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THE COUNCIL

Pious Manamike, FCIS	President
Glovah Ngoni Madzima, FCIS	(Vice President)
Denford Mberi FCIS	(Vice President)
Avilla Dororosa Goba (Mrs), FCIS	(Immediate Past President – 2011 – 2012)
Pascal Jerry Mudzikisi, FCIS	(Past President – 2010 -2011)
Constantine Mureyi Alois Mutiwanyuka, FCIS	(Past President - 2009 – 2010)
Joseph Goromonzi, FCIS	(Past President – 2008-2009)
Peter Antony Kadzere, FCIS	(Past President – 2007- 2008)
Obson Matunja, FCIS	
Richard Summers, FCIS	
Sipithi Mailer Nkomo, FCIS	
Simbarashe Admore Davira Dziva, FCIS	
Lovemore Kadenge FCIS	

Branch Chairmen

Lovemore Gomera, ACIS	Harare
Sithembile Ncube, ACIS	Bulawayo
Joseph Bemani, FCIS	Masvingo
Peter Gunhe, ACIS	Gweru
Shepherd Chinaka, ACIS	Mutare

THE SECRETARIAT

Chief Executive Officer & Secretary

Joshua Farai Musamba, FCIS

Manager – Members & Students Services

Tsungirai Tracy Mushonga (Ms)

Finance & Administration Manager

Theresa Mazvabo (Mrs) ACIS

ICT Manager

Remember Mubaiwa

NOTICE AND AGENDA

NOTICE IS HEREBY GIVEN that the 41st Annual General Meeting of the Institute of Chartered Secretaries and Administrators in Zimbabwe will be held on Wednesday 22 May 2013, at Dzidzo House, Eastlea, Harare at 18:00 hours for the following business:-

1. To receive the Report of the Council for 2012.
2. To ratify the appointment of HLB Ruzengwe and Company for the year 2012.
3. To receive the Audited Accounts and the Auditors' Report for the year ended 31 December 2012.
4. To confirm the Auditors remuneration for 2012 and to appoint the Auditors for the ensuing year.
5. To declare the results of the election of members to Council.
6. In terms of Section 6 of the Chartered Secretaries Bye-laws 1973, any member wishing to bring before the Annual General Meeting of the Institute any business not relating to the ordinary annual general meeting business must give notice thereof in writing to the Council at least 21 days before the meeting.
7. In terms of the Institute's Bye-law 52.1 to 52.4, any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll. No person shall be appointed as a proxy unless he/she is a member of the Institute and qualifies to vote. All proxy forms must be received by the Secretary not less than 48 hours before the meeting.
8. Graduates may attend the Annual General Meeting of the Institute and may partake in the proceedings but shall have no voting rights.

By order of the Council.



J.F. MUSAMBA, FCIS
Chief Executive Officer and Secretary

Vision

“To be the leading professional body in the development of leaders in corporate administration.”

The Mission is:

“To promote and advance the efficient administration of commerce, industry and public affairs, through the continuous development of the study and practice of secretaryship, accountancy, administration and corporate governance”

Core values

The Institute’s core values are:

1. Integrity, Honesty and Accountability at all times

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

Honesty – Council, Members, Staff and Students of the Institute must be respectable people with high reputations in business and society at all times. The Institute has a duty to develop and maintain order and good behaviour amongst its members, staff and students.

Accountability – The Institute commits itself to being a responsible body answerable to all its stakeholders by instilling a sense of duty in its members, staff and students.

2. Competence and Proficiency at all times

Competence – The Institute will deliver its mandate by employing and using the highest skill levels in all that it does through qualified and experienced staff.

Proficiency – As a learning body the Institute will develop all talent and aptitude in its members and students and nurture them into fully fledged professionals.

3. Quality Service & Excellence at all times

The Institute will strive for continuous quality enhancement and superior performance in all that it does - collectively and individually.

Institute of Distinction – the Institute’s results will reflect an Institute of high honour in all that it does – as members and as students.

Excellence – all that the Institute endeavours to do must be excellent and superior – nothing less. Members and students must always ask and answer the question “Is my performance excellent?”

Fame & Reputation – ICSAZ wants to build and maintain a reputation of high standing in commerce, industry and public affairs, and all stakeholders must believe and see that in its members, students and staff.

4. Teamwork at all times

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

5. Innovativeness at all times

An organization that does not value and inculcate innovativeness will eventually fall behind others.

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

President's Statement

The year under review was characterised by significant operating and trading constraints, arising mainly from low capacity utilisation, low disposable incomes, general liquidity shortages and high borrowing costs. During the year, many organisations adopted a wait and see attitude. There was a general stagnation in business as most organisations found it difficult to secure funding for their operations. The macro-economic conditions had a bearing on the operations of the Institute as most of our members and students found it difficult to honour their different obligations with the Institute.

Information Communication Technology (ICT)

Despite the challenges, the Institute continued with its programme of upgrading its Information and Communication Technology systems and processes. The Institute has since completed a major phase of this project. This phase, of providing an Integrated Examination System based on the Microsoft Navision software, was completed in the second half of 2012. The upgraded system was successfully used in the May and November 2012 examinations. Through the upgraded system, members are now able to access their information with the Institute and perform transactions regarding payments, registrations and CPD updates online. The upgraded system also enables students to register and make payments for examinations online.

Organisation Design and Development

The Institute also took a decision to review the structure of the Secretariat through an Organisation Design and Development Project. This project has culminated in the adoption of a balanced score card performance management system which is expected to yield improvements in service delivery. The new organisational structure was reviewed resulting in the creation of four new positions including those of the ICT Manager and Technical Manager who are key in the delivery of service to the Institute's stakeholders. These changes will enable members and other stakeholders to receive better services from their Institute.

Students

The future of the Institute lies in its ability to attract and enrol new students who are the future members. This is coupled by offering a relevant curriculum that meets the expectations of industry and commerce. The level of expertise demonstrated by our graduates will determine whether or not employers will continue to demand our services. Future demand is only guaranteed if the students have the skills required by industry, commerce and the public sector. In order to meet this need, a number of initiatives were carried out during the year. The Institute's qualifying scheme has been reviewed in order to align it with the changing needs of industry and commerce. The new qualifying scheme intends to meet the skills and knowledge needs of the future member. This will be achieved through the new integrative case study module which will be examinable from May 2013. The new curriculum also requires students to have hands-on computer skills and industrial attachment with Winter Schools attendance now compulsory. These initiatives should enable us to consolidate our position as the leading professional body in the development of leaders in corporate administration and governance.

International Issues

The Institute continued its engagements at the International Council. The Institute has been involved in deliberations to update the International Council's governance structures. It is pleasing to note that although the deliberations have not yet been concluded there has been reasonable progress towards this goal.

At the time of reporting, the UKRIAT and the Divisions had reached consensus on the major issues and they were finalising the document to be put through to the Privy Council for their perusal, comments and consent before the proposed changes are taken to a Special General Meeting. It is expected that this process should be concluded in 2013.

The Future

In view of the stabilizing economy and the support that the Institute has received and continues to receive from its members, students and other stakeholders, the future of the Institute looks bright.

Conclusion

Our Institute will continue to play an important role in the economy by championing good corporate governance practices and through the efficient and effective administration of companies by our members. To this end, we call upon all members, graduates and students to always demonstrate skill and competence in all their endeavours to be good ambassadors for the Institute. The year 2013 should be the year to expand the horizons of the Institute.

Acknowledgements

I would like to express my appreciation for the unwavering support I received during my term of office. My gratitude goes to all Councillors, Committee members, Members, Students and the Secretariat for their hardwork, loyalty and commitment.



.....
Pious Manamike (FCIS)
President

1 **THE COUNCIL 2012**

1.1 **Council Members**

The following served on the Council for **2012**.

		<u>Meetings Attended</u>
Pious Manamike, FCIS	President	4/4
Glovah Ngoni Madzima, FCIS	(Vice President)	3/4
Denford Mberi (FCIS)	(Vice President)	2/4
Avilla Dororosa Goba (Mrs), FCIS	(Immediate Past President – 2011 – 2012)	3/4
Pascal Jerry Mudzikisi, FCIS	(Past President – 2010 -2011)	3/4
Constantine Mureyi Alois Mutiwanyuka, FCIS	(Past President - 2009 – 2010)	3/4
Joseph Goromonzi, FCIS	(Past President – 2008-2009)	4/4
Peter Antony Kadzere, FCIS	(Past President – 2007- 2008)	3/4
Obson Matunja, FCIS		3/4
Richard Summers, FCIS		3/4
Sipithi Mailer Nkomo, FCIS		4/4
Simbarashe Admore Davira Dziva, FCIS		4/4
Lovemore Kadenge FCIS		4/4

Branch Chairmen

Lovemore Gomera, ACIS	Harare	1/4
Sithembile Ncube, ACIS	Bulawayo	1/2
Joseph Bemani, FCIS	Masvingo	4/4
Peter Gunhe, ACIS	Gweru	2/4
Shepherd Chinaka, ACIS	Mutare	4/4

1.2 **Rotation and Re-election**

Composition of Council: (Council) Bye-laws 1973 Section 3.

The Council consists of ten elected members plus branch chairpersons. For the purpose of continuity in the leadership of the Institute, the Council, in line with the practice at International level, agreed to co-opt the five Past Presidents in the Council. These were **Avilla Dororosa Goba, Pascal Jerry Mudzikisi, Constantine Mureyi Alois Mutiwanyuka, Joseph Goromonzi and Peter Antony Kadzere.**

In terms of the Institute’s Bye-law 25.1, Obson Matunja will retire by rotation and being eligible, offers himself for re-election.

Pascal Jerry Mudzikisi, Constantine Mureyi Alois Mutiwanyuka, Joseph Goromonzi and Peter Antony Kadzere who have been Councillors in accordance with International Bye-laws are retiring and are not offering themselves for re-election.

The 2012/2013 Council, before the elections, stands as follows:-

Elected members	Pious Manamike (President)
	Avilla Dororosa Goba
	Richard Summers
	Simbarashe Admore Davira Dziva
	Glovah Ngoni Madzima
	Sipithi Mailer Nkomo
	Lovemore Kadenge

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

2.0 CORPORATE GOVERNANCE

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

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

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

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

2.1 Executive, Finance and General Purpose Committee

			<u>Meetings Attended</u>
Pious Manamike	FCIS	(President) - Chairman	6/6
Glovah N Madzima	FCIS	(Vice President)	6/6
Denford Mberi	FCIS	(Vice President)	4/6
Avilla D Goba (Mrs)	FCIS	(Immediate Past President)	4/6
Pascal J Mudzikisi	FCIS	(Past President)	4/6
Constantine M A Mutiwanyuka	FCIS	(Past President)	6/6
Joseph Goromonzi	FCIS	(Past President)	4/6
Peter A Kadzere	FCIS	(Past President)	4/6

2.2 Education & Examinations Committee

Pascal J Mudzikisi	FCIS	(Chairman)	3/3
Joseph Makomva	FCIS		3/3
Anne D Colls (Mrs)	FCIS		1/3
Ruth Kaseke (Mrs)	FCIS		0/3
Lovemore Pazvakavambwa	FCIS		3/3
Tyanai Danha	FCIS		3/3
Obson Matunja	FCIS		2/3
Ratidzo Magumbate	FCIS		2/3

2.3 Legislation/Technical Committee

Joseph Goromonzi	FCIS	(Chairman)	3/4
Peter Madara	FCIS		3/4
Winfred E Sanyika	ACIS		4/4
Tendai Mavima	FCIS		2/4
*Leonora Mawire	ACIS		0/2
Davison Chirombo	FCIS		3/4
Norman Ndlovu	ACIS		2/4
Anthony Wisdom	FCIS		2/4
*Constantine Mandengu	ACIS		1/2
Sipithi M Nkomo	FCIS		2/4

2.4 Membership & Professional Competency Committee

Constantine M A Mutiwanyuka	FCIS	(Chairman)	3/3
Anne D Colls (Mrs)	FCIS		2/3
Letitia Nyama (Mrs)	ACIS		2/3
Peter Sai	ACIS		1/3
George Mahembe	FCIS		3/3
Simbarashe A D Dziva	FCIS		3/3
*Rudo Muskwe	FCIS		0/2

2.5 **Marketing & Strategy Committee**

Meetings Attended

Peter A Kadzere	FCIS	(Chairman)	4/4
Sipithi M Nkomo	FCIS		3/4
*Lovemore Kadenge	FCIS		0/2
Gumbisai Mhetu	ACIS		4/4
Obson Matunja	FCIS		2/4
Westard Dzihwema	ACIS		2/4
Avilla D Goba (Mrs)	FCIS		1/4
Richard Summers	FCIS		4/4
Glovah Madzima	FCIS		3/4
Lovemore Gomera	ACIS		3/4

2.6 ****Investigations Committee**

John M Chikura	FCIS	(Chairman)	1/1
Viola Chasi (Mrs)	LLB		1/1
Elliot Mugamu	FCIS		1/1
Underus B M Hove	FCIS		0/1
Richard Summers	FCIS		1/1

2.7 ****Disciplinary Tribunal**

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

2.8 ****Appeals Tribunal**

Cleopas Makoni	FCIS	(Chairman)	1/1
Glovah N Madzima	FCIS		0/1
Wilson V Javangwe	FCIS		1/1
Grace S Chella (Mrs)	FCIS		1/1
Victor Nkomo	LLB		0/1

2.9 **Nominations Committee**

Pious Manamike	FCIS	(President) Chairman	1/2
*Avilla D Goba	FCIS	(Immediate Past President)	2/2
Pascal J Mudzikisi	FCIS	(Past President)	1/2
Constantine M A Mutiwanyuka	FCIS	(Past President)	1/2
Joseph Goromonzi	FCIS	(Past President)	1/2
Peter A Kadzere	FCIS	(Past President)	2/2

- * Lovemore Kadenge joined the Marketing and Strategy Committee after the last Annual General Meeting.
- * Pious Manamike joined the Nominations Committee after the last Annual General Meeting.
- * Anne Colls retired from the Nominations committee after the last Annual General Meeting.
- ** No disciplinary cases were brought to the disciplinary bodies. The disciplinary bodies had one combined routine meeting at the end of the year.
- * Constantine Mandengu and Leonora Mawire joined the Legislation and Technical Committee after the last Annual General Meeting.
- * Rudo Muskwe joined the Membership and Professional Competency Committee after the Annual General meeting.

3.0 MEMBERSHIP OF THE INSTITUTE

One member transferred to another division during the year 2012. There were no transfers from other Divisions during this period.

A sizeable number of members failed to pay their subscriptions. This was attributed to the challenges the Zimbabwean economy is facing. The Institute is carrying out a vigorous exercise to have members pay their subscriptions. Defaulting members and graduates have been published in the Press and 296 were delisted. More defaulting members will be delisted in 2013.

Membership figures of the Institute as at 31 December 2012 are shown below.

	Dec 2012	Dec 2011	Absolute Change	% Change
Fellows	283	294	(11)	(3.74)
Associates	1288	1422	(134)	(9.42)
Graduates	1058	1127	(69)	(6.12)
Total	2629	2843	(214)	(7.53)

	Elections/Additions during the year	De-registrations during the Year	Deaths during the year	Restored To register	Transfers in	Transfers Out	Adjustments between grades
Fellows	5	15	1	Nil	Nil	Nil	-
Associates	27	157	5	7	Nil	1	(5)
Graduates	91	134	5	5	1	Nil	(27)

4.0 MEMBERSHIP AND PROFESSIONAL SERVICES

4.1 Continuing Professional Development (CPD) of Members

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

4.2 Relationship with Government and Regulatory Authorities

The Institute submitted recommendations on budgetary issues to the Ministry of Finance.

It was represented on the Estate Administrators Council and the Lotteries and Gaming Commission. The Institute continued to interact with the companies' Registrar's office on issues affecting members and the profession.

4.3 Members Activities

4.3.1.1 Annual Conference

The Institute held an Annual Conference at the Troutbeck Hotel Resort in Nyanga from 30 September to 2 October 2012. The keynote speaker at the conference was Honourable E. Matinenga. One hundred and ninety eight (198) delegates attended the conference. The theme of the Annual Conference was “Managing in an age of turbulence”.

4.3.1.2 Annual Dinner

The Institute’s 2012 Annual Dinner was held in Harare on 31 July 2012. Mr John M. Chikura (FCIS), the Chief Executive Officer of the Deposit Protection Board was the guest speaker who addressed the diners. Fifty (50) members and their guests attended the dinner.

4.3.2 Chartered Secretary of the Year Award

Mr Simon Chapereka FCIS, the Chief Executive of Fidelity Life Assurance was the winner of the Chartered Secretary of the year 2011 award. The award was presented at the Institute’s Annual Conference. The runner up was Mr E. C. Mbodza (ACIS) Founder and Managing Consultant of Vali and Company, Certified Chartered Accountants.

4.3.3 Annual Charity Golf Tournament

The 2012 Annual Charity Golf Tournament was held on 5 August 2012. A total of 26 teams and individuals participated. An amount of \$4,500 was raised at that event for charity.

4.3.4 Reunion Party

The Institute organised a Reunion Party for members who have been in the profession for 10 years and more. Thirty two (32) members took the opportunity to reconnect with colleagues in the profession.

4.3.5 Harare Branch Activities

The Harare Branch managed to organize cocktail and luncheon functions together with a budget breakfast during the period under review. Dates, topics and speakers for the functions were:-

Date	Participants	Topic	Presenter
20/04/2012	38	The impact of the mining sector on the Zimbabwean economy and the effect of indigenisation.	Mr Mupazviriwo
29/06/2012	38	Indegenisation in the financial sector- The benefits, implications and way forward	Mr L. Gomera
30/08/2012	34	Wither Zimbabwe capital markets – What is a Chartered Secretary’s role in improving their intergrity	Mr T. Chinamo
16/12/2012	53	2013 Budget	Mr T. Mavima Mr G. Kanyenze

4.3.6 **Branch Activities**

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

4.3.7 **Public and Practicing Accountants**

A total of 364 members were registered as Public Accountants as at 31 December 2012.

Members of the Institute are encouraged to register as Public Accountants as well as obtain Practicing Certificates. Members who are in Public practice are encouraged to register with the Institute on the Institute’s Practicing members database.

4.3.8 **Corporate Social Responsibility**

The ICSA Annual Charity Golf Day was used to raise funds for charity. Goods worth \$4,500 from the Golf Tournament were donated to Chingele Children’s Home in Chiredzi, District, Masvingo Province.

4.3.9 **International Affiliations**

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

The Institute retained its membership of the Corporate Secretaries International Association. The CSIA held a Corporate Governance Round Table in New York in September 2012 at which the Institute was represented.

5.0 **STUDENTS SERVICES**

5.1 The students’ registration figures slightly increased from 8,708 in 2011 to 8,714 in 2012.

5.2 Winter School

The students Winter School was held from 22 to 24 June 2012 at the Carribea bay Hotel – Kariba. A total of 99 delegates attended the 2012 Students’ Winter School.

5.3 Curriculum

The Institute was involved in the process of reviewing its curriculum or qualifying scheme. The curriculum and syllabi were finalised and communicated during the second half of 2012. The new curriculum or qualifying scheme will be examined as from May 2013.

5.4 Study Packs

The Institute continued to supply study packs for the Part D subjects. It began a review of the Volume 1 and 11 of the study pack for Advanced Accounting & Financial Reporting. A study pack for Risk Management and the Case Study guide were being worked on at the time of writing. These reading materials should be published in the first half of 2013.

5.5 Examinations

A total of 384 students completed their examinations in 2012 and will graduate on 18 May 2013. This is the largest number to complete examinations in any year for the Institute in Zimbabwe.

5.6 The Prize Winners for the year were:-

Prize Winner	Subject
Ngobile Ndlovu	Business Communication
Moses Mudavanhu Paradza	Quantitative Techniques
Luckmore Chivandire	Economics
Brian Tamuka Ganyiwa	Introduction to Financial Accounting
Tendai Nokuthula Tangirayi	Taxation
Richard Ndebele	Auditing
Amos Masiyatsva	Corporate Financial Management
Faith Tatenda Masarira	General and Strategic Management
Mercia Monica Tshuma	Business Law
Wingie Chiweshe	Advanced Accounting and Financial Reporting
Elizabeth Kachire	Corporate Governance
Sign Masango	Corporate Administration
Millias Zinyambi	Corporate Administration

2012 Best Finalist Students

The year 2012's best student and the winner of the President's trophy was Tatenda Gandiwa
The first runner up and the winner of the Mutare Garments Manufacturers' shield was Lloyd Chibanda.
The second runner up was Knowledge Jori.

5.7 Student Attachment

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

6.0 INSTITUTE OF BUSINESS AND ACCOUNTING STUDIES

Student figures for IBAS improved during the year. The year ended with 1 463 students as compared to 1 381 students in 2011.

7.0 PUBLICATIONS AND PUBLIC RELATIONS

Four issues of the Institute's Chartered Secretary magazine were published during the year 2012. It is expected that the Institute will continue to publish the full complement of four issues in 2013 and also improve in its content.

8.0 STAFF

In line with the 2011/13 Strategic Plan, the Institute embarked on a process of Organisation Design and Development. In line with this plan, two new members of staff joined the secretariat and a third member will be recruited in 2013. This should enable the Institute to improve service delivery.

9.0 INTERNAL CONTROLS

Two internal audit assignments were carried out during the year. The results of each assignment were tabled at the Executive, Finance and General Purpose Committee meetings. Corrective measures which were found to be satisfactory were taken.

10.0 THE INTERNATIONAL COUNCIL

Mr Peter Kadzere, our International Representative, and the Chief Executive and Secretary continued to participate in matters concerning the updating of the Institute's Charter and by-laws. Significant progress has been recorded in this project. All things being equal, the process will be concluded in 2013.

11.0 FUTURE

The country continued to experience liquidity challenges. These have affected the business community

resulting in production and employment figures remaining subdued. Due to lack of employment or under employment members have generally failed to meet their obligations to the Institute.

This situation has affected the resources available to the Institute. The Council hopes that the situation will improve. The year 2013 is going to be an election year, with the Constitutional Referendum and General Elections scheduled to be held during the course of the year. Periods of elections are characterized by anxiety which may affect business and thus impact on Institute members and students. However, it is hoped that the elections will be held in a peaceful environment which will help economic recovery.

12.0 ACKNOWLEDGEMENT

The Council wishes to place on record its appreciation and gratitude to members of the various Committees and their Chairpersons for their efforts in carrying out the committees' respective tasks during the year 2012.

The Council is also grateful to all members, graduates and students who in one way or another contributed to the Institute during the year and hope that this support will continue during the year 2013.

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



.....
PIOUS MANAMIKE (FCIS)

President



.....
JOSHUA FARAI MUSAMBA (FCIS)

Chief Executive Officer and Secretary

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

COUNCILLORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Councillors are responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information. HLB Ruzengwe and Company have audited the financial statements and their report appears on page 19.

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

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

The financial statements set out on pages 20 - 36 were approved by Council on 13 April 2013 and are signed on its behalf by



.....
PIOUS MANAMIKE (FCIS)

President



.....
JOSHUA FARAI MUSAMBA (FCIS)

Chief Executive and Secretary

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

The Institute was established by an Act of Parliament in 1971

NATURE OF BUSINESS:

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

COUNCIL MEMBERS:

P Manamike	President
G. Madzima	Vice President
D. Mberi	Vice President

Members : P.A Kadzere, J. Goromonzi, C.M.A Mutiwanyuka, P.Mudzikisi, S.A.D Dziva, R.Summers, S.M Nkomo, O.Matunja, L.Kadenge, A.D. Goba

Chief Executive and Secretary:

J.F. Musamba

REGISTERED OFFICE:

22-32 McChlery Avenue, Eastlea, Harare

AUDITORS:

HLB Ruzengwe and Company Chartered Accountants (Zimbabwe),
4th Floor, Chiyedza House, Cnr. Kwame Nkrumah Avenue and First Street, Harare.

BANKERS:

Barclays Bank
Commercial Bank of Zimbabwe
FBC Bank
Standard Chartered Bank

LEGAL ADVISORS:

Dube, Manikai and Hwacha

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

We have audited the accompanying financial statements of the Institute of Chartered Secretaries and Administrators in Zimbabwe as set out on pages twenty one to thirty eight, which comprise the statement of financial position as at 31 December 2012 and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Council members' responsibility for the financial statements

The Council members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), for such internal control as Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Institute of Chartered Secretaries and Administrators in Zimbabwe as at 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

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




REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	<u>NOTES</u>	<u>2012</u> USD	<u>2011</u> USD
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	256 888	225 448
Investment in subsidiary	5	1 000	1 000
Long term investment	6	150 259	-
Intangible asset- software	7	181 458	147 272
		<u>589 605</u>	<u>373 720</u>
CURRENT ASSETS			
Inventory	8	30 769	35 875
Accounts receivable	9	9 534	36 508
Short term investments	10	317 278	565 634
Cash and bank balances	11	78 320	38 086
		<u>435 901</u>	<u>676 103</u>
TOTAL ASSETS		<u><u>1 025 506</u></u>	<u><u>1 049 823</u></u>
EQUITY AND LIABILITIES			
RESERVES			
Accumulated fund		697 001	765 671
Non distributable reserves		78 740	78 740
		<u>775 741</u>	<u>844 411</u>
CURRENT LIABILITIES			
Accounts payable	12	198 254	130 163
Related parties	13	51 511	75 249
		<u>249 765</u>	<u>205 412</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1 025 506</u></u>	<u><u>1 049 823</u></u>
<i>M. M. M. M.</i>		13 April 2013	
PRESIDENT		DATE	
		13 April 2013	
CHIEF EXECUTIVE & SECRETARY		DATE	

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR

ENDED 31 DECEMBER 2012

	<u>NOTES</u>	<u>2012</u> USD	<u>2011</u> USD
INCOME			
Revenue	14	1 652 094	1 609 494
Other income	15	147 371	137 928
Finance income		53 098	79 796
Administration costs	16	(1 453 712)	(1 226 299)
Staff costs	16.1	(468 225)	(379 468)
Fair value adjustment on equity investments		704	134
Profit/(loss) for the year		<u>(68 670)</u>	<u>221 585</u>
Total comprehensive (loss)/profit for the year		<u>(68 670)</u>	<u>221 585</u>

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED

31 DECEMBER 2012

	Non Distributable	Accumulated	
	<u>Reserve</u>	<u>Fund</u>	<u>Total</u>
	USD	USD	USD
Balance as at 1 January 2011	78 740	544 086	622 826
Total comprehensive income			
Profit for the year	-	221 585	221 585
Balance as at 31 December 2011	78 740	765 671	844 411
Balance as at 1 January 2012	78 740	765 671	844 411
Total comprehensive income			
Profit for the year	-	(68 670)	(68 670)
Balance as at 31 December 2012	78 740	697 001	775 741

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>NOTES</u>	<u>2012</u> USD	<u>2011</u> USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit for the year		(68 670)	221 585
Adjustments for:			
Depreciation		59 216	52 331
Amortisation of intangible asset		10 664	-
Interest received		(53 098)	(79 796)
Loss /profit on sale of property and equipment		(178)	290
Fair value adjustment on equity investments		(704)	(134)
Net operating cashflows before working capital changes		<u>(52 770)</u>	<u>194 276</u>
Changes in working capital			
Decrease/(increase) in inventories		5 106	(12 028)
Decrease/(increase) in receivables		26 974	(22 080)
Increase/(decrease) in payables		68 091	53 453
Net movement in related party balances		(23 738)	30 900
Total changes in working capital		<u>76 433</u>	<u>50 245</u>
Net cash flow from operating activities		23 663	244 521
Return on investments			
Financing income		53 098	79 796
Fair value adjustment on equity investments		-	134
CASH FLOW FROM INVESTING ACTIVITIES		<u>76 761</u>	<u>324 451</u>
Proceeds from sale of property and equipment		2 367	477
Acquisition of property and equipment		(92 845)	(90 720)
Additions of intangible asset		(44 850)	(147 272)
Reclassification of money market to long term investment		(150 259)	
Cash utilised in investing activities		<u>(285 587)</u>	<u>(237 515)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(208 826)	86 936
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		<u>603 720</u>	<u>516 784</u>
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	11	<u><u>394 894</u></u>	<u><u>603 720</u></u>

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

1. GENERAL INFORMATION

The Institute of Chartered Secretaries and Administrators in Zimbabwe is a registered institute in Zimbabwe which was incorporated by an Act of Parliament in 1971. Its main objectives are the promotion and advancement of the efficient administration of commerce, industry and public affairs by the continued development of the study and practice of secretaryship and administration of companies and other bodies.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Reporting Interpretations Committee (IFRIC) interpretations.

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

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

New and revised standards and interpretations applied

The Institute has early adopted the amendments to IAS 1: Presentation of Financial Statements effective for annual periods beginning on or after 1 July 2012. The amendments:

- Require an entity to present the items of other comprehensive income that may be reclassified to profit or loss in the future if certain conditions are met, separately from those that would never be reclassified to profit or loss.
- Change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

New and revised standards and interpretations in issue not applied

A number of new standards, amendments to standards and interpretations are effective for annual periods after 1 January 2012, and have not been applied in the preparation of these financial statements. Those which may be relevant to the Institute any are set out below. The Institute does not plan to adopt these standards early.

- IFRS 9 : Financial Instruments (2009 and 2010) effective for annual periods beginning on or after 1 January 2015.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

2.1 Statement of compliance (continued)

- IFRS 11: Joint Arrangements (2011) effective for annual periods beginning on or after 1 January 2013,
- IFRS 13 Fair Value Measurement effective for annual periods beginning on or after 1 January 2013.
- IAS 19 (as revised in 2011) Employee Benefits effective for annual periods beginning on or after 1 January 2015.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the Institute's management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

3. ACCOUNTING POLICIES

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

3.1 Revenue

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

3.2 Finance income

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

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

3 ACCOUNTING POLICIES (Continued)

3.3 Property and equipment

Recognition and measurement

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

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

Subsequent costs

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

Depreciation

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

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

Property and equipment continues

Furniture and fittings	10%
Motor vehicles	20%
Computers	20%
Office equipment	10%
Solar equipment	10%

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

3.4 Intangible asset

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

3.5 Provisions

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

3.6 Financial instruments

3.6.1 Non-derivative financial assets

The Institute initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Institute becomes a party to the contractual provisions of the instrument.

The Institute derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Institute is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Institute has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Institute has the following non-derivative financial assets: receivables and cash and cash equivalents.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

3.6 Financial instruments (Continued)

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method, less any impairment losses. Receivables comprise trade and other receivables, including service concession receivables.

Cash and cash equivalents

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

3.6.2 Non-derivative financial liabilities

The Institute initially recognises financial liabilities on the date that they are originated. The Institute derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Institute has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Institute has trade payables as financial liabilities. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3.7 Impairment of assets

All assets are reviewed at each statement of financial position date by management to assess whether there is any indication of impairment and where necessary, assets are written to their recoverable amounts.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

3.8 Employee benefits

3.8.1 Defined contribution plans

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

3.8.2 Termination benefits

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

3.8.3 Short-term employee benefits

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

3.9 Taxation

The Institute is exempted from paying corporate tax by the 3rd Schedule of Income Tax Act Chapter (23:06) paragraph 2(e).

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

PROPERTY AND
4 EQUIPMENT

	<u>Motor Vehicles</u> USD	<u>Computer Equipment</u> USD	<u>Office Equipment</u> USD	<u>Furniture and fittings</u> USD	<u>Solar Project</u> USD	<u>Total</u> USD
Cost or valuation						
Balance at 1 January 2011	124 437	66 857	42 774	35 549	8 200	277 817
Additions	-	42 378	31 772	16 570	-	90 720
Disposals	(1 000)	(9 967)	(1 681)	(2 950)	-	(15 598)
Balance at 31 December 2011	123 437	99 268	72 865	49 169	8 200	352 939
Balance at 1 January 2012	123 437	99 268	72 865	49 169	8 200	352 939
Additions	48 220	21 021	7 210	5 839	10 555	92 845
Disposals	(3 000)	(4 320)	(723)	-	-	(8 043)
Balance at 31 December 2012	168 657	115 969	79 352	55 008	18 755	437 741
Accumulated depreciation						
Balance at 1 January 2011	(19 527)	(35 601)	(10 736)	(19 127)	(5 000)	(89 991)
Depreciation charge for the year	(26 040)	(15 456)	(6 398)	(2 931)	(1 506)	(52 331)
Disposals	604	9 923	1 354	2 950	-	14 831
Balance at 31 December 2011	(44 963)	(41 134)	(15 780)	(19 108)	(6 506)	(127 491)
Balance at 1 January 2012	(44 963)	(41 134)	(15 780)	(19 108)	(6 506)	(127 491)
Depreciation charge for the year	(26 560)	(19 471)	(7 373)	(4 121)	(1 691)	(59 216)
Disposals	2 022	3 544	288	-	-	5 854
Balance at 31 December 2012	(69 501)	(57 061)	(22 865)	(23 229)	(8 197)	(180 853)
Carrying amount						
At 1 January 2011	143 964	102 458	53 510	54 676	13 200	187 826
At 31 December 2011	78 474	58 134	57 085	30 061	1 694	225 448
At 1 January 2012	78 474	58 134	57 085	30 061	1 694	225 448
At 31 December 2012	99 156	58 908	56 487	31 779	10 558	256 888

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	USD	USD
5 INVESTMENT IN SUBSIDIARY		
1000 (50% holding) unquoted equity shares	1 000	1 000
5.1 The Institute holds equity shares (50%) of the total shares issued in Dzidzo House (Pvt) Ltd, the directors valued the shares as at 31 December 2012 at US\$ 1000.		
5.2 The Institute of Business and Accounting Studies (IBAS) is a wholly owned subsidiary of the Institute.		
6 LONG TERM INVESTMENT		
Reclassification from short term money market investment	150 259	-
	<u>150 259</u>	<u>-</u>
7 INTANGIBLE ASSET		
Accounting Software		
Balance at beginning of year	147 272	-
Additions	44 850	147 272
Accumulated amortisation and impairment	(10 664)	-
Balance at the end of year	<u>181 458</u>	<u>147 272</u>
8 INVENTORY		
Held for sale	30 769	35 875
	<u>30 769</u>	<u>35 875</u>
9 ACCOUNTS RECEIVABLE		
Sundry receivables	-	2 044
Prepayments	1 470	15 182
Staff debtors	5 471	8 951
Accrued interest	2 593	10 331
	<u>9 534</u>	<u>36 508</u>
10 INVESTMENTS		
Equities	-	8 045
Unit Trusts	-	19 195
Bonds	-	1 217
Money market (refer to 10.1)	448 137	537 177
Reclassified to long term investment	(130 859)	-
	<u>317 278</u>	<u>565 634</u>
10.1 CONTINGENT LIABILITY		
Included in the money market amount of US\$ 448 137 is an amount of US\$130 859 representing an investment held with Interfin bank which was placed under curatorship during the year. The amount was reclassified to long term investment receivable basing on the agreement made between the Institute and judicial manager over the repayment of the amount and interest accrued over two years. Management is of the opinion that the recoverability of the whole amount is uncertain but can not reliably estimate the amount to be received.		

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	<u>USD</u>	<u>USD</u>
11 CASH AND CASH EQUIVALENTS		
Opening balances		
Cash and bank balances	38 086	127 078
Investments	565 634	389 706
	<u>603 720</u>	<u>516 784</u>
Closing balances		
Cash and bank balances	78 320	38 086
Money market investments	317 278	565 634
	<u>395 598</u>	<u>603 720</u>
Fair value adjustment on equity investments	(704)	
Cash and cash equivalents at year end	<u>394 894</u>	<u>603 720</u>
Net decrease in cash and cash equivalents	<u>(208 826)</u>	<u>86 936</u>
12 ACCOUNTS PAYABLE		
Audit fees	4 905	11 008
Capitation fees-provision	53 209	25 500
Fees prepayments	30 854	19 285
Deposits not yet receipted	60 999	41 449
Accrued expenses	23 779	7 275
Leave pay provision	24 232	24 266
VAT control	221	-
Withholding tax	55	-
Sundry payables	-	1 380
	<u>198 254</u>	<u>130 163</u>
13 RELATED PARTIES		
Amounts owing to related parties (Non-interest bearing)		
Institute of Business and Accounting Studies (IBAS)	41 425	71 967
Dzidzo House(Pvt) Ltd	10 086	3 282
	<u>51 511</u>	<u>75 249</u>

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	USD	USD
14 REVENUE		
Continuous professional development	15 900	14 275
Election fees	8 100	9 157
Examination fees	816 711	760 650
Exemption fees	39 000	54 095
Membership fees	123 020	169 784
New registration	46 430	53 228
Re-registration	405 265	352 685
Public Auditors and Accountants Board subscriptions	11 990	7 865
Annual conference	131 628	156 200
Winter school	54 050	31 555
	<u>1 652 094</u>	<u>1 609 494</u>
15 OTHER INCOME		
Administration fees	40 200	21 000
Annual charity golf day	7 492	5 332
Annual dinner	2 679	-
Gain on disposals	1 387	-
Gowns	4 728	6 515
Graduation fee	-	7 465
Magazine advertising fees	11 363	12 393
Past papers	17 671	21 821
Penalties-current year	16 670	24 376
Study packs	25 396	35 050
Ties	226	207
Sundry income	19 559	3 769
	<u>147 371</u>	<u>137 928</u>

REPORT OF THE INDEPENDENT AUDITORS**TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE****NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012**

	<u>2012</u>	<u>2011</u>
16 ADMINISTRATION COSTS	USD	USD
Audit fees-internal	8 000	6 000
Audit fees-external	4 905	11 008
Annual conference fund	109 989	147 182
Amortisation of intangible asset	10 664	-
Annual golf day expenses	9 702	3 586
Annual dinner	3 493	-
Bank charges	20 504	17 861
Continuing professional development	29 280	23 061
Corporate secretaries international	5 035	5 000
Consultancy fees	47 673	36 825
Capitation fees	89 096	25 500
Computer expenses	36 578	33 971
Communications costs	79 500	51 339
Depreciation	59 216	52 331
Dzidzo House levy	67 511	56 045
Examination costs	280 546	294 187
Functions	45 488	15 810
Graduation prizes	990	900
ICT consultancy	86 236	73 943
Insurance	9 361	8 812
International expenses	17 963	5 256
Legal costs	7 662	-
Library	14 722	14 568
Loss on disposals of assets	1 209	-
Meeting expenses	50 021	22 571
Motor vehicle expenses	18 909	16 818
Office expenses	34 380	19 771
Public Auditors and Accountants Board subscriptions	30 950	26 480
Penalties and interests	-	3 707
Publications	7 023	-
Public relations	73 006	78 426
Printing and stationery	47 254	25 400
Repairs and maintenance	6 105	5 315
Sale of stores expenses & Study packs	25 322	35 686
Travel expenses	74 791	83 370
Winter school expenses	40 628	25 570
	<u>1 453 712</u>	<u>1 226 299</u>

16.1 STAFF COSTS

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

Basic salaries	303 780	251 918
Bonus	25 566	19 929
Wages	35 475	30 730
Medical aid contribution	20 803	14 527
Pension contributions	16 930	14 651
NSSA	1 452	1 464
Workers contribution fund	3 142	2 689
Cash in lieu of leave	14 832	14 526
Staff development costs	501	1 109
Staff uniforms	16 414	12 689
Overtime	18 243	13 310
Long service awards	9 724	-
Other	1 363	1 926
	<u>468 225</u>	<u>379 468</u>

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

17 PENSION AND OTHER POST RETIREMENT OBLIGATIONS

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

17.1 Institute of Chartered Secretaries and Administrators in Zimbabwe Pension Fund

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

17.2 National Social Security Authority

This is a defined contribution scheme established under the National Social Security Authority Act (Chapter 17:04). The Institute's obligations under the scheme are limited to specific contributions as legislated from time to time. These are presently 3% of pensionable emoluments per month per employee to a maximum of US\$ 200 basic salary for the period under review.

18 FINANCIAL RISK MANAGEMENT

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

18.1 Credit risk management

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

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

18.2 Interest rate risk management

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

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

18 FINANCIAL RISK MANAGEMENT (Continued)

18.3 Liquidity risk management

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

19. POST BALANCE SHEET EVENTS

No adjusting or significant non adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

20. GOING CONCERN

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