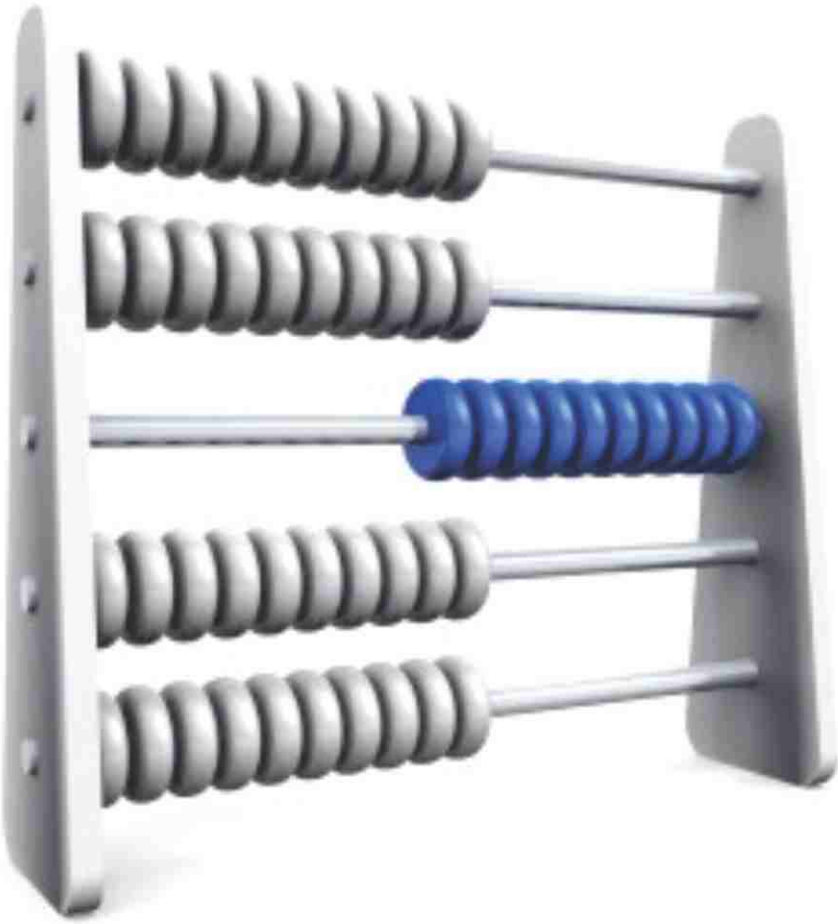

THE INSTITUTE OF
CHARTERED ACCOUNTANTS
OF ZIMBABWE

2011 ANNUAL REPORT

Contents

President's Report....2

Report of Council 2010 – 2011....5

Independent Auditor's Report....13

Statement of Financial Position....14

Statement of Comprehensive Income....15

Statement of Changes in Reserves....16

Statement of Cash Flows....17

Notes to the Financial Statements....18

Standing Committees....31

District Societies and Chapters 33

Council Members 2010 - 2011....34

Past Presidents of ICAZ....35

President's Report

It is an honour for me to report on the ICAZ activities for the period 2010 – 2011. Council is indebted to the seven firms that provided the Institute with a bridging medium term debt to fund statutory and other liabilities that had accrued in 2009 . These liabilities have been brought up to date.

As part of its efforts to improve oversight on the ICAZ secretariat, Council set up the Audit and Finance and the Human Resources Committees in September 2010. The mandate of these committees is to ensure that the financial and human resources controls are adequate.

In October 2010, Council reviewed the ICAZ strategy for 2010 – 2013 and committed to "…expand the ICAZ membership significantly by 2013, while maintaining quality and growing influence..." The following are the broad deliverables to guide the Institute over this period;

a. Funding
- Establish sustainable sources of funding.

b. Organisational Effectiveness
- Have in place quality and efficient service delivery.

c. Education
- Be a centre of excellence for accountancy training.

d. Research
- Foster smart partnerships with accounting firms for thought leadership.

e. Local Influence
- Influence local regulatory bodies and ensure active representation in all decision making entities.

f. Regional and International Influence
- Partner with the recognised regional and international accounting bodies in developing a regional and international accounting strategy.

g. Membership
- Introduce different membership categories and enhance value for members in business.

I have provided below a summary of the progress recorded against these deliverables;

Key Deliverable	Update
Funding	• The Institute recorded an operating deficit of ($8,112) (December 2009: ($160,784)) • Total Assets position improved to $657,632 (December 2009: $420,096). • Cash balances improved to $174,728 (December 2009: $52,667)
Organisational Effectiveness	• The present CEO was appointed in May 2011 and the implementation of the Human resources agenda developed as part of the Strategy review started in June 2011. The Agenda seeks among other goals to structure the Institute in line with budget and to put in place a performance management system. • Normal governance structures led by Audit & Finance and Human Resources Committees are now in place.

Key Deliverable	Update (cont'd)
Education	• Student intake increased from 104 in 2010 to 248 in 2011. • CTA pass rate in 2010 was 47% - the best in five years. • ICAZ posted satisfactory QE and PPE results of 80% and 62% respectively. • The local CTA project has been slow to take off and Council remains committed to take this project to full implementation. • Martha Memory Masaiti passed her QE2 Examinations with Honours. The Honours pass results had last been recorded in 1998. • The CPD calendar was exciting with a deliberate bias towards members in business.
Research	• Focus during the year was accounting and audit guidance towards full IFRS implementation. • Following proposals submitted to IASB by ICAZ in partnership with SAICA, the IASB amended IFRS 1 which has an effective date of 1 July 2011. Early adoption of the standard was permitted and encouraged to the market.
Local Influence	• This was driven by the Taxation and Other Legislation (TOLC), Public Relations and Public Service committees. • ICAZ is working very closely with Central Treasury, Public Accountants and Auditors Board (PAAB), ZAPB, ZIMRA, Accountant General, Comptroller & Auditor General , Registrar of Companies and various government departments.
Regional and International Influence	• ICAZ partnered with SAICA in lobbying the IASB on Zimbabwe's return to full IFRS and this was achieved through the Amendments to IFRS 1. • ICAZ entered into a Memorandum of Reciprocal Agreement (MRA) with the Institute of Chartered Accountants of Canada and Bermuda. • Negotiations for renewal of similar MRA's with SAICA and ICAEW are at an advanced stage and should be completed by December 2011. • ICAZ is part of the privileged few accounting bodies to have co-founded the Pan African Federation of Accountants (PAFA) launched in May 2011. • ICAZ, in partnership with PAAB, has developed an action plan towards the implementation of the Report on the Observance of Standards and Codes (ROSC) report that was commissioned by the World Bank and Government of Zimbabwe in early 2011.
Membership	• **Opening members December 2009: 1,660** Admissions 59 Deregistered (240) Resignations and Deaths (5) **Memebers as at May 2011 1,474** • 59 members were admitted into the profession during the year. • Regrettably, 240 members that had not paid their subscriptions were deregistered. The ICAZ by-laws have a defined process to guide Council on readmission applications. • Council is working on a program to explore the introduction of new membership categories in line with international practice by peer institutions.

Debtors
The debtors balances at 31 May 2011 were valued at $257,181 compared to $112,434 at December 2009. This is made up of subscriptions owed by 723 members and the total amount is split into $91,461 - Local and $165,720 - Foreign. The 723 members represent 49% of total membership. The delay in settling subscriptions has strained the ICAZ operations. ICAZ is a membership based body that relies to a large extent on subscriptions and subscriptions remain at the core of its funding structure. While Council will continue to pursue other sustainable sources of funding it is imperative that members pay their subscriptions on time and I accordingly appeal to these members to do so.

Human Resources
During the year the ICAZ staff compliment decreased from 30 to 27. Given the membership base of ICAZ the future staff compliment is subject to continued evaluation by Council.

Appointment of Auditors
Following the resignation of Messrs Ernst & Young as auditors at the last Annual General Meeting, Messrs PricewaterhouseCoopers were appointed auditors during the year. Messrs Ernst & Young had been ICAZ auditors for over ten years. We thank them for the excellent work done over the years and wish them well into the future.

Messrs PricewaterhouseCoopers offered to be honorary auditors for a three year period. We are truly grateful to this support valued at over $75,000 over the three year period.

Post Balance Sheet events
The Institute had total cash and investment balances of $258,000 as at 31 May 2011 of which $81,000 had been invested with Renaissance Merchant Bank Limited (RMB). The investment matured on 2 June 2011 and following the placement of RMB under curatorship on 2 June 2011 this investment could not be settled. The initial information that was released by the curator indicated that RMB will be 'opened' on 4 July 2011. This deposit has in the meantime been fully provided for at the end the financial year.

ICAZ Leadership
Mr Matthews Kunaka was appointed the ICAZ Chief Executive on 1 May 2011. Matthews is a former Chief Executive and also President at ICAZ. I welcome Matthews back home and look forward to your support to ensure that his latest tenure will be more successful and enjoyable.

I would like to thank Mrs Greta Mavengere who, as Acting Chief Executive, put in tireless efforts in stabilising the ICAZ ship during a treacherous storm. I also salute the great men and women at ICAZ who despite the financial difficulties continued to support the Institute agenda.

Conclusion
I would like to thank the ICAZ Councilors and members for their support during the year. The Chartered Accountant (Zimbabwe) profession is a great profession that is sought after throughout the region and the international stage. Out of the ICAZ membership of 1,474 at May 2011, 834 members were based outside Zimbabwe. I therefore urge all members to play their part so we can leave this great Institute in a much better position to the generations that will come after us.

Canada Malunga
28 June 2011

REGISTRY

Mr Canada Malunga was elected President of ICAZ during 2010 Winter School held in Victoria Falls from 26 - 29 August 2010. Messrs Brian Njikizana and Walter Mupanguri were elected Senior and Junior Vice Presidents respectively. Mrs Greta Mavengere, the then Acting Chief Executive Officer, completed the Executive Committee of 2010 – 2011.

Five new members were elected to Council at the beginning of the current year:
David Marange – Ernst & Young (Mashonaland),
Constance Chakona – Ernst & Young (Manicaland),
Tererai Matavire – KPMG (Mashonaland),
Gloria Zvaravanhu – Nicoz Diamond (Mashonaland) and
Zondi Kumwenda - Zimplow (Matabeleland).

Mr Clyton Kazembe of AMG Global (Mashonaland) was also appointed to Council in terms of the section 11A of the by-laws.

This brought the current Council composition to 24 members.

Members

Membership as at July 2010	1,660
New Admissions – July 2010 to date	59
Deaths – July 2010 to date	(2)
De-registrations – July to date	(240)
Resignations – July 2010 to date	(3)
Membership as at 30 May 2011	**1,474**

Messrs Edward Donald Bennett and Rajendra Patel passed away during the year.

Geographical spread of our Membership

Local		Absentee	
City	**No. of Members**	**Country**	**No. of Members**
Harare	522	South Africa	247
Bulawayo	65	Canada	20
Gweru	2	Bermuda	8
Mutare	13	Cayman Island	25
Kwekwe	5	U.K	144
Other	33	Other	340
		Australia	50
Total	**640**	**Total**	**834**
Total Number of Members - 1,474			

Student Accountants (Articled clerks)

We currently have a total of 46 training offices throughout the country with the following students:

Student accountants registered as at 30 June 2010	682
Registrations – July 2010 to date	248
Discharges – July 2010 to date	(118)
Cancellations & Suspensions – July 2010 to date	(5)
Student Accountants registered as at 31 May 2011	**807**

Accredited Training Offices

TIPP		TOPP	
Training Office	**No. of Students**	**Training Office**	**No. of Students**
Deloitte	124	Delta	13
KPMG	115	Astra	5
PwC	94	Meikles Africa	5
Ernst & Young	185	Old Mutual	-
BDO	60	TA Holdings	7
Grant Thornton	38	African Sun	17
AMG	55	Other	52
Other	37		
Total	**708**	**Total**	**99**
Total Number of Students - 807			

TECHNICAL COMMITTEES

Auditing & Professional Standards Committee (APSC)

During the period under review, the committee focused mainly on developing audit opinion guidance for 2010. The guidance which incorporated IFRS 1 Amendments was finalized and subsequently approved by the Zimbabwe Accounting Practices Board ("ZAPB"). The necessary guidance was issued to members.

Accounting Procedures Committee (APC)

During the period under review, the committee focused on monitoring financial statements and work related to the IFRS 1 amendments in order to facilitate the return to full IFRS compliance. In this regard, ICAZ partnered with SAICA in lobbying the IASB on the proposed changes to IFRS 1.

These efforts culminated in the IASB issuing an Exposure Draft ("ED") – Severe Hyperinflation. The IASB approved the ED in December 2010 which is effective for periods beginning on or after 1 July 2011 with early application permitted. Currently the focus is on the ramifications of these IFRS 1 amendments to the 2010 reporting.

The committee is also looking into assisting the Insurance and Pensions Commission ("IPEC"), updating the financial reporting requirements for pension and provident funds as well as financial reporting practice for insurance entities generally.

The committee will also be looking at promoting the use and enhanced awareness of the IFRS for small to medium entities ("SME's") to facilitate an increase in the use of the framework in the country for eligible entities.

Public Sector Committee (PSC)

This committee focused on forging relationships with the public sector, particularly the Ministry of Finance. The committee held a number of meetings with public sector representatives with the objective of assisting in the implementation of the International Public Sector Accounting Standards ("IPSASs").

Looking forward, the implementation of IPSASs in Zimbabwe is expected to be the main business of the committee, since it is currently at the transition phase of the implementation process.

It is also encouraging to note that a number of accounting firms are seconding staff to the Accountant General's office on a pro bono basis to assist with various accounting and related requirements in government.

IFAC Compliance matters

The technical department revised ICAZ Action Plan in line with IFAC guidelines and this activity culminated in the publishing of the ICAZ Revised Action Plan on the IFAC website.

Tax and Other Legislation Committee (TOLC)

Review of the Income Tax Act
The committee was actively involved in the process of drafting the new Income Tax Act. A subcommittee of the TOLC committee was set up to review the draft Act and its comments and input was sent to the Ministry of Finance. Debate on the new Act is continuing and members are urged to forward their views to the Institute.

Budget and other Proposals
The committee submitted comprehensive fiscal and taxation proposals for consideration by Ministry of Finance.

Liaison with the Ministry of Finance
The committee met with the Ministry of Finance to discuss challenges being faced by taxpayers in implementing the Fiscalised Electronic Devices proposed by the Minister in his 2010/11 budget statement. The implementation date was 1 January 2011.

The meeting was followed by a survey that the committee carried out with members of the Institute. The main objective of the survey was to get corroborative information from members on the challenges they were facing in implementing the system. Results of the findings of the survey were communicated to the Ministry of Finance.

Liaison with ZIMRA and Other ZIMRA issues
The committee met with ZIMRA to discuss various technical and operational issues. ZIMRA pledged its commitment to resolve some issues that emanated from the meetings.

Liaison with the Registrar of Companies
Meetings were held with the Registrar of Companies to discuss various issues that affected the operations of the Companies Act. Most of the issues discussed revolved around administrative difficulties that members face when dealing with the Department.

Liaison with the Ministry of Justice
A meeting was held with the Registrar of the Fiscal Court to discuss delays by the courts in finalizing tax cases brought before them.

A follow up meeting was held at the Legal drafting section of the Ministry to discuss the progress on the draft Limited Liability Partnership Bill 2010. It was noted that work on the draft bill had not progressed as there were many changes that required further input from stakeholders.

Tax Seminars
A number of seminars were held in conjunction with the CPD Committee during the period.

CPD
The committee was involved mainly in monitoring of CPD records for 2010.

The table on the following page is a summary of the CPD activities for period October 2010 to May 2011.

Topic	Presenters & Facilitators	Date
Financial Statements Analysis of an Operating Business or Division	Joyce Shumba: Tanga Shumba and Associates Facilitator: Sevious Mushosho	19/10/10 Total Attendance: Members 32 Non-members 21 **Total 53**
Bulawayo Tax Conference	Khaukelo Mawana: Independent Customs Specialist Dumisani Ngwenya: ICAZ Tax Manager Eric Bloch: H & E Bloch Partner Peter Mgodi: Ernst & Young Tax Manager Facilitator: Tapiwa Chizana	21/10/10 Total Attendance: Members 26 Non-members 38 **Total 64**
IFRS Update and Tax Update Seminar	David Marange: Ernst & Young Partner Jonas Jonga: BDO Partner Themba Mudidi: KPMG Senior Audit Manager Dumisani Ngwenya: ICAZ Tax Manager Gordon Whiley: Deloitte Byo Senior Audit Manager Valerie Muyambo: KPMG Senior Audit Manager	Hre 10/11/10 Bulawayo Attendance: Hre: Members 32 Non-members 41 **Total 73** Byo: Members 36 Non-members 22 Total **58**
Revised IFRS 1 and its Impact on 2010 Audit Opinion	**Presenters:** Valerie Muyambo: KPMG David Marange: Ernst & Young **Facilitators:** Umoja Phiri: Four Cubits Advisory Services Tapiwa Chizana: Deloitte(Byo) V. Muyambo presented both topics in Bulawayo	Hre –22/02/11 Byo –25/02/11 Total Attendance: **Hre:** Members 52 ICAZ students 12 Non-members 48 **Total 112** **Byo:** Member 22 ICAZ Students 12 Non-members 20 **Total 54**
Tax Refresher Course and Technical Issues on Deferred Tax	**Presenters:** Monica Gotora: Deloitte Themba Mudidi: KPMG Byo - Deferred Tax was presented by Chengetai Mashavave: Deloitte Peter Mgodi: Ernst & Young Tax Manager **Facilitators:** Dumisani Ngwenya: ICAZ Tax Manager Francis Rwakonda: Zimplow Byo	**Hre** –17/03/11 **Byo** –25/03/11 **Hre:** Members 38 ICAZ students 9 Non-members 62 **Total 109**
Capital Structure Management	**Presenters :** Moreblessings Sekenhamo: Ernst & Young Graham Cheater: W Consulting	14/04/11 Attendance: **Hre**: Members 33 Non-members: 22 **Total 55**

EDUCATION

Zimbabwe Certificate in the Theory of Accounting (ZCTA)
While the ZCTA pass rate has remained generally poor, it is gratifying to note that the 2010 pass rate of 47.06% was the best in five years.

John Kudakwashe Bhasikiti from Deloitte was the best overall student in the 2010 examinations.

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:

	2007	2008	2009	2010	2011
Number Sat	203	221	173	107	**216**
Number Passed	74	94	94	30	**134**
% Pass Rate	36.5	42.1	54.3	28.0	**62.0**

PPE – Results for the past five years:

	2006	2007	2008	2009	2010
Number Sat	144	108	113	140	**41**
Number Passed	104	76	62	127	**33**
% Pass Rate	72.2	70.4	54.9	90.7	**80.4**

Qualifying Examination II Financial Management:

	2006	2007	2008	2009	2010
Number Sat	18	9	9	9	**7**
Number Passed	9	2	7	5	**5**
% Pass Rate	50.0	22.2	77.8	55.6	**71.4**

Student Awards
Martha Memory Masaiti from Deloitte achieved the required standard to be awarded Honours for this examination. The last Honours award was in 1998. Martha was also awarded the Duff Award of Merit for being the best overall QE student taking into account both PPE and Part I results for 2010 and was again awarded the District Society Prize for being the best student in TIPP (Auditing), while Vimbainashe Macheka from Delta took the Econet Wireless prize for the being the best TOPP (Financial Management) student for 2010.

PUBLIC RELATIONS AND MARKETING
The Public Relations and Marketing Office remains active in profiling and enhancing the brand Chartered Accountants Zimbabwe CA (Z). During the period under review, the Institute held a number of events through its various departments whose publicity was engineered by the Public Relations department.

Through the concerted efforts of the Institute's President and the members of the Public Relations Committee, visits were made to the University of Zimbabwe and National University of Science and Technology in a bid to engage with Accounting students as well as promote and profile the Accountancy profession as enunciated in the Chartered Accountant Act. In addition, the President and Junior Vice President presented prizes to final year Bachelor of Accounting students at the NUST and UZ respectively. The CEO and Public Relations Officer presented at a Careers Day held for a number of schools at Celebration Centre in June 2011.

The Public Relations Committee continues to be focused towards member to member interaction. It held another successful fundraising Golf Day in February at Chapman Golf Club and over $4,000 was raised. The event remains permanent on the ICAZ calendar and the funds raised through this initiative are applied towards supporting Accountancy students at the various universities.

The Public Relations Office continues to publish the Zimbabwe Chartered Accountant Magazine and Newsletter. These publications remain critical vehicles of communicating with members.

DIASPORA CHAPTERS

ICAZ has Chapters in South Africa, Cayman Islands, UK and Ireland. In May 2011, the President visited the UK and Ireland Chapters after a special request had been received from the members there.

The meeting discussed various progressive issues and these have been taken on board by Council and it is hoped that such dialogues with members will be continued as they go a long way in mapping membership services plans.

Chartered Accountants Students Society (CASS)

The Students Society has a very active Committee led by Tinashe Mukogo. The Committee has kept its activities open and communicates regularly with Council through its representative Walter Mupanguri. The CASS 2011 calendar comprised of activities such as the CASS Charity Fun Day; CASS Seminar; Sports Day and Charity Concert.

On the 25th of February 2011, the Chartered Accountant Students Society (CASS) officially launched “THE LINK”. The LINK is a CASS initiative to encourage interaction between Student Accountants by hosting an evening once a month at a Sports Club or similar venue where the venue caters exclusively for Student Accountants. The goal of this interaction is to strengthen the student body by creating an environment where individuals are able to meet and discuss under the umbrella of CASS.

CASS held their annual Seminar from 24 – 26 June 2011 in Kariba. The Junior Vice President attended the function where the guest of honour was the Minister of Youth Empowerment and Indigenization – the Hon. Saviour Kasukuwere.

THE INSTITUTE OF
CHARTERED ACCOUNTANTS
OF ZIMBABWE

Financial Statements for the seventeen months ended 31 May 2011

ACTIVITIES
The Institute's major activities comprise conducting examinations for admission into the register for Chartered Accountants; to encourage the study of accountancy by members and students; to represent the views of the Chartered Accountants and to preserve and maintain the integrity and status of the profession.

COUNCIL MEMBERS
C Malunga (President)
B Njikizana (Senior Vice President)
W Mupanguri (Junior Vice President)
E Chisango
S Gwanzura
F Kuipa
C B Thorn
S Turk
M A Harvey
T Chizana
C Chakona
T Matavire
D Gwande
T Rwodzi
T Gumbo
R Chimanikire
M Makaya
T Chikohora
B Nyajeka
S Ndhlovu
D Marange
C Kazembe
G Zvaravanhu
Z Kumwenda

REGISTRAR
F Karekwaivanane

AUDITOR
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)
Building 4, Arundel Office Park
Mount Pleasant
Harare

PRINCIPAL OFFICE
Integrity House
2 Bath Road
Belgravia
Harare

PRINCIPAL BANKERS
Standard Chartered Bank Zimbabwe Limited
2nd Floor, Old Mutual Centre
Third Street/Jason Moyo Avenue
Harare

LEGAL ADVISORS
Atherstone & Cook
7th Floor Mercury House
24 George Silundika Avenue
Harare

INDEPENDENT AUDITOR'S REPORT

to the members of

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ZIMBABWE

We have audited the financial statements of The Institute of Chartered Accountants of Zimbabwe which comprise the statement of financial position as at 31 May 2011, the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the seventeen months then ended, and a summary of significant accounting policies and other explanatory notes, set out on pages 14 to 30.

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 and in the manner required by the Chartered Accountants Act (Chapter 27:02) and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute as at 31 May 2011, and of its financial performance and its cash flows for the seventeen months then ended in accordance with International Financial Reporting Standards and in the manner required by the Chartered Accountants Act (Chapter 27:02).

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants (Zimbabwe)

4 July 2011

PricewaterhouseCoopers, Building No. 4, Arundel Office Park, Norfolk Road, Mount Pleasant
P O Box 453, Harare, Zimbabwe
T: +263 (4) 338362-8, F: +263 (4) 338395, www.pwc.com

Statement of Financial Position
as at 31 May 2011

	Note	31-May 2011 US$	31-December 2009 US$	1-January 2009 US$
Assets				
Non-current assets				
Property and equipment	5	320 870	299 137	296 990
Intangible assets	6	1 940	-	-
		322 810	299 137	296 990
Current assets				
Inventories	7	-	2 069	-
Accounts receivable	8	158 260	64 142	-
Financial assets at fair value through profit or loss	9	1 834	2 081	-
Cash and bank	10	174 728	52 667	56 900
		334 822	120 959	56 900
Total assets		657 632	420 096	353 890
Reserves and liabilities				
Reserves				
Non-distributable reserve	11	334 483	344 483	344 483
Accumulated loss		(168 896)	(160 784)	-
		175 587	183 699	344 483
Current liabilities				
Accounts payable	12	294 877	236 397	9 407
Borrowings	13	187 168	-	-
Total liabilities		482 045	236 397	9 407
Total reserves and liabilities		657 632	420 096	353 890

C. MALUNGA (PRESIDENT)

B. NJIKIZANA (SENIOR VICE PRESIDENT)

HARARE
28 June 2011

Statement of Comprehensive Income
for the seventeen months ended 31 May 2011

	Note	Seventeen months ended 31-May 2011 US$	Year ended 31-December 2009 US$
Revenue	14	1 524 784	889 732
Administrative expenses	15	(1 557 384)	(1 098 709)
Other income	17	64 124	38 845
Operating profit/(loss)		31 524	(170 132)
Finance income	18	7 040	9 348
Finance costs	18	(46 676)	-
Loss for the period		(8 112)	(160 784)
Other comprehensive income/(loss) for the period		-	-
Total comprehensive loss for the period		(8 112)	(160 784)

Statement of Changes in Reserves

for the seventeen months ended 31 May 2011

	Non-distributable reserve US$	Accumulated loss US$	Total US$
Balance at 1 January 2009	-	-	-
Arising on change in functional currency on 1 January 2009	344 483	-	344 483
Loss for the year	-	(160 784)	(160 784)
Balance at 31 December 2009	344 483	(160 784)	183 699
Balance at 1 January 2010	344 483	(160 784)	183 699
Loss for the period	-	(8 112)	(8 112)
Balance at 31 May 2011	344 483	(168 896)	175 587

	Note	Seventeen months ended 31-May 2011 US$	Year ended 31-December 2009 US$
Cash flows from operating activities			
Loss for the period		(8 112)	(160 784)
Adjustment for:			
Depreciation of property and equipment	5	60 303	24 787
Amortisation of intangible assets	6	388	-
Loss on disposal of motor vehicles and equipment		14 351	-
Interest expense/(income) - net	18	7 233	(9 348)
Changes in working capital:			
Increase in accounts receivable		(94 118)	(64 142)
Decrease/(increase) in inventories		2 069	(2 069)
Increase in accounts payable		57 947	226 990
Cash generated from operations		40 061	15 434
Interest expense		(14 273)	-
Net cash generated from operating activities		25 788	15 434
Cash flows from investing activities			
Purchase of motor vehicles and equipment	5	(142 499)	(26 934)
Purchase of intangible assets	6	(2 328)	-
Proceeds on sale of motor vehicles and equipment		46 112	-
Proceeds on sale/(purchase) of financial assets		248	(2 081)
Interest received		7 040	9 348
Net cash utilised in investing activities		(91 427)	(19 667)
Cash flows from financing activities			
Proceeds from borrowings		187 700	-
Net cash generated from financing activities		187 700	-
Increase/(decrease) in cash and cash equivalents		122 061	(4 233)
Movement in cash and cash equivalents			
At beginning of period		52 667	56 900
Increase/(decrease)		122 061	(4 233)
At end of period	10	174 728	52 667

1 GENERAL INFORMATION

The Institute of Chartered Accountants of Zimbabwe ("the Institute") is an incorporated, statutory body under the Chartered Accountants Act (Chapter 27:02) and is domiciled in Zimbabwe.

It is the foremost accountancy body in the country and is a member body of the International Federation of Accountants (“IFAC”) and the Eastern Central and Southern African Federation of Accountants (“ECSAFA”).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation and presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards, (“IFRS”). The financial statements are based on statutory records that are maintained under the historical cost convention.

2.1.1 Transition to IFRS

The Institute is resuming presentation of IFRS financial statements after it issued financial statements in the prior reporting period ended 31 December 2009 which did not include an explicit and unreserved statement of compliance with IFRS due to the effects of severe hyperinflation. As discussed in note 2.1.4, the Institute early adopted the Amendments to IFRS 1 and is therefore applying that standard in returning to compliance with IFRS.

The Institute's functional currency for the period before 1 January 2009, the Zimbabwe dollar ('ZW$'), was subjected to hyperinflation because it had both of the following characteristics:

a) a reliable general price index was not available to all entities with transactions and balances in ZW$, because the Central Statistical Office did not release consumer prices from August 2008 and the existence of market distortions made measurement of inflation by alternative means unreliable, and;

b) exchangeability between the ZW$ and a relatively stable foreign currency did not exist.

The Institute's functional currency ceased to be subject to severe hyperinflation from 1 January 2009, because the Institute changed its functional and presentation currency from the ZW$ to the United States of America dollar ('US$') because changes in legislation allowed the Institute to operate within a predominantly US$ environment.

2.1.2 Exemption for fair value as deemed cost

The Institute elected to measure certain items of property and equipment and accounts payable at fair value and to use fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position as follows;

- Property and equipment - based on an independent professional valuation;
- Accounts payable - based on actual US$ amounts owed to suppliers of goods and services.

2.1.3 Reconciliation to previous basis of preparation

The Institute's financial statements for the prior reporting period ended 31 December 2009, claimed compliance with IFRS, except certain requirements of IAS 1, "Presentation of Financial Statements", IAS 21, "The Effects of Changes in Foreign Exchange Rates” and IAS 29, "Financial Reporting in Hyperinflationary Economies".

However, after the application for the exemption for fair value as deemed cost, no measurement differences exist between the amounts previously presented and the comparative amounts presented as at 1 January 2009 and for the period ended 31 December 2009. As a consequence, no reconciliation has been presented between IFRS results and the previous basis of preparation.

2.1.4 Changes in accounting policies and disclosures

New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2010 but early adopted

The Institute decided to early adopt the Amendments to IFRS 1, "Severe hyperinflation and removal of fixed dates for first time adopters" from 31 December 2010, as well as the related consequential amendments to other

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation and presentation (continued)

2.1.4 Changes in accounting policies and disclosures (continued)

IFRSs, because the amendments provides additional exemption within IFRS 1 for entities which were subject to severe hyperinflation. Refer the Note 2.1.1 where the transition to IFRS is discussed in more detail.

New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2010 and not early adopted
- IFRS 9, "Financial instruments", issued in November 2009. This standard is the first step in the process to replace IAS 39, "Financial instruments: recognition and measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Institute's accounting for its financial assets. The standard is not applicable January 2013 but is available for early adoption.
- IAS 24 (revised), "Related party disclosures", issued in November 2009. It supersedes IAS 24, "Related party disclosures", issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.

2.1.5 Going concern
The Council members have a reasonable expectation that the Institute has adequate resources to continue in operational existence for the foreseeable future. The Institute therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Foreign currencies
a) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in the United States of America dollar ("US$"), which is the Institute's functional currency.

b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

2.3 Property and equipment
Property and equipment are stated at historical cost, less subsequent depreciation and impairment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on the straight line method to write-off the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	40 years
Motor vehicles	5 years
Furniture and fittings	10 years
Computer equipment	5 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Intangible assets
Intangible assets comprise externally acquired computer software and are stated at historical cost, less subsequent amortisation and impairment.

Computer software costs recognised as assets are amortised over their estimated useful lives, which do not exceed two years.

2.5 Impairment of non-financial assets
Assets that have indefinite useful lives, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Inventories
Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

2.7 Cash and cash equivalents
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments, net of bank overdrafts.

2.8 Accounts receivable
Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the Institute will not be able to collect all amounts due to the original terms of receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. When a receivable is uncollectable, it is written off against the allowance account for accounts receivable. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

2.9 Financial assets
The Institute classifies its financial assets in the following categories: loans and receivables, and at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Fair value through profit or loss
This category has two sub-categories: financial assets held-for-trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables are classified as accounts receivable in the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets (continued)

2.9.1 Recognition and measurement
Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Institute commits to purchase or sell the asset. Financial instruments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Institute has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest rate method.

2.9.2 Derecognition
A financial asset is derecognised when the Institute loses control over the contractual rights that comprise the asset. A financial liability is derecognised when it is paid or securitised.

2.10 Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets
The Institute assesses at each reporting date whether there is objective evidence that an asset or group of financial assets is impaired. A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after initial recognition of the asset and prior to the reporting date (loss event) and that loss event has had an impact on the future cash flows of the financial asset that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Institute about the following loss events:
a) Significant financial difficulty of the issuer or obligor;
b) A breach of contract such as a default or delinquency in interest or principal payments;
c) It becomes evident that the borrower will enter bankruptcy or financial re-organisation;
d) The disappearance of an active market for that financial asset because of financial difficulty;
e) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
(i) adverse changes in the payment status of borrowers in the portfolio; and
(ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Institute first assesses whether objective evidence of impairment exists.

For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Institute may measure impairment on the basis of an instrument's fair value using an observable market price.

2.12 Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Institute has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Provisions

Provisions are recognised when the Institute has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably measured. Provisions are not made for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.14 Employee benefits

a) Pension obligations

The Institute operates a defined contribution plan. A defined contribution plan is a plan under which the Institute pays fixed contributions into a separate entity. The contributions are recognised as employee benefit expense when due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The Institute has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employees the benefits relating to employee service in the current and prior periods.

The Institute and employees also contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act. The Institute's obligations under the scheme are limited to specific contributions as legislated from time to time.

b) Termination benefits

Termination benefits are payable when the Institute terminates employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Institute recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Institute's activities. The Institute recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the Institute and specific criteria have been met for each of the Institute's activities as described below:

(a) Subscriptions

Revenue from subscriptions is recognised on an accrual basis. Subscriptions not paid at the end of the financial year are provided for because, in terms of the Institute's by-laws, membership only lapses once a member's subscriptions remain unpaid for six months from the beginning of the financial year.

(b) Education programmes

Net income, comprising student fees received less direct expenses incurred, is recognised at the completion of the academic year to which it relates. At reporting date, fees received net of expenses incurred, in respect of the current academic year are included in receivables or payables.

(c) Sale of services

Sale of services are recognised in the period in which the services are rendered, by reference to completion of specific transactions assessed on the basis of actual services provided.

(d) Interest income

Interest income is recognised on a time proportionate basis using the effective interest method. When a receivable is impaired, the Institute reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk management

The Institute's activities expose it to a variety of financial risks, including the effect of changes in foreign currency exchange rates and interest rates. The Institute's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute.

Risk management is carried out by management under policies approved by the Council. Management identify, evaluate and hedge financial risks such as foreign exchange risk, interest risk, credit risk and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Institute is exposed to foreign exchange risk arising from various currency exposures primarily with respect to South African Rands ('ZAR').

Management aims to manage the Institute's foreign exchange risk against the functional currency. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Institute’s functional currency. At 31 May 2011 the Institute had no significant exposure to foreign currencies. Total cash denominated in foreign currency was ZAR67 592, carried at US$9 955.

(ii) Price risk

The Institute is not exposed to price risks.

(iii) Cash flow and fair value interest rate risk

The Institute's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Institute to cash flow interest rate risk. Borrowings issued at fixed rates expose the Institute to fair value interest rate risk.

At 31 May 2011, if interest rates on borrowings had been 5% higher/lower with all other variables held constant, the loss for the period would have been US$4 220 higher/lower, as a result of a higher/lower interest expense on borrowings at variable rates.

As the Institute's interest bearing assets do not generate significant amounts of interest changes in the market, interest rates do not have a significant direct effect on the Institute's income.

Accounts receivable and payables are interest free and have settlement dates within one year.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge a contract. Credit risk arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions, as well as credit exposures to members, including outstanding receivables and committed transactions. For banks and financial institutions, only well established institutions with sound financial positions are used. Credit exposures are closely monitored for indications of impairment.

Bank balances include an amount of US$81 124 held with Renaissance Merchant Bank of Zimbabwe Limited, which was placed under curatorship by the Reserve Bank of Zimbabwe subsequent to the reporting date (refer to note 10).

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Institute manages liquidity risk by continuously monitoring forecast and actual cash flows.

A maturity analysis of the Institute's financial instruments as at 31 May 2011 is shown on the following page.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk management (continued)

(c)Liquidity risk (continued)

MATURITY ANALYSIS OF THE INSTITUTE'S FINANCIAL INSTRUMENTS AS AT 31 MAY 2011

At 31 May 2011	On demand and less than one month US$	From 1 to 6 months US$	From 6 to 12 months US$	Total US $
Assets				
Accounts receivable	-	158 260	-	158 260
Financial assets at fair value through profit or loss	1 834	-	-	1 834
Cash and bank	174 728	-	-	174 728
Total assets	176 562	158 260	-	334 822
Liabilities				
Accounts payable (excluding statutory liabilities)	240 392	23 809	-	264 201
Borrowings	-	-	187 168	187 168
Total liabilities	240 392	23 809	187 168	451 369
Liquidity gap	(63 830)	134 451	(187 168)	(116 547)

The liquidity gap will be covered by revenue from member subscriptions and education income.

(d) Financial instruments by category

Assets as per statement of financial position	31-May 2011 US$	31-December 2009 US$
	Loans and receivables	
Accounts receivable (excluding pre-payments)	158 260	64 142
Cash and bank	174 728	52 667
	332 988	116 809
	Assets at fair value through profit or loss	
Financial assets at fair value through profit or loss	1 834	2 081
Total	334 822	118 890
	Other financial liabilities at amortised cost	
Liabilities as per statement of financial position		
Accounts payable (excluding statutory liabilities)	264 201	161 187
Borrowings	187 168	-
Total	451 369	161 187

3.2. Capital risk management

The Institute's objectives when managing capital (reserves) are to safeguard its ability to continue as a going concern in order to continue to provide benefits for members and other stakeholders. In order to maintain or adjust the capital structure the Institute may adjust the amount of borrowings or investments it holds from time to time.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3. Fair value estimation

The carrying value less impairment provision of accounts receivable and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Institute for similar financial instruments.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Institute makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Useful lives of vehicles and equipment

The Institute's management determines the estimated useful lives and related depreciation charges for its property and equipment. This estimate is based on projected lifecycles for these assets. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been sold.

(b) Impairment on accounts receivable

The Institute reviews its accounts receivable to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Institute makes judgements as to whether there is observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of accounts receivable before the decrease can be identified with an individual receivable in that portfolio.

This evidence may include observable data indicating that there has been an adverse change in the payment status of members of the Institute, or national or economic conditions that correlate with defaults in the Institute. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

5 PROPERTY AND EQUIPMENT

	Land and buildings US$	Motor vehicles US$	Computer equipment US$	Furniture and fittings US$	Total US$
Period ended 31 May 2011					
Opening net book amount	196 000	66 267	14 451	22 419	299 137
Additions	-	116 618	24 856	1 025	142 499
Disposals	-	(55 278)	(5 185)	-	(60 463)
Depreciation charge	(5 666)	(43 362)	(7 583)	(3 692)	(60 303)
Closing net book amount	190 334	84 245	26 539	19 752	320 870
At 31 May 2011					
Cost	200 000	143 340	36 710	25 910	405 960
Accumulated depreciation	(9 666)	(59 095)	(10 171)	(6 158)	(85 090)
Net book amount	190 334	84 245	26 539	19 752	320 870
Year ended 31 December 2009					
Opening deemed cost on 1 January 2009	200 000	62 000	10 535	24 455	296 990
Additions	-	20 000	6 504	430	26 934
Depreciation charge	(4 000)	(15 733)	(2 588)	(2 466)	(24 787)
Closing net book amount	196 000	66 267	14 451	22 419	299 137
At 31 December 2009					
Cost	200 000	82 000	17 039	24 885	323 924
Accumulated depreciation	(4 000)	(15 733)	(2 588)	(2 466)	(24 787)
Net book amount	196 000	66 267	14 451	22 419	299 137

Depreciation expense of US$60 303 (2009: US$24 787) has been charged in 'administrative expenses' in the statement of comprehensive income.

6 INTANGIBLE ASSETS

This comprises computer software acquired by the Institute.

	31-May 2011 US$	31-December 2009 US$	1-January 2009 US$
Opening net book amount	-	-	-
Additions	2 328	-	-
Amortisation	(388)	-	-
Closing net book amount	1 940	-	-
Cost	2 328	-	-
Accumulated amortisation	(388)	-	-
Net book amount	1 940	-	-

Amortisation of US$388 (2009: nil) is included in 'administrative expenses' in the statement of comprehensive income.

7 INVENTORIES

Consumables	-	2 069	-

	31-May 2011 US$	31-December 2009 US$	1-January 2009 US$
8 ACCOUNTS RECEIVABLE			
Member subscriptions	257 181	112 434	-
Less: Allowance for impairment of member subscriptions	(124 570)	(64 360)	-
Member subscriptions-net	132 611	48 074	-
Due from related parties	-	86 037	-
Staff loans	2 249	42 386	-
Other receivables	39 468	-	-
	41 717	128 423	-
Less: Allowance for impairment of other receivables	(16 068)	(112 355)	-
Other receivables-net	25 649	16 068	-
Total	158 260	64 142	-

The carrying amounts of the accounts receivable approximate their fair values and are denominated in US$.
As of 31 May 2011, member subscriptions receivables of US$132 611 were past due but not impaired.
The ageing of member subscriptions past due but not impaired is as follows:

Less than 30 days	-	-	-
30 - 90 days	-	-	-
Greater than 90 days	132 611	48 074	-
	132 611	48 074	-

As of 31 May 2011, member subscriptions of US$124 570 were impaired and provided for.

Movements on the provision for impairment are as follows:

At beginning of period	176 715	-	-
Provision for receivables impairment	76 278	176 715	-
Receivables written off during the year as uncollectible	(112 725)	-	-
At year end	140 268	176 715	-

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Listed securities	1 834	2 081	-

Listed securities comprise equities held through the Institute's asset managers and the fair value is based on their current bid prices on the Zimbabwe Stock Exchange.

10 CASH AND BANK

Cash at bank and on hand	68 793	52 667	56 900
Short-term deposits	187 059	-	-
	255 852	52 667	56 900
Less: Allowance for impairment of short-term fixed deposits	(81 124)	-	-
	174 728	52 667	56 900

The allowance for impairment of short-term fixed deposits is in respect of funds held with Renaissance Merchant Bank of Zimbabwe Limited, which was placed under curatorship by the Reserve Bank of Zimbabwe on 2 June 2011.

11 RESERVES

The non-distributable reserve arose as the net effect of the restatement in US$ of assets and liabilities previously denominated in Zimbabwe dollars on 1 January 2009.

12 ACCOUNTS PAYABLE	31-May 2011 US$	31-December 2009 US$	1-January 2009 US$
Amounts due to:			
- Public Accountants and Auditors Board	38 363	25 410	-
- South African Institute of Chartered Accountants	33 600	9 257	-
Member subscriptions paid in advance	53 101	54 986	-
Social security costs and other taxes	30 676	75 210	-
Accruals	118 896	52 160	9 407
Other payables	20 242	19 374	-
	294 877	236 397	9 407

All accounts payables are payable within twelve months of the date of the statement of financial position.

13 BORROWINGS

Current			
Loans from member firms	187 168	-	-

Loans were received from member firms during the period as the Institute was experiencing financial difficulties. The interest charged on these loans is 60% of the market rate. The loan amounts are to be settled against students' and members' subscriptions. The loans are not secured. The balance is to be settled in the next 12 months.

The fair value of borrowings equals their carrying amount, as the impact of discounting is not significant.

14 REVENUE	Seventeen months ended 31-May 2011 US$	Year ended 31-December 2009 US$
Membership subscriptions and levies	949 792	662 183
ZCTA, UNISA and QE examination commissions	574 992	217 828
Study school income	-	9 721
	1 524 784	889 732

15 EXPENSES BY NATURE

Audit fee	-	22 000
Other assurance fees - special investigations	24 530	-
Depreciation and amortisation	60 691	24 787
Loss on disposal of motor vehicles	14 351	-
Payments to Council members	2 052	-
Consulting fees	24 972	5 117
Motor vehicle expenses	110 102	75 862
Travelling, conferences and seminars	43 937	38 179
Subscriptions	29 104	-
Telephone and postage	72 770	44 656
Penalties for late payment of PAYE	16 895	-
Employee benefit expenses (note 16)	782 401	589 668
Provision for impairment of member subscriptions	76 278	176 715
Provision for impairment of bank balances	81 124	-
Public Accountants and Auditors Board levies	129 543	35 880
Other costs	88 633	85 845
Total administrative expenses	1 557 384	1 098 709

	Seventeen months ended 31-May 2011 US$	Year ended 31-December 2009 US$
16 EMPLOYEE BENEFIT EXPENSES		
Wages and salaries	679 484	560 316
Termination benefits	39 206	-
Pension costs		
- NSSA	13 903	11 817
- Old Mutual Life Assurance	49 808	17 535
	782 401	589 668
17 OTHER INCOME		
Sale of books and materials	24 672	35 484
Insurance reimbursement	16 182	-
Services to Public Accountants and Auditors Board	8 270	-
Recovery of funds from former employee	15 000	-
Sundry	-	3 361
	64 124	38 845

The insurance reimbursement relates to receipts from insurance companies for compensation for a motor vehicle written off and computer equipment stolen.

	Seventeen months ended 31-May 2011 US$	Year ended 31-December 2009 US$
18 FINANCE INCOME AND COSTS		
Interest income	7 040	9 348
Interest expense - borrowings	(14 273)	-
Net foreign exchange losses	(32 403)	-
	(46 676)	-
Net finance (costs)/ income	(39 636)	9 348

19 PENSIONS

The Institute of Chartered Accountants of Zimbabwe Pension Fund
Both employees and the Institute contribute to a defined contribution plan which is administered by a separate board of trustees. This fund is subject to the Pension and Provident Funds Act (Chapter 24:09).

National Social Security Authority (NSSA) Scheme
The Institute and its employees also contribute to the National Social Security Authority Scheme. This is a social security scheme which was promulgated under the National Social Security Act. The Institute's obligations under the scheme are limited to specific contributions legislated from time to time.

Contributions to the schemes, recognised in the statement of comprehensive income were as follows:

	2011 US$	2009 US$
The Institute of Chartered Accountants of Zimbabwe Pension Fund	49 808	17 535
NSSA	13 903	11 817
	63 711	29 352

	Seventeen months ended 31-May 2011 US$	Year ended 31-December 2009 US$
20 RELATED PARTY TRANSACTIONS		
The following transactions were carried out with related parties:		
(i) Key management compensation:		
Salaries and other benefits	128 405	215 074
Termination benefits	38 000	-
	166 405	215 074
(ii) Amounts due from key management	-	86 037

21 CONTINGENT LIABILITY

The Institute has a contingent liability in respect of legal claims by former employees who are contesting the termination of their contracts. The Institute is defending these claims and the matter is pending. The value of the claims has not and cannot be estimated at this point in time.

22 CHANGE IN YEAR END

The Institute changed its reporting date from 31 December to 31 May to better align its reporting period with the term of the presidency. These financial statements have therefore been prepared for the seventeen months from 1 January 2010 to 31 May 2011. The amounts presented in the financial statements are therefore not entirely comparable.

Accounting Procedures Committee
B. Njikizana - Chairperson
G. Cheater
B. Nyajeka
B. Matamba
S. Murwisi
C. Mukondiwa
C. Ruzengwe
W. Ntini
S. Nyanhongo
N. Mudzamiri
V. Muyambo
J. Jonga
L. Ganda
L. Nyajeka
A. Daka
S. Michael

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

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
M. Lopes
C. Munemo
T. Mavima
H. Des fontaine
L. Mawire
C. Muzerengi

Human Resources Committee
D. Gwande - Chairperson
M. Makaya
Z. Kumwenda

Auditing and Professional Standards Committee
R. Chimanikire - Chairperson
D. Marange
M. Debeer
C. Kazembe
P. Mithal
P. Gwatidzo
T. Mabande
B. Matamba
F. Manyangadze
G. Mafunga
C. Ruzengwe
M. Chanduru
G. Chaitezvi

Continuous Professional Development
M. Makaya - Chairperson
S. Mushosho
K. Lemani
G. Cheater
C. Kazembe
C. Mukondiwa
S. Mavende
T. Mukuku
K. Eceolaza

Public Relations Committee
S. Gwanzura - Chairperson
S. Ndlovu
P. Gwatidzo
A. Karemba
N.P.S Zhou
A. Makamure
Z. Zvenyika
E. Bloch
K. Bhaera
S. Chitewe
J. Shumba

Exam Board
C.B. Thorn - Chairperson
T. Rwodzi
T. Matavire
V. Lapham
M. Harvey
F. Kuipa

Finance and Audit Committee
G. Zvaravanhu - Chairperson
T. Matavire
F. Kuipa
B. Nyajeka
C. Chakona

Public Sector Committee
T. Chizana - Chairperson
S. Mushosho
S. Chitehwe
N. Muvirimi
G. Makura
G. Gumbira
J. Madzorera
G.Hofisi
N. Ziumbe
L. Usayi
Comptroller & Auditor General Representatives
UDCORP Representatives

Executive Committee
C. Malunga - President
B. Njikizana - Senior Vice President
W. Mupanguri - Junior Vice President
M. T Kunaka - Chief Executive Officer

Practice Review Committee
P. Whata - Chairperson
P. Bailey
M. Frudd
G. Sabarauta
M. Tapera
P. Dickinson
T. Purdon

Mashonaland District Society
T. Mudidi - Chairperson
P. Mutataguta
J. Jonga
B. Ndachena
H. Nhende
S. Mushosho
N. Mkwananzi
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
K. Makoni

Canada Chapter
I. Changamire - Chairperson

Cayman Island Chapter
E. Machingambi – Chairperson

CASS
W. Mupanguri – Council Representative
T. Mukogo - President
S. Chitidingu
S. Kabanda
K. Choga
A. Chitewe
C. Mutambirwa

Council Members 2010 - 2011

C. Malunga (President)	Mashonaland
B. Njikizana (Senior Vice President)	Mashonaland
W. Mupanguri (Junior Vice President)	Mashonaland
T. Rwodzi	Mashonaland
C. Kazembe	Mashonaland
F. Kuipa	Mashonaland
M. Makaya	Mashonaland
D. Marange	Mashonaland
M. Harvey	Matabeleland
T. Matavire	Mashonaland
R. Chimanikire	Mashonaland
T. Gumbo	Mashonaland
S. Turk	Mashonaland
B. Thorn	Mashonaland
T. Chikohora	Midlands
S. Gwanzura	Matabeleland
S. Ndhlovu (Mrs)	Mashonaland
Z. Kumwenda	Matabeleland
T. Chizana	Matabeleland
B. Nyajeka	Mashonaland
C. Chakona (Mrs)	Manicaland
D. Gwande	Mashonaland
E. Chisango (Mrs)	Mashonaland
G. Zvaravanhu (Mrs)	Mashonaland

P F Derry	1919
F A Collins	1920
R H Everett	1921
R R Olver	1922
A C Raymer	1923
T J Rooney	1924
T J Rooney	1925
R Olver	1926
F A Collins	1927
F A Collins	1928
C J MacNaughtan	1929
R R Olver	1930
W M Brown	1931
F Rixon	1932
C R Musto	1933
A Keay	1934
T E Speight	1935
E P Vernall	1936
E P Vernall	1937
W V Brown	1938
C J MacNaughtan	1939
P F Derry	1940
W E Scott-Russell	1941
F A Collins	1942
C R Causton	1943
R Williamson	1944
T B Rouse	1945
W J Underwood	1946
W J Underwood	1947
C R Causton	1948
H V Fraser	1949
A Underwood	1950
C R Musto	1951
A J L Lewis	1952
K M Lewis	1953
C R Causton	1954
H B Hone	1955
H B Hone	1956
W B Murray	1957
S G Harsant	1958
L A W Hawkins	1959
B W S O' Connell	1960
A G H Walker	1961
R G Wurth	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
R J Hedley	1971
J F Irvine	1972
C L Reed	1973
E E Skeet	1974
E R Bradford	1975
E E Skeet	1975
C M W Mackay	1976
J A Appleby	1977
J W Morley	1978
J C Roome	1979
D J M Vincent	1980
P J Barnacle	1981
T A Taylor	1982
P L Bailey	1983
J A Atkinson	1984
P Walters	1985
D J M Vincent	1986
M D Frudd	1987
N Kudenga	1988
P W Fearnhead	1989
E S Mangoma	1990
T G Hooley	1991
G Gomwe	1992
P Turner	1993
M R Willis	1994
D Benecke	1995
B Ndebele	1996
S J Hammond	1997
N Nyandoro	1998
M J-R Dube	1999
C B Thorn	2000
J A Mushore	2001
D J Scott	2002
M T Kunaka	2003
E W Bloch	2004
D S Gwande	2005
V L Ndlovu	2006
T L Gumbo	2007
N P S Zhou	2008
E Chisango (Mrs)	2009
C Malunga	2010

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OF ZIMBABWE

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