivables balances are in respect of amounts paid to management which Council believes exceeded the levels they authorised and efforts are underway to pursue the recovery of these amounts. The movement in the allowance for credit losses is as shown below:	
	As at 1 January 2009	-
	Change for the year	176 715
	Closing balance	<hr/> 176 715
9	ACCOUNTS PAYABLE	
	Audit fee provision	22 000
	The ICAZ Foundation Trust	6 625
	Pension	275
	Accounting Professional Training	2 632
	PAYE and Aids levy provision	75 210
	Staff leave accrued	29 885
	Unknown deposits	37 264
	PAAB subscriptions	25 410
	Other payables	19 374
		<hr/> 218 675
	Included in the PAYE and Aids levy provisions is an amount of US\$65 545 relating to PAYE that was overdue relating to the period January to December 2009.	

10 RELATED PARTY TRANSACTIONS

	2009 US\$
Remuneration of key management personnel of the Institute during the year was as follows:	
Basic salaries	161 400
Other benefits	53 674
	<u>215 074</u>

Key management comprises of the Chief Executive Officer, Technical Directors, the Registrar and the Finance and Administration Manager.

11 RISK MANAGEMENT

11.1 Credit risk

The Institute's principal financial assets are bank balances, cash, trade and other receivables and investments. Bank balances, cash and investments are placed with high credit quality financial institutions. Its credit risk is primarily attributable to its trade and other receivables. These amounts are however presented in the balance sheet net of allowance for credit losses estimated by management. Credit risk arising from members not paying their subscriptions on time is managed by such members losing their membership. This has however not happened to date, but relevant procedures are underway.

11.2 Interest rate risk

The Institute's policy is to adopt a non-speculative approach to interest rate risk management. Any amounts placed with financial institutions as investments are constantly monitored to ensure interest rates are optimised.

11.3 Fair values

The estimated net fair values of all financial instruments approximate the amounts shown in the financial statement.

Generally the affairs of the Institute are managed in a manner that minimises the exposure of the Institute to various forms of risk. Whenever possible risk is transferred to third parties, for example, by adequately insuring the Institute's assets.

12 LIMITATIONS OF FINANCIAL REPORTING IN THE GENERAL PREVAILING ENVIRONMENT

12.1 Adverse Zimbabwean economic environment during 2008

The uncertainties in the adverse Zimbabwean economic environment prior to introduction of trading in multiple currencies resulted in limitations in financial reporting. The inflation indices applicable to the Zimbabwe dollar during the period prior to formalisation of multi-currency trading were not published from 31 July 2008. Estimates by economists, of Zimbabwe dollar inflation in the period post 31 July 2008 were wide ranging and extremely high (percentages in excess of hundreds of trillions to quadrillions, in some cases). It was impossible to reliably measure inflation in Zimbabwe during this period because the rate of change of inflation on a daily basis was extremely high. Any attempt to measure inflation was subject to various limitations because reliable and timely price data was not available. The inability to reliably measure inflation was also exacerbated by the existence of multiple exchange rates, the use of foreign currency for some transactions and the existence of multiple pricing criteria for similar products based on the mode of settlement.

However, on 29 January 2009 the Monetary and Fiscal authorities authorised the use of multiple foreign currencies for trading in Zimbabwe. This resulted in a change in the functional currency for most entities reporting in Zimbabwe. In accordance with the requirements of International Financial Reporting Standards, entities are required to convert their financial statements into the new functional currency at the date of changeover. The Institute was not able to

convert its Zimbabwe dollar transactions incurred prior to the formalisation of multi-currency trading into the new functional currency for reasons explained in Note 12.2.

As a result of these uncertainties and inherent limitations, the Council Members advise caution on the use of the statement of comprehensive income and the statement of cash flows for decision making purposes. The Council Members, however, believe that the statement of financial position fairly presents the assets and liabilities of the Institute and therefore fairly presents the accumulated fund.

12.2 Non-compliance with IAS 29 "Financial Reporting in Hyperinflationary Economies" and IAS 21 "The Effects of Foreign Exchange Rates" in respect of the measurement of the statement of comprehensive income and the statement of cash flows

The Institute's functional currency changed during the course of the financial period from Zimbabwe dollars to United States dollars. The Institute has chosen to report all its transactions in United States dollars because it is the new functional currency applicable to all current transactions.

The Institute has not been able to comply with the requirements of IAS 21 because this Standard requires that all transactions that are in the currency of a hyperinflationary economy to be adjusted to a unit of measure current at the measurement date before conversion to an alternative presentation currency. The Institute has not been able to adjust its Zimbabwe dollar transactions to comply with IAS 29 as more fully explained in Note 12.1.

Transactions that were previously reported in Zimbabwe dollars in prior periods need to be converted into United States dollars in order to present the prior year financial information in a similar currency of presentation to the current financial year.

12.3 Comparative information

The Council Members have not presented comparative information because they believe that it will be misleading. Due to the prevailing economic environment in the previous year as described in Note 12.1, it is not possible to convert financial statements into United States dollars in a manner consistent with IAS 21 and IAS 29 as described in Notes 12.1 and 12.2.

12.4 Going concern assumption

At 31 December 2009 the accumulated funds of the Institute amounted to \$183 699. The first six months of the new financial year reflected a deterioration in this position, mainly arising from unauthorised salary adjustments and the very poor payments of subscriptions by members. This resulted in the need for Council to put in place alternative funding structures which involve bridging support from the larger professional accounting firms. Measures are also in motion to address the situation with delinquent members. Accordingly, the Council Members have assessed the ability of the Institute to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

Accounting Procedures Committee

B Njikizana - Chairperson
G. Whiley
G. Cheater
B. Nyajeka
B. Matamba
S. Murwisi
C. Mukondiwa
C. Ruzengwe
W. Ntini
S. Nyanhongo
S. Ndhlovu
N. Mudzamiri
V. Muyambo
J. Jonga
C. Kazembe
P. Mithal
P. Gwatidzo
T. Mabande
B. Matamba
F. Manyangadze
G. Mafunga
T. Chimanihire
M. Stelios
M. Chitakunye
C. Ruzengwe
M. Chanduru

CPD

M. Makaya - Chairperson
S. Mushosho
K. Lemani
G. Cheater
C. Kazemba
C. Mukondiwa

Education Committee

S.K Turk - Chairperson
C.B Thorn
G. Cheater
W. Mupanguri
R. Chimanihire
A. Mubaiwa
C. Muzondo
S. Mudombi
T. Mafunga
E. Ravasingadi

Public Relations Committee

T. Moyo - Chairperson
G. Langlois
S. Gwanzura
S. Ndlovu
P. Matinha
P. Gwatidzo
A. Karemba
G. Zvaravanhu
N.P.S Zhou
A. Makamure
Z. Zvenyika

Tax And Other Legislation Committee

T. Rwodzi - Chairperson
N.V Forsgate
P. Cawood
R. Masaire
S. Matoushaya
K.C Harvey
M. Ngorima
A. Makamure
M. Chipunza
L. Taruvinga
M. Gotora
T. Wisdom

Auditing And Professional Standards Committee

R. Chimanihire - Chairperson
D. Marange
M. Debeer
G. Gumbira
J. Madzorera

Public Sector Committee

T. Chizana - Chairperson
S. Mushosho
S. Chitehwe
N. Muvirimi
G. Makura

Mashonaland District Society

P. Mutataguta - Chairperson
J. Jonga
B. Ndachena
H. Nhende
S. Mushosho
N. Mkwanzani
T. Mudidi
A. Chiremba

Matabeleland District Society

T. Chizana - Chairperson
J. Ngwenya
J. Mafu
Z. Kumwenda
F. Rwakonda
C. Mutale
L. Hlabangana

UK Chapter

M. Mswabuki - Chairperson
P. Nekati
B. Chatira
D. Mpunzi
G. Mugashu
T. Mutete
R. Mugomba

SA Chapter

C. Mapaure - Chairperson
S. Matoushaya
P. Mpofu

Canada Chapter

I. Changamire - Chairperson

Cayman Island Chapter

E. Machingambi - Chairperson

CASS

B. Njikizana – Council Representative

Council Members 2009 - 2010

E. Chisango (President)	Mashonaland
C. Malunga (Senior Vice President)	Mashonaland
B. Njikizana (Junior Vice President)	Mashonaland
S. Gwanzura	Matabeleland
F. Kuipa	Mashonaland
G. Langlois	Manicaland
T. Moyo	Matabeleland
W. Mupanguri	Mashonaland
C.B Thorn	Mashonaland
S. Turk	Mashonaland
M. A Harvey	Matabeleland
T. Chizana	Matabeleland
D. Gwande	Mashonaland
T. Rwodzi	Mashonaland
T. Gumbo	Mashonaland
R. Chimankire	Mashonaland
M. Makaya	Mashonaland
T. Chikohora	Midlands
B. Nyajeka	Mashonaland
S. Ndhlovu	Mashonaland

Past Presidents of ICAZ

P F Derry	1919	R J Hedley	1971
F A Collins	1920	J F Irvine	1972
R H Everett	1921	C L Reed	1973
R R Olver	1922	E E Skeet	1974
A C Raymer	1923	E R Bradford	1975
T J Rooney	1924	E E Skeet	1975
T J Rooney	1925	C M W Mackay	1976
R Olver	1926	J A Appleby	1977
F A Collins	1927	J W Morley	1978
F A Collins	1928	J C Roome	1979
C J MacNaughtan	1929	D J M Vincent	1980
R R Olver	1930		
		P J Barnacle	1981
W M Brown	1931	T A Taylor	1982
F Rixon	1932	P L Bailey	1983
C R Musto	1933	J A Atkinson	1984
A Keay	1934	P Walters	1985
T E Speight	1935	D J M Vincent	1986
E P Vernall	1936	M D Frudd	1987
E P Vernall	1937	N Kudenga	1988
W V Brown	1938	P W Fearnhead	1989
C J MacNaughtan	1939	E S Mangoma	1990
P F Derry	1940		
		T G Hooley	1991
W E Scott-Russell	1941	G Gomwe	1992
F A Collins	1942	P Turner	1993
C R Causton	1943	M R Willis	1994
R Williamson	1944	D Benecke	1995
T B Rouse	1945	B Ndebele	1996
W J Underwood	1946	S J Hammond	1997
W J Underwood	1947	N Nyandoro	1998
C R Causton	1948	M J-R Dube	1999
H V Fraser	1949	C B Thorn	2000
A Underwood	1950		
		J A Mushore	2001
C R Musto	1951	D J Scott	2002
A J L Lewis	1952	M T Kunaka	2003
K M Lewis	1953	E W Bloch	2004
C R Causton	1954	D S Gwande	2005
H B Hone	1955	V L Ndlovu	2006
H B Hone	1956	T. L Gumbo	2007
W B Murray	1957	NPS. Zhou	2008
S G Harsant	1958	E. Chisango	2009
L A W Hawkins	1959		
B W S O' Connell	1960		
A G H Walker	1961		
R G Wirth	1962		
C F Buckland	1963		
A Underwood	1964		
W A Duff	1965		
A Underwood	1965		
A J S Bosworth	1966		
A J L Lewis	1967		
M B Davies	1968		
C J Voss	1969		
B L Sedgewick	1970		