

ANNUAL REPORT



**Institute of Chartered Secretaries and Administrators in
Zimbabwe**

2013

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THE COUNCIL

Glovah Ngoni Madzima, FCIS	President
Richard Anderson Summers, FCIS	(Vice President)
Sipithi Mailer Nkomo, FCIS	(Vice President)
Pious Manamike, FCIS	(Immediate Past President – 2012 – 2013)
Avilla Dororosa Goba (Mrs), FCIS	(Past President – 2011 – 2012)
Simbarashe Admore Davira Dziva, FCIS	
Lovemore Kadenge, FCIS	
Paradza Paradza (Dr), FCIS	
George Mahembe, FCIS	
Charles Nhemachena, FCIS	

Branch Chairmen

Loice Kunyongana (Ms), FCIS	Harare
Sithembile Ncube (Mrs), FCIS	Bulawayo
Joseph Bemani (Dr), FCIS	Masvingo
Godfrey Nyika, 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

Technical Manager

Nelson Maseko, ACIS

NOTICE AND AGENDA

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the Institute of Chartered Secretaries and Administrators in Zimbabwe will be held on Wednesday 21 May 2014, at Dzidzo House, Eastlea, Harare at 18:00 hours for the following business:-

1. To receive the Report of the Council for 2013.
2. To ratify the appointment of HLB Ruzengwe and Company for the year 2013.
3. To receive the Audited Accounts and the Auditors' Report for the year ended 31 December 2013.
4. To confirm the Auditors remuneration for 2013 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 By-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 should have given notice thereof in writing to the Council by 15 February 2014.
7. In terms of Section 10 of the Institute's General By-laws, 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, Students and Staff 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, students and staff.

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

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

It is my pleasure to join my colleagues in presenting the 2013 ICSAZ annual report to our members, graduates and students in particular and all our stakeholders in general.

The year 2013 began with so much hope for the improvement of the business environment but unfortunately this hope could not be translated into reality as the economic growth decelerated reflecting the impact of adverse weather conditions, low liquidity, and election year uncertainty among other factors. Consequently, the subdued business environment had a negative impact on the operations of the Institute.

Information Communication Technology

The Institute had its first full year of the use of the Microsoft Navision Enterprise Resource Planner (software). The system has improved the information flow at the Institute and enabled a number of system control enhancements to be put in place. To further improve the service provided to the members, the Institute has approved a further enhancement of the system which will result in the system including an online banking solution. This solution will enable real-time interface between the bank and the Institute.

Such a system will enable the members and students to transact better with the Institute and reduce the need for the depositor of funds to having to bring physical copies to the Institute. It is expected that the enhancement will be commissioned by mid 2014.

The Institute has also enhanced communication to members, graduates and students through the use of the bulk SMS platform and electronic mail.

Students

The new qualifying scheme was implemented in 2013. This was through the Integrative Case Study which was examined for the first time in May 2013. The implementation of the Integrative Case Study will result in lower graduates for perhaps the first two years. This is due to the requirement that students can only register to write the Integrative Case Study if they have passed or been exempted, where applicable, from the prior seventeen subjects of the course.

The number of students ready to sit the Integrative Case Study has been increasing at each sitting. It is expected that this will reach the normal levels as from May 2015.

International Issues

ICSA

The Institute of Chartered Secretaries and Administrators in Zimbabwe (ICSAZ) is a division of the Institute internationally. 2013 saw the culmination of the engagement between the divisions and the United Kingdom Republic of Ireland and Associated Territories (UKRIAT) on the updating of the Charter and by laws.

At the end of the year 2013 the Institute, internationally, held a Special General Meeting where the amendments to the Charter and By laws were approved. As a result of this approval the new Charter and by laws, once approved by the Privy Council, will be implemented in 2014. All things being equal, the first Council meeting to be held under the new by laws should be held by mid 2014.

CSIA

Your Institute is a member of the Corporate Secretaries International Association (CSIA), an International federation of professional bodies that promote best practices in corporate secretarial, corporate governance and compliance services. Its mission is to develop and grow the study and practice of Secretaryship, to improve professional standards, the quality of governance practice and organisational performance. Among its major projects for 2013 was the development of the Company Secretaries Toolkit. This project will be completed in 2014 and the Toolkit will be launched in the 2nd quarter of 2014.

Local By laws

The Institute also took the opportunity presented to update the local by laws. This process will allow the local by laws to be updated in line with the new provisions in the new international by laws. The process will also result in the consolidation of the Institute's by laws into one set of by laws. The draft by laws have now been presented to the Ministry of Justice, Legal and Parliamentary Affairs for their action.

Corporate Governance Awards

As part of its role to improve corporate governance in Zimbabwe the Institute introduced the first Excellence in Corporate Governance Awards for Zimbabwe Stock Exchange (ZSE) listed companies. These awards were well received by the stakeholders. Details of the winners are covered in the Report of Council. The Institute will be running these awards for the second year. It will learn from the experience gained in 2013 to deliver an improved set of awards.

Conclusion

Over the past few years the Institute has been taking measures to consolidate the Institute’s position on the market. These measures will enhance the Institute’s brand in Zimbabwe and position it well for the future.

The Institute’s future will be secured by continuous innovation on how best to meet the needs of the various stakeholders. In this regard the Institute will continue to focus on how it can best serve the interests of its members, graduates, students and employers. The intention in 2014 and beyond is to focus on this aspect so as to achieve the desired objectives.

Acknowledgements

May I take this opportunity to acknowledge the support I received during the year from all members, councillors, committee members, students and secretariat. Without the support, my task would have been onerous. May this kind of support continue to be extended in the future.



.....

Glovah Ngoni Madzima (FCIS)
President

1 **THE 2013 COUNCIL**

1.1 **Council Members**

The following served on the Council for 2013.

Meetings Attended

Glovah Ngoni Madzima, FCIS	President	4/5
Richard Anderson Summers, FCIS	(Vice President)	5/5
Sipithi Mailer Nkomo, FCIS	(Vice President)	5/5
Pious Manamike, FCIS	(Immediate Past President – 2012 – 2013)	4/5
Avilla Dororosa Goba (Mrs), FCIS	(Past President – 2011 – 2012)	4/5
Simbarashe Admore Davira Dziva, FCIS		5/5
Lovemore Kadenge, FCIS		3/5
*Paradza Paradza (Dr) FCIS		3/5
*George Mahembe, FCIS		3/5
*Charles Nhemachena, FCIS		3/5
**Joseph Goromonzi, FCIS		1/5
** Peter Antony Kadzere, FCIS		1/5
**Pascal Jerry Mudzikisi, FCIS		1/5
**Constantine Mureyi Alois Mutiwanyuka, FCIS		1/5
**Obson Matunja (Dr), FCIS		1/5
**Lovemore Nhamo Gomera, FCIS		1/5

Branch Chairmen

*Loice Kunyongana (Ms), FCIS	Harare	4/5
Sithembile Ncube (Mrs), FCIS	Bulawayo	5/5
Joseph Bemani (Dr), FCIS	Masvingo	5/5
*Godfrey Nyika, ACIS	Gweru	3/5
Shepherd Chinaka, ACIS	Mutare	4/5
**Peter Gunhe, ACIS	Gweru	1/5

1.2 Rotation and Re-election

Composition of Council: (Council) By laws 1973 Section 3.

The Council consists of ten elected members plus branch chairmen.

In terms of the Institute's By law 25.1, Avilla Dororosa Goba, Glovah Ngoni Madzima and Sipithi Mailer Nkomo will retire by rotation. Being eligible, Glovah Ngoni Madzima and Sipithi Mailer Nkomo offer themselves for re-election.

The 2014/2015 Council, before the elections, stands as follows:-

Elected members

Pious Manamike (Past President)
Richard Anderson Summers (Vice President)
Simbarashe Admore Davira Dziva
Lovemore Kadenge
George Mahembe
Paradza Paradza (Dr)
Charles Nhemachena

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>
Glovah Ngoni Madzima	FCIS	(President)	10/10
*Richard Anderson Summers	FCIS	(Vice President)	7/10
*Sipithi Mailer Nkomo	FCIS	(Vice President)	7/10
Pious Manamike	FCIS	(Immediate Past President)	9/10
Avilla Dororosa Goba	FCIS	(Past President)	6/10
**Pascal Jerry Mudzikisi	FCIS	(Past President)	3/10
**Peter Antony Kadzere	FCIS	(Past President)	3/10
**Joseph Goromonzi	FCIS	(Past President)	3/10
**Constantine Mureyi Alois Mutiwanyuka	FCIS	(Past President)	1/10

2.2 **Education & Examinations Committee**

*Richard Anderson Summers	FCIS	(Chairman)	2/3
Pascal Jerry Mudzikisi	FCIS		3/3
Joseph Makomva	FCIS		1/3
Pious Manamike	FCIS		0/3
*Paradza Paradza(Dr)	FCIS		1/3
*Anne Denise Colls (Mrs)	FCIS		1/2
Ruth Runyararo Kaseke (Ms)	FCIS		1/3
Lovemore Pazvakavambwa	FCIS		1/3
Obson Matunja (Dr)	FCIS		2/3
Ratidzo Magumbate	FCIS		1/3
**Tyanayi Danha	FCIS		1/3
**Lovemore Kadenge	FCIS		1/3

2.3 **Legislation/Technical Committee**

Sipithi Mailer Nkomo	FCIS	(Chairman)	2/3
Peter Madara	FCIS		2/3
Winfred Edson Sanyika	ACIS		1/3
Tendai Mavima	FCIS		0/3
Warner Mtisi	FCIS		0/3
Davison Chirombo	FCIS		3/3
Norman Ndlovu	ACIS		2/3
Pension Matuku	ACIS		1/3
*Florid Mashonga	ACIS		2/3
Joseph Goromonzi	FCIS		2/3
**Constantine Mandengu	FCIS		1/3
**Leonora Mawire	ACIS		0/3
**Antony Wisdom	FCIS		0/3

2.4 **Membership & Professional Competency Committee**

*Pious Manamike	FCIS	(Chairman)	1/4
Constantine Mureyi Alois Mutiwanyuka	FCIS		4/4
Anne Denise Colls (Mrs)	FCIS		2/4
Letitia Nyama (Mrs)	ACIS		4/4
Peter Sai	ACIS		2/4
George Mahembe	FCIS		4/4
Simbarashe Admore Davira Dziva	FCIS		3/4
**Constantine Mandengu	FCIS		2/4
**Rudo Muskwe			0/4

2.5 **Marketing & Strategy Committee**

			<u>Meetings Attended</u>
Avilla Dororosa Goba	FCIS	(Chairman)	4/5
Peter Antony Kadzere	FCIS		2/5
Lovemore Kadenge	FCIS		3/5
Gumbusai Mhetu	ACIS		4/5
Obson Matunja (Dr)	FCIS		4/5
Westard Dzihwema	ACIS		4/5
Richard Anderson Summers	FCIS		3/5
Glovah Ngoni Madzima	FCIS		2/5
*Charles Nhemachena	FCIS		2/5
Lovemore NhamoGomera	ACIS		1/5
**Pious Manamike	FCIS		1/5

2.6 **Investigations Committee**

John Mafungei Chikura	FCIS	(Chairman)	4/5
Viola Chasi (Mrs)	LLB		3/5
Elliot Mugamu	FCIS		5/5
Underus Buragu Masvina Hove	FCIS		5/5

2.7 **Disciplinary Tribunal**

Peter Madara	FCIS	(Chairman)	2/2
Sibongile Mhlanga (Ms)	ACIS		0/2
Eric Harid	FCIS		2/2
William Kent Lunt	LLB		2/2
Michael Nyamazana	FCIS		2/2

2.8 ****Appeals Tribunal**

Cleopas Makoni	FCIS	(Chairman)
Vunganai Wilson Javangwe	FCIS	
Grace Slava Chella (Mrs)	FCIS	
Victor Nkomo	LLB	

2.9 **Nominations Committee**

*Glovah Ngoni Madzima	FCIS	(President) Chairman	0/4
Pious Manamike	FCIS	(Immediate Past President)	4/4
Avilla Dororosa Goba	FCIS	(Past President)	1/4
**Pascal Jerry Mudzikisi	FCIS	(Past President)	3/4
**Constantine Mureyi Alois Mutiwanyuka	FCIS	(Past President)	4/4
**Joseph Goromonzi	FCIS	(Past President)	4/4
**Peter Antony Kadzere	FCIS	(Past President)	2/4

- * C. Nhemachena, Dr P. Paradza, G. Mahembe, L. Kunyongana and G. Nyika joined the Council after the last Annual General Meeting.
- * R.A Summers and S.M Nkomo joined the Executive, Finance and General Purpose Committee after the last Annual General Meeting.
- * R.A Summers, A. D Colls, and Dr P. Paradza joined the Education and Examinations Committee after the last Annual General Meeting.
- * F. Mashonga joined the Legislation/Technical Committee after the last Annual General Meeting.
- * P. Manamike joined the Membership & Professional Competency Committee after the last Annual General Meeting.
- * C. Nhemachena joined the Marketing and Strategy Committee after the last Annual General Meeting.
- * G.N Madzima joined the Nominations Committee after the last Annual General Meeting.
- ** No disciplinary cases were brought to the Appeals Tribunal.
- ** P.A Kadzere, P.J Mudzikisi, C.M.A Mutiwanyuka, O. Matunja (Dr), L.N Gomera and P. Gunhe retired from the Council before the last Annual General Meeting.
- ** P.A Kadzere, J. Goromonzi, P.J Mudzikisi and C.M.A Mutiwanyuka retired from the Executive, Finance and General Purpose Committee before the last Annual General Meeting.
- ** T. Danha and L. Kadenge retired from the Education and Examinations Committee before the last Annual General Meeting.
- ** C. Mandengu and L. Mawire retired from the Legislation/Technical Committee before the last Annual General Meeting.
- ** A. Wisdom, Legislation/Technical Committee member passed away before the last Annual General Meeting.
- ** C. Mandengu and R. Muskwe retired from the Membership & Professional Competency Committee before the last Annual General Meeting.
- ** P. Manamike retired from the Marketing and Strategy Committee before the last Annual General Meeting.

3.0 MEMBERSHIP OF THE INSTITUTE

Six members transferred to other divisions during the year 2013. 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 members were delisted during the year. More defaulting members will be delisted in 2014.

Membership figures of the Institute as at 31 December 2013 are shown below.

	Dec 2013	Dec 2012	Absolute Change	% Change
Fellows	277	283	6	(2.12)
Associates	1179	1288	109	(8.46)
Graduates	1364	1058	306	28.92
Total	2820	2629	191	7.27

	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	8	13	1	Nil	Nil	Nil	-
Associates	45	141	3	Nil	Nil	2	8
Graduates	458	103	4	Nil	Nil	4	45

4.0 MEMBERSHIP AND PROFESSIONAL SERVICES

4.1 Continuing Professional Development (CPD) of Members

Members are expected to input at least 20 CPD hours every year. In order to meet this requirement 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.

4.2 Relationship with Government and Regulatory Authorities

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

It continued to be represented on the Estate Administrators Council and the Lotteries and Gaming Commission.

The Institute continued to interact with the companies' Registrar's office and ZIMRA 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 Elephant Hills Resort in Victoria Falls from 28 September to 30 September 2013. The keynote speaker at the conference was Clive Douglas Kneale from South Africa. One hundred and eighty nine (189) delegates attended the conference. The theme of the Annual Conference was “Enhancing Stakeholder Value through Good Corporate Governance”.

4.3.1.2 Annual Dinner

The Institute’s 2013 Annual Dinner was held in Harare on 1 November 2013. Mr Douglas Mboweni, the Chief Executive Officer of Econet Wireless was the guest speaker who addressed the diners. Fifty two (52) members and their guests attended the dinner.

4.3.2 Chartered Secretary of the Year Award

Mr John Mafungei Chikura (FCIS), the Chief Executive Officer of the Deposit Protection Corporation was the winner of the Chartered Secretary of the year 2012 award. The award was presented at the Institute’s Annual Conference. The runner up was Ms Sibongile Mhlanga (ACIS), the Company Secretary of ZIMRE Holdings.

4.3.3 Corporate Governance Awards

The Institute launched the Excellence in Corporate Governance Awards for ZSE listed companies. These were held for the first time in October 2013. The awards were well received by the various stakeholders. They will be held annually. The following were the winners of the inaugural awards.

List of winning companies per Award Category

Section A: Shareholder Treatment	Section B: Stakeholder Practices & Sustainability Reporting	Section C: Board Practices	Overall: Best-governed Company
1. Meikles Limited	1. Turnall Holdings Limited	1. British American Tobacco Zimbabwe	1. Turnall Holdings Limited
2. Econet Wireless Zimbabwe Limited	2. Dairibord Holdings Limited	2. Turnall Holdings Limited	2. British American Tobacco Zimbabwe
3. British American Tobacco Zimbabwe	3. Mwana Africa PLC	3. Border Timbers Limited	3. Econet Wireless Zimbabwe Limited

4.3.4 Annual Charity Golf Tournament

The 2013 Annual Charity Golf Tournament was held on 19 July 2013. A total of 14 teams and individuals participated at the event held to raise funds 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 eight (38) members took the opportunity to reconnect with colleagues in the profession.

4.3.5 Harare Branch Activities

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

Date	Participants	Topic	Presenter(s)
25/7/2013	46	Current bill on the new tax reforms - the likely impact on the economy in the event that the bill passes into law.	Maxwell Mangoro
24/10/2013	31	Business prospects for industry and commerce in the current legislative dispensation, viz, the opening up of investment lines and industry revival.	Professor Tony Hawkins
20/12/2013	66	2014 Budget Breakfast	Leonora Mawire Brains Muchemwa

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 298 members were registered as Public Accountants as at 31 December 2013. 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 and Annual Conference were used to raise funds for charity. Goods worth \$2,000 were donated to Kutenda Children's Home in Mashonaland Central.

4.3.9 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 Malaysia in October 2013 at which the Institute was represented. The Institute also participated in the crafting of the Company Secretaries Toolkit. This toolkit will be launched in the first half of 2014.

5.0 STUDENTS SERVICES

5.1 The students' registration figures slightly decreased from 8 714 in 2012 to 7 689 in 2013. The decline in the students body is attributed to the difficult economic environment characterized by liquidity challenges in the market.

5.2 Winter School

Two students Winter Schools were held during the year. One was held in Bulawayo at the Cresta Churchill Hotel from 31 May to 1 June 2013. It was attended by ninety eight delegates. The other Winter School was held at Montclair Hotel in Nyanga from 28 to 30 June 2013. Sixty delegates attended the Winter School.

5.3 Curriculum

The Institute's new curriculum was implemented in May 2013. The new curriculum or qualifying scheme was examined for the first time in May 2013 when candidates were given the opportunity to sit for the Integrative Case Study. Pass rates in the Integrative Case Study have been satisfactory.

5.4 Study Packs

The Institute continued to supply study packs for the Part D subjects. It reviewed Volume 1 and 11 of the study pack for Advanced Accounting & Financial Reporting. Study packs for Risk Management and the Integrative Case Study were also published in 2013.

5.5 Examinations

A total of 66 students completed their examinations in 2013 and will graduate on 26 April 2014. This number is lower than usual as it is the first graduation after the introduction of the new qualifying scheme. A reduced number of students sat the examinations as finalists after many had taken the opportunity to sit the supplementary examinations conducted before the changeover to the new qualifying scheme.

5.6 The Prize Winners for the year were:-

Prize Winner	Subject
Johnson Bungu	Business Communication
Emmanuel Rimai	Business Law
Teurai Nyamowa	Economics
Glorify Batsirai Mandima & Tafadzwa Katsidzira	Introduction to Financial Accounting
Simbarashe Chivaro	Auditing
Simbarashe Marufu	Human Resources Management
Hisekani Muringo Baloyi	General and Strategic Management
Noriet Tinotenda Chokunonga	Cost and Management Accounting
Betty Karonga	Advanced Accounting and Financial Reporting
Eunice Kagore and Stanley Mapira	Corporate Governance & Risk Management
Anna Mushunje, Simbarashe Mugara & Judge Nyathi	Corporate Financial Management

2013 Best Finalist Students

The year 2013's best student and the winner of the President's trophy was Honest Chikucha.

The first runner up and the winner of the Mutare Garments Manufacturers' shield was Lawrence Nyakasoka.

The second runner up was Ngonidzashe Nyamuraradza.

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 the Institute decreased during the year. The year ended with 1 198 students as compared to 1 463 students in 2012.

7.0 PUBLICATIONS AND PUBLIC RELATIONS

Four issues of the Institute's Chartered Secretary magazine were published during the year 2013. It is expected that the Institute will continue to publish the full complement of four issues in 2014.

8.0 STAFF

There were no major changes in the Institute's staff compliment during the year. The significant change was the recruitment of Nelson Maseko to become the Institute's Technical Manager following the organisation's restructuring exercise. The Institute also recruited a new Personal Assistant to the Chief Executive and Secretary as a replacement.

9.0 INTERNAL CONTROLS

Three 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 were taken in areas pointed out by the audits.

10.0 THE INTERNATIONAL COUNCIL

Following the elections for the International Council Representative, Mr Joseph Goromonzi (FCIS), was confirmed the division's elected Representative. He attended his first meetings in December 2013 where the By laws were adopted by members at the Special General Meeting. The revised Charter and By laws have now been submitted to the Privy Council for enactment into law. They should be in place by mid of 2014. He also attended the International Council meeting held in December 2013.

11.0 FUTURE

The country continues to encounter challenges on the economic front. This has affected the ability of members to meet their obligations to the Institute. Reduced student numbers have also been witnessed during the period. The Institute has put in robust measures to encourage members to meet their obligations and to recruit and retain students. These measures should help sustain the Institute going forward.

12.0 ACKNOWLEDGEMENT

The Council wishes to place on record its appreciation and gratitude to members of the various Committees and their Chairmen for their efforts in carrying out the committees' respective tasks during the year 2013.

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 2014.

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



.....
GLOVAH NGONI MADZIMA (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 21.

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 23 - 39 were approved by Council on 12 April 2014 and are signed on its behalf by



.....
GLOVAH NGONI MADZIMA (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 the Chartered Secretaries Act (Chapter 27 :03) 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:

G.N Madzima

President

S.M Nkomo

Vice President

R.A Summers

Vice President

Members : P. Manamike, A.D Goba, S.A.D Dziva, L. Kadenge, C. Nhemachena, G. Mahembe, P. Paradza.

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:

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 three to thirty nine, which comprise the statement of financial position as at 31 December 2013 and the statement of comprehensive income, the statement of changes in reserves 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), Chartered Secretaries Act (Chapter 27:03) and for such internal controls as management 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2013 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).



HLB RUZENGWE AND COMPANY
Chartered Accountants (Zimbabwe)



HARARE

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 2013

ASSETS	<u>NOTES</u>	<u>2013</u>	<u>2012</u>
		USD	USD
NON-CURRENT ASSETS			
Property and equipment	4	239 961	256 888
Investment in subsidiary	5	1 000	1 000
Long term investment	10.1	155 959	150 259
Intangible asset- software	7	<u>117 902</u>	<u>181 458</u>
		<u>514 822</u>	<u>589 605</u>
CURRENT ASSETS			
Inventory	8	38 120	30 769
Accounts receivable	9	12 106	9 534
Short term investments	10	348 229	317 278
Cash and bank balances		91 232	78 320
Related party balances	14	<u>13 164</u>	<u>-</u>
		<u>502 851</u>	<u>435 901</u>
TOTAL ASSETS		<u><u>1 017 673</u></u>	<u><u>1 025 506</u></u>
EQUITY AND LIABILITIES			
RESERVES			
Accumulated surplus/(deficit)		788 903	697 001
Non distributable reserves		<u>78 740</u>	<u>78 740</u>
		<u>867 643</u>	<u>775 741</u>
CURRENT LIABILITIES			
Accounts payable	12	48 303	115 908
Related parties		-	51 511
Provisions	13	<u>101 727</u>	<u>82 346</u>
		<u>150 030</u>	<u>249 765</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1 017 673</u></u>	<u><u>1 025 506</u></u>
			
<hr/> PRESIDENT		12 APRIL 2014 DATE	
			
<hr/> CHIEF EXECUTIVE & SECRETARY		12 APRIL 2014 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 COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>NOTES</u>	<u>2013</u> USD	<u>2012</u> USD
INCOME			
Revenue	15	1 833 161	1 652 094
Other income	16	229 242	147 371
Finance income		40 642	53 098
Administration costs	17	(1 442 448)	(1 453 712)
Staff costs	17.1	(574 569)	(468 225)
Fair value adjustment on investments		5 874	704
Surplus/(Deficit) for the year		<u>91 902</u>	<u>(68 670)</u>
Other Comprehensive Income		-	-
Total comprehensive surplus/(deficit) for the year		<u>91 902</u>	<u>(68 670)</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 RESERVES FOR THE YEAR ENDED

31 DECEMBER 2013

	Non Distributable	Accumulated	
	<u>Reserve</u>	<u>Fund</u>	<u>Total</u>
	USD	USD	USD
Balance as at 1 January 2012	78 740	765 671	844 411
Deficit for the period	-	(68 670)	(68 670)
Balance as at 31 December 2012	78 740	697 001	775 741
Balance as at 1 January 2013	78 740	697 001	775 741
Surplus for the period	-	91 902	91 902
Balance as at 31 December 2013	78 740	788 903	867 643

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 CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013**

	<u>NOTES</u>	<u>2013</u>	<u>2012</u>
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus/(deficit) for the period		91 902	(68 670)
Adjustments for:			
Depreciation		76 020	59 216
Amortisation of intangible		63 556	10 664
Interest received		(40 642)	(53 098)
Surplus/(Deficit) on sale of property and equipment		525	(178)
Fair value adjustment on equity investments		(5 874)	(704)
		<hr/>	<hr/>
Net operating cash flows before working capital changes		185 487	(52 770)
Changes in working capital			
Decrease/(increase) in inventories		(7 351)	5 106
Decrease/(increase) in receivables		(2 572)	26 974
Increase/(decrease) in payables		(67 605)	46 519
Increase/(decrease) in provisions		19 381	21 572
Net movement in related party balances		(64 675)	(23 738)
		<hr/>	<hr/>
Total changes in working capital		(122 822)	76 433
Net cash flow from operating activities		62 665	23 663
Return on investments			
Finance income		40 642	53 098
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES		103 307	76 761
Proceeds from sale of property and equipment		777	2 367
Acquisition of property and equipment		(60 395)	(92 845)
Additions of intangible asset		-	(44 850)
Proceeds from disposal of long term investment		174	(149 555)
		<hr/>	<hr/>
Cash utilised in investing activities		(59 444)	(284 883)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		43 863	(208 122)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		395 598	603 720
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	11	439 461	395 598
		<hr/> <hr/>	<hr/> <hr/>

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 2013

1. GENERAL INFORMATION

The Institute of Chartered Secretaries and Administrators in Zimbabwe is a registered Institute in Zimbabwe which was incorporated by the Chartered Secretaries Act (Chapter 27:03) 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 Financial 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 applied the following standards but they had no material impact on the current amounts and prior periods presented;

- 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.

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 2013, and have not been applied in the preparation of these financial statements. Those which may be relevant to the Institute are set out below. The Institute does not plan to adopt these standards early.

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 2013

2.1 Statement of compliance (continued)

- IAS 19 (as revised in 2011) Employee Benefits effective for annual periods beginning on or after 1 January 2015.
- IFRS 9: Financial Instruments (2009 and 2010) effective for annual periods beginning on or after 1 January 2015.

2.2 Basis of measurement

The financial statements have been prepared on the 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 on-going 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. Interest is recognised on an 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 2013

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 and direct labour, 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 as surplus or deficit 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 continued

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 2013

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 surplus/deficits) 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 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.

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 and any directly attributable transaction costs are expensed. Subsequent to initial recognition, receivables are measured at fair value through the surplus and deficit account. 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.

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 2013

3.6 Financial instruments (Continued)

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.

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 the 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 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

INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS IN ZIMBABWE

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

4 PROPERTY AND 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 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
Balance at 1 January 2013	168 657	115 969	79 352	55 008	18 755	437 741
Additions	24 310	15 510	3 000	17 575	-	60 395
Disposals	-	(4 520)	(1 858)	(703)	(500)	(7 581)
Balance at 31 December 2013	192 967	126 959	80 494	71 880	18 255	490 555
Accumulated depreciation						
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)
Balance at 1 January 2013	(69 501)	(57 061)	(22 865)	(23 229)	(8 197)	(180 853)
Depreciation charge for the year	(38 001)	(23 288)	(8 040)	(4 855)	(1 836)	(76 020)
Disposals	-	4 459	843	493	484	6 279
Balance at 31 December 2013	(107 502)	(75 890)	(30 062)	(27 591)	(9 549)	(250 594)
Carrying amount						
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
At 1 January 2013	99 156	58 908	56 487	31 779	10 558	256 888
At 31 December 2013	85 465	51 069	50 432	44 289	8 706	239 961

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 2013

	<u>2013</u>	<u>2012</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 2013 at US\$ 1000.		
5.2 The Institute of Business and Accounting Studies (IBAS) is a wholly owned subsidiary of the Institute. However management have not yet determined the value of the subsidiary.		
6 LONG TERM INVESTMENT		
Money market (refer to note 10.1)	130 859	130 859
Equity	25 100	19 400
	<u>155 959</u>	<u>150 259</u>
7 INTANGIBLE ASSET		
Accounting Software		
Cost	192 122	147 272
Additions	-	44 850
Accumulated amortisation and impairment	(74 220)	(10 664)
Balance at the end of year	<u>117 902</u>	<u>181 458</u>
8 INVENTORY		
Held for sale	38 120	30 769
	<u>38 120</u>	<u>30 769</u>
9 ACCOUNTS RECEIVABLE		
Sundry receivables	47	-
Prepayments	3 917	1 470
Staff debtors	8 142	5 471
Accrued interest	-	2 593
	<u>12 106</u>	<u>9 534</u>
10 SHORT TERM INVESTMENTS		
Money market	348 229	448 137
Reclassified to long term investment (refer to note 10.1)	-	(130 859)
	<u>348 229</u>	<u>317 278</u>
10.1 Included in the long term investments is an amount of US\$130 859 representing an investment held with Interfin bank which was placed under curatorship during the year 2012. 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. The Reserve Bank of Zimbabwe has extended the period of curatorship from 9 June 2013 to 31 December 2014.		

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 2013

11 CASH AND CASH EQUIVALENTS	2013	2012
	USD	USD
Opening balances		
Cash and bank balances	78 320	38 086
Money market investments	317 278	565 634
	395 598	603 720
Closing balances		
Cash and bank balances	91 232	78 320
Money market investments	348 229	317 278
Cash and cash equivalents at year end	439 461	395 598
(Decrease)/Increase in cash and cash equivalents	43 863	(208 122)
12 ACCOUNTS PAYABLE		
Fees prepayments	14 508	30 854
Deposits not yet receipted	13 756	60 999
Accrued expenses	15 083	23 779
VAT control	-	221
Withholding tax	4 809	55
Sundry payables	147	-
	48 303	115 908
13 PROVISIONS		
Provision for audit fees	9 422	4 905
Provision for capitation fees	35 727	53 209
Provision for bonus	24 154	-
Leave pay provision	32 424	24 232
	101 727	82 346
14 RELATED PARTIES		
Amounts owing by related parties (Non-interest bearing)		
Institute of Business and Accounting Studies (IBAS)	6 339	-
Dzidzo House(Pvt) Ltd	6 825	-
	13 164	-
Amounts owing to related parties (Non-interest bearing)		
Institute of Business and Accounting Studies (IBAS)	-	41 425
Dzidzo House(Pvt) Ltd	-	10 086
	-	51 511

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 2013

	<u>2013</u>	<u>2012</u>
	<u>USD</u>	<u>USD</u>
15 REVENUE		
Continuous professional development	19 224	15 900
Election fees	12 535	8 100
Examination fees	756 097	816 711
Exemption fees	36 207	39 000
Membership fees	225 443	123 020
New registration	40 986	46 430
Re-registration	439 199	405 265
Public Auditors and Accountants Board subscriptions	26 117	11 990
Annual conference	231 932	131 628
Winter school	45 421	54 050
	<u>1 833 161</u>	<u>1 652 094</u>
16 OTHER INCOME		
Administration fees	69 005	40 200
Annual charity golf day	4 047	7 492
Annual dinner	1 105	2 679
Gain on disposals	453	1 387
Gowns	26 195	4 728
Magazine advertising fees	10 442	11 363
Past papers	18 618	17 671
Penalties-current year	17 014	16 670
Study packs	18 420	25 396
Ties	777	226
Sundry income	61 111	19 559
Branch functions	2 055	-
	<u>229 242</u>	<u>147 371</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 2013

	<u>2013</u>	<u>2012</u>
	USD	USD
17 ADMINISTRATION COSTS		
Audit fees-internal	8 049	8 000
Audit fees-external	5 396	4 905
Annual conference fund	210 374	109 989
Amortisation of intangible asset	63 556	10 664
Annual golf day expenses	6 205	9 702
Annual dinner	2 379	3 493
Bank charges	21 038	20 504
Continuing professional development	33 694	29 280
Corporate secretaries international	7 500	5 035
Consultancy fees	-	47 673
Capitation fees	35 727	89 096
Computer expenses	71 321	36 578
Communications costs	71 769	79 500
Depreciation	76 020	59 216
Dzidzo House levy	46 573	67 511
Examination costs	293 892	280 546
Functions	69 089	45 488
Graduation prizes	978	990
ICT consultancy	-	86 236
Insurance	13 674	9 361
International expenses	3 639	17 963
Legal costs	30 253	7 662
Library	8 833	14 722
Loss on disposals of assets	978	1 209
Meeting expenses	45 407	50 021
Motor vehicle expenses	27 573	18 909
Office expenses	22 238	34 380
Public Auditors and Accountants Board subscriptions	22 120	30 950
Publications	927	7 023
Public relations	67 620	73 006
Printing and stationery	24 684	47 254
Repairs and maintenance	10 283	6 105
Sale of stores and study packs expenses	42 903	25 322
Travel expenses	34 556	74 791
Winter school expenses	60 480	40 628
Other expenses	2 720	-
	<u>1 442 448</u>	<u>1 453 712</u>

REPORT OF THE INDEPENDENT AUDITORS

**TO THE MEMBERS OF THE INSTITUTE OF CHARTERED SECRETARIES AND ADMINISTRATORS
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	<u>2013</u>	<u>2012</u>
	USD	USD
17.1 STAFF COSTS		
Basic salaries	390 791	303 780
Bonus	24 154	25 566
Wages	24 042	35 475
Medical aid contribution	25 140	20 803
Pension contributions	21 321	16 930
NSSA	4 966	1 452
Workers compensation insurance fund	4 469	3 142
Leave provision	20 578	14 832
Staff development costs	19 281	501
Staff uniforms	19 087	16 414
Overtime	9 591	18 243
Long service awards	8 372	9 724
Other staff costs	2 777	1 363
	<u>574 569</u>	<u>468 225</u>

REPORT OF THE INDEPENDENT AUDITORS

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2013

18 PENSION AND OTHER POST RETIREMENT OBLIGATIONS

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

18.1 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.

18.2 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 3.5% of basic salary up to the maximum insurable earnings limit of \$700 per month with effect from 01 June 2013 and 3% of pensionable emoluments per month per employee to a maximum of US\$ 200 basic salary for the period up to 31 May 2013.

19 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.

19.1 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.

19.2 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 invest surplus funds. The Institute does not have borrowing or interest commitments.

19.3 Liquidity risk management

Liquidity risk is the risk 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 a day to day business.

REPORT OF THE INDEPENDENT AUDITORS

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

20 EVENTS AFTER THE REPORTING PERIOD

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

21 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.