ANNUAL REPORT

Founded 1891

Institute of Chartered Secretaries and Administrators in Zimbabwe

2016

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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 objective 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.

REGISTERED OFFICE:

Dzidzo House, 22-32 McChlery Avenue, Eastlea, Harare

AUDITORS:

HLB Zimbabwe Chartered Accountants,

14 Downie Avenue, Alexandra Park, Harare.

BANKERS:

CBZ Bank Limited
Selous Avenue Branch, Harare

Standard Chartered Bank
Avondale Branch, Harare

LEGAL ADVISORS:

Dube, Manikai and Hwacha Legal Practitioners
6th Floor, Goldbridge, Eastgate, Harare

THE COUNCIL

George Mahembe, FCIS	President
Paradza Paradza, (Dr) FCIS	(Vice President)
Ferida Matambo (Mrs), FCIS	(Vice President)
Lovemore Kadenge, FCIS	(Immediate Past President – 2015 – 2016)
Richard Anderson Summers, FCIS	
Charles Nhemachena, FCIS	
Loice Kunyongana (Ms), FCIS	
Letitia Gaga (Mrs), FCIS	
Taona Munzvandi, FCIS	
Sithembile Ncube (Mrs), FCIS	
Siphiti M Nkomo (Dr), FCIS	
Sithembile Ndlovu (Ms), ACIS	Harare Branch Chairman
Lifneth Moyo (Mrs), ACIS	Bulawayo Branch Chairman
Joseph Bemani (Dr), FCIS	Masvingo Branch Chairman
Godfrey Nyika, ACIS	Midlands Branch Chairman
Shepherd Chinaka, ACIS	Mutare Branch Chairman

INTERNATIONAL REPRESENTATIVES

Loice Kunyongana (Ms), FCIS,	Institute of Chartered Secretaries and Administrators (ICSA)
Richard Anderson Summers, FCIS	Corporate Secretaries International Association (CSIA)

THE SECRETARIAT

Chief Executive and Secretary
Joshua Farai Musamba (Dr), FCIS

Manager – Members & Students Services
Tsungirai Tracy Mushonga (Ms)

Finance and Administration Manager
Theresa Mazvabo (Mrs), ACIS

ICT Manager
Remember W Mubaiwa

Technical Manager
Nelson Maseko, ACIS

27 April 2017

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the Institute of Chartered Secretaries and Administrators in Zimbabwe will be held on Tuesday 23 May 2017, at Dzidzo House, Eastlea, Harare at 18:00 hours for the following business:-

1. To receive the Report of the Council for 2016.
2. To receive the Audited Accounts and the Auditors' Report for the year ended 31 December 2016.
3. To confirm the Auditors remuneration for 2016.
4. To appoint the Auditors for 2017.
5. To declare the results of the election of members to Council.

By order of the Council.

DR JOSHUA FARAI MUSAMBA (FCIS)
Chief Executive and Secretary

Note:

In terms of the Institute's By-laws 2015;

(a) 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.

(b) Graduates may attend the Annual General Meeting of the Institute and may partake in the proceedings but shall have no voting rights.

(c) Any member who owes money to the Institute, including subscriptions for the current year, is not entitled to attend and vote at a General Meeting (either for themselves or for anyone else) in anyway, or to be counted in a quorum.

Vision

"To be the professional body of choice in the development of leading practitioners in corporate management".

Our Mission is:

"To sustainably promote and advance the efficient administration of commerce, industry and the public sector using modern technology. We will achieve this through the study and practice of secretaryship, corporate governance, accountancy and management, guided by world class standards".

Core values

The Institute's core values are:

1. Collective Wisdom

The Institute will harness the wisdom from Council, Members, Students and its Staff for the betterment of the Institute, community and the nation at large.

2. Integrity

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

3. Transparency

The Institute is committed to openness, scrutiny and accountability in all that it does.

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. We therefore strive to bring innovative products and services for the benefit of our members, students, staff and the community at large.

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

The role of President is one that I have been honoured to perform for the year 2016/2017. It has been a privilege for me to have had the opportunity to give members and students a firm voice in our Institute's strategic and operational focus.

ENVIRONMENTAL OVERVIEW

Economic

The loss of momentum in Zimbabwe's economic growth, cash shortages and new foreign currency policies have hurt the economy. Economic growth of 1.5% was recorded while the inflation rate ended the year at 2.0%. In tandem with this state of affairs, major pillars of the economy recorded declines. This resulted in cost pressures for both business and consumers who have come under growing pressure to cut-down on expenditure. Some companies have had to go the liquidation route and resultantly formal employment figures were reduced during the year due to the challenging economic environment. Competitive forces in the professional accounting business, which include Universities (local & foreign), other Professional Accountancy Organisations, Polytechnics, Colleges and other diploma/degree awarding accounting bodies, have forced organisations to re-strategise in order for them to remain relevant.

Social

Poverty, stemming from a huge shortage of employment opportunities and meaningful business opportunities, is a critical problem in Zimbabwe at the moment. Corruption, in both the public and private sectors, has helped to curtail social and economic improvements to the generality of the people of Zimbabwe. This has resulted in many young professionals seeking greener pastures abroad and also defined the choices of professional accounting qualification that one embarks on in order to broaden the acceptability of the qualification in other jurisdictions.

Technology

The pace of technological advancements is phenomenal and organisations that timely embrace this leap are able to gain a competitive advantage ahead of competition. Technological advancement brings with it many opportunities in finding innovative delivery channels for communicating, engaging and providing our services to members and students. As such, ICSAZ has always tried to be as up-to-date as possible with its ICT infrastructure so as to better serve its members and students. In this regard, I encourage members and students to utilise our portal found on the website for easy transacting with the Institute.

Performance

The Institute is not completely insulated from the challenging economic environment characterised above and thus its performance was generally affected. Trading conditions remained adverse in almost all aspects of the Institute's activities during the year, resulting in a net deficit of $159,381.00. A significant number of members defaulted in paying their subscriptions due to them not being employed, or if in employment, not being funded by their own employers. A significant number of students were also not able to renew their studentship and there was a decline in new student enrolments. This resulted in a drop in student numbers and examination entries.

Even though the Institute faced these challenges, it was still able to run its full programmes that include: Winter Schools, the Continuous Professional Development Seminars, the Annual Dinner, Annual Conference and the Excellence in Corporate Governance Awards. The full complement of magazine issues and newsletters were also published during the year.

Planned capital expenditure was curtailed or suspended with the resources re-directed to priority areas.

Dzidzo House (Private) Limited

The Institute concluded a Sale and Purchase agreement to acquire the Zimbabwe Institute of Management's (ZIM) shares in Dzidzo House (Pvt) Ltd in June 2016. The Institute obtained mortgage financing from the CBZ Bank which will run for the next five years. Dzidzo House (Pvt) Ltd is a company that owns the Dzidzo house property where the Institute is domiciled. Following the conclusion of the Sale and Purchase agreement with ZIM, ICSAZ now owns 100% of Dzidzo House (Pvt) Ltd.

The Zimbabwe Institute of Management has since vacated the Dzidzo House premises and the resultant excess space is being let out to various tenants.

Strategic Plan

The Institute's strategic focus has been informed by a three year Strategic Plan from 2015 to 2017. The rapid changes of the environment in which the Institute is operating in, demanded that, the Council reviews the Institute's Strategic Plan. The review was done during the year. This enabled the Institute to take stock of what has been achieved and what has not. The Institute took note of new opportunities and areas that should be prioritised for the year 2017.

A revamped set of objectives was agreed on for the year 2017. The Council will put in place another three year strategic plan that will cater for the years 2018 onwards.

International Qualifying Scheme Review

The ICSA continued with its programme to review the International Qualifying Scheme. The Division played its part in the review process through a number of the Division's members and the Secretariat who participated.

The ICSA "Global" Council is expected to finalise the review of the International Qualifying Scheme in the first quarter of 2017. Thereafter, guidelines will be issued to the Divisions on the implementation of the new International Qualifying Scheme. It is expected that the ICSAZ will use the guidelines from the new International Qualifying Scheme to review the Division's own curriculum.

The Future

The future of governance and accountancy has never been more exciting than now especially in Zimbabwe. The ICSAZ brand has a strong reputation for integrity, good governance and accountability which we will continue to build on it for the future.

However, the major factor in membership based professional Institutes' business model, is growth. Without growth Institutes will stagnate and become too expensive for members and students as the Institutes struggle to cover all costs. It is important for professional Institutes to continuously look at opportunities for growth such as collaborations, affiliations, alliances and venturing into new markets. ICSAZ is no exception to this requirement.

The state of the economy in Zimbabwe has a huge bearing on the prospects of the Institute. As such the Institute may continue to suffer from difficulties induced by the challenging economic environment. Based on the current economic outlook for the country for the year 2017, the difficulties may persist in the short term. In order to address various risks arising out of the macro and micro environment, the Institute has been involved in increased marketing as well as a review of the current strategy. Implementation of these initiatives and or new products is expected to portray the Institute in good light and present it with a solid base to take advantage of the expected upturn in the medium term.

Acknowledgement

I would like to take this opportunity to thank Members, Students, Councillors, Committee members and the Secretariat who have assisted the Institute by serving on Council, Committees and contributing to the development of information and many other activities. I could not have achieved so much without their support.

May the spirit of team work continue in the future.

GEORGE MAHEMBE (FCIS)
President

1 THE 2016 COUNCIL

1.1 Council Members

The following served on the Council for **2016**

			Meetings Attended
Elected Members			
George Mahembe, FCIS		President	4/4
Ferida Matambo (Mrs), FCIS		(Vice President)	3/4
Paradza Paradza (Dr), FCIS		(Vice President)	4/4
Lovemore Kadenge, FCIS		(Immediate Past President – 2015-2016)	4/4
Richard Anderson Summers, FCIS			4/4
Charles Nhemachena, FCIS			3/4
Loice Kunyongana (Ms), FCIS			4/4
Letitia Gaga (Mrs), FCIS			4/4
Taona Munzvandi, FCIS			4/4
Sithembile Ncube (Mrs), FCIS			4/4
*Siphiti Mailer Nkomo (Dr), FCIS	(co-opted)		2/2
**Wonder Chenjerai, ACIS			1/1
Branch Chairmen			
Sithembile Ndlovu, ACIS	Harare		4/4
*Lifneth Moyo (Mrs), ACIS	Bulawayo		2/2
Joseph Bemani (Dr), FCIS	Masvingo		2/4
Godfrey Nyika, ACIS	Midlands		2/4
Shepherd Chinaka, ACIS	Mutare		4/4

1.2 **Rotation and Re-election**

Composition of Council

In line with the Chartered Secretaries (Private) By laws 2015; the Council consists of nine elected members plus two Past Presidents.

In terms of the By-laws, Ferida Matambo, Loice Kunyongana and Letitia Gaga will retire by rotation. Being eligible, Ferida Matambo, Loice Kunyongana and Letitia Gaga offer themselves for re-election.
S. M. Nkomo, who was co-opted to Council in July 2016, will retire from Council.

R. Summers, who has been on Council in terms of By-Law 46 (2), retires from Council.

The 2017/2018 Council, before the elections, stands as follows:-

George Mahembe (President)

Paradza Paradza (Dr)

Lovemore Kadenge

Taona Munzvandi

Sithembile Ncube

Charles Nhemachena

Five (5) vacancies will be filled through the 2017 / 2018 Council elections.

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 Chartered Secretaries (Private) Act (Chapter 27.03). The Institute subscribes to standards of best practice as they are practiced in a professional Institute.

The Division's Council recognizes 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 Council's 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**

		Meetings Attended
George Mahembe	FCIS **(President)**	9/9
Paradza Paradza (Dr)		8/9
*Ferida Matambo		5/5
*Taona Munzvandi		5/5
*Letitia Gaga		4/5

2.2 **Education Committee**

*Paradza Paradza (Dr)	FCIS **(Chairman)**	2/2
Richard Summers	FCIS	3/3
Pascal Jerry Mudzikisi	FCIS	3/3
Loice Kunyongana (Ms)	FCIS	0/3
Ruth Runyararo Kaseke (Ms)	FCIS	2/3
Lovemore Pazvakavambwa	FCIS	2/3
Obson Matunja (Dr)	FCIS	3/3
Tyanai Danha	FCIS	3/3
*Sithembile Ncube	FCIS	1/2
*Wonder Chenjerai	ACIS	2/2

2.3 **Legislation and Technical Committee**

*Ferida Matambo	FCIS **(Chairman)**	2/2
Peter Madara	FCIS	4/4
Davidson Chirombo	FCIS	3/4
Florid Mashonga (Mrs)	FCIS	2/4
Simbarashe Admore Davira Dziva	FCIS	4/4
Letitia Gaga (Mrs)	FCIS	3/4
Charles Nhemachena	FCIS	2/4
*Lovemore Kadenge	FCIS	2/2

2.4 Membership & Professional Competency Committee

*Letitia Gaga	FCIS **(Chairman)**	2/2
Constantine Mureyi Alois Mutiwanyuka	FCIS	2/3
Anne Denise Colls (Mrs)	FCIS	2/3
Loice Kunyongana (Ms)	FCIS	3/3
Adam Puzo	FCIS	1/3
Wonder Chenjerai	ACIS	2/3
*Sithembile Ndlovu	FCIS	2/2
*Gumbusai Mhetu	ACIS	2/2
*Taurai Mataka	ACIS	2/2
*Ephania Muzvidzwa (Mrs)	ACIS	2/2

2.5 Marketing and Strategy Committee

Taona Munzvandi	FCIS **(Chairman)**	3/3
Peter Kadzere	FCIS	2/3
Taurai Mataka	ACIS	3/3
Ferida Matambo (Mrs)	FCIS	1/3
Gumbusai Mhetu	ACIS	2/3
Elizabeth Dungeni (Mrs)	ACIS	1/3
*Esther Muchenje-Mandizvidza (Mrs)	ACIS	1/1

2.6 IBAS Council

Paradza Paradza (Dr)	FCIS **(Chairman)**	3/4
Charles Nhemachena	FCIS	4/4
Patrick Paradza	ACIS	3/4
Joshua Farai Musamba (Dr)	FCIS	3/4
Richard Masinire	FCIS	2/4
Wonder Chenjerai	FCIS	3/4
*Felix Potsekayi	FCIS	½

2.7 **Investigations Committee**

		Meetings Attended
John Mafungei Chikura	FCIS **(Chairman)**	0/1
Viola Chasi (Mrs)	LLB, Grad.ICSA	0/1
Elliot Mugamu	FCIS	0/1
Glovah Ngoni Madzima	FCIS	0/1
Anne Denise Colls (Mrs)	FCIS	0/1

2.8 **Disciplinary Tribunal**

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

2.9 **Appeals Tribunal**

Cleopas Makoni	FCIS **(Chairman)**	1/1
Vunganai Wilson Javangwe	FCIS	0/1
Grace Slava Chella (Mrs)	FCIS	1/1
Victor Nkomo	LLB	0/1
Tyanai Danha	FCIS	1/1

2.10 **Nominations Committee**

*Lovemore Kadenge	FCIS (Immediate Past President) **Chairman**	4/4
Richard Anderson Summers	FCIS (Past President)	4/4
Pious Manamike	FCIS (Past President)	¾
Pascal Jerry Mudzikisi	FCIS (Past President)	3/4
**Glovah Ngoni Madzima	FCIS (Past President)	2/4

* S. M Nkomo (Dr) joined the Council (by co-option) after the last Annual General Meeting.

** W. Chenjerai left the Council after the last Annual General Meeting.

* F. Matambo joined the Executive, Finance and General Purpose Committee after the last Annual General Meeting.

* T. Munzvandi joined the Executive, Finance and General Purpose Committee after the last Annual General Meeting.

* L. Gaga joined the Executive, Finance and General Purpose Committee after the last Annual General Meeting.

* P. Paradza (Dr) joined the Education Committee after the last Annual General Meeting.

* S. Ncube joined the Education Committee after the last Annual General Meeting.

* W. Chenjerai joined the Education Committee after the last Annual General Meeting.

** R. Mugumbate left the Education Committee after the last Annual General Meeting.

** J. Muzurura left the Education Committee after the last Annual General Meeting.

** P. Paradza (Dr) left the Legislation and Technical Committee after the last Annual General Meeting.

* L. Kadenge joined the Legislation and Technical Committee after the last Annual General Meeting.

** G. Madzima left the Legislation and Technical Committee after the last Annual General Meeting.

* L. Gaga joined the Membership and Professional Competency Committee after the last Annual General Meeting.

* T. Mataka joined the Membership and Professional Competency Committee after the last Annual General Meeting.

* E. Muzvidzwa joined the Membership and Professional Competency Committee after the last Annual General Meeting.

* G. Mhetu joined the Membership and Professional Competency Committee after the last Annual General Meeting.

* S. Ndlovu joined the Membership and Professional Competency Committee after the last Annual General Meeting.

** C. Nhemachena left the Membership and Professional Competency Committee after the last Annual General Meeting.

** G. Mahembe left the Membership & Professional Competency Committee after the last Annual General Meeting.

** T. Munzvandi left the Membership & Professional Competency Committee after the last Annual General Meeting.

* E. Mandizvidza-Muchenje joined the Marketing and Strategy Committee after the last Annual General Meeting.

* G. Mahembe left the Marketing and Strategy Committee after the last Annual General Meeting.

* G. N Madzima left the Nominations Committee after the last Annual General Meeting.

* F. Potsekayi joined the IBAS Council after the last Annual General Meeting.

** C. Chihuri left the IBAS Council after the last Annual General Meeting.

** L. Gaga left the IBAS Council after the last Annual General Meeting.

*** There were no matters brought to the Disciplinary Committees. As a result the Investigations Committee, the Disciplinary Committee and the Appeals Tribunal held one combined meeting after the Annual General Meeting to consider general issues to do with the discipline of members.

3.0 MEMBERSHIP OF THE INSTITUTE

The economic environment remained a challenge for business operations. The lack of liquidity coupled with the loss of jobs through closure of some firms has prevented our members from meeting their obligations. Some initiatives, including the payment of the subscriptions in instalments, have been put in place to assist members. This has mitigated the loss of membership. As a last resort, defaulting members and graduates have also been published in the press. A total of 682 members were published for possible delisting for non-payment of subscriptions. A total of nine (9) members transferred to other Divisions during the year 2016. There was one transfer from another Division during this period.

Membership figures of the Institute as at 31 December 2016 are shown below

	Dec 2016	Dec 2015	Absolute Change	% Change
Fellows	240	235	5	2%
Associates	757	719	38	5%
Graduates	854	811	43	5%
Total	**1851**	**1765**	**86**	**5%**

Movement in membership figures during the year

	Elections/ Additions during the year	De-registrations during the Year	Deaths during the year	Restored To register	Transfers in	Transfers Out	Adjustments between grades	Absolute Change
Fellows	6	-	(1)	0	-	-	-	5
Associates	49	-	(5)	4	1	(5)	(6)	38
Graduates	98	-	(2)	0	0	(4)	(49)	43

4.0 MEMBERSHIP AND PROFESSIONAL SERVICES

4.1 Continuing Professional Development (CPD) of Members

Continuous Professional Development is a key component of a professional life. In recognition of the importance of Continuous Professional Development, the Institute conducts CPD seminars in all the branches at least once a year.

In this regard, the Institute conducted Continuing Professional Development Seminars across the country. These CPD seminars were held in Harare, Bulawayo, Mutare and Gweru. The Masvingo CPD was cancelled. Holding the CPD seminars in the major cities in the branches is designed to enable members to access this service in their areas, thereby reducing costs and inconvenience to the members.

As part of their Continuous Professional Development, Members are expected to input at least 20 Continuing Professional Development hours every year.

4.2 Relationship with Government and Regulatory Authorities

The Institute takes its role as a good corporate citizen seriously. It therefore continues to nurture its relationship with the government and regulators. As part of this relationship, the Institute submitted recommendations on budgetary issues to the Ministry of Finance and Economic Development for both the mid-term fiscal policy review and 2017 National budget.

The Institute continued to interact and make contributions to the Registrar of Companies' office on the draft Companies Bill and ZIMRA on issues affecting the nation and the profession.

The Institute also had regular interaction with the Zimbabwe Stock Exchange, the Reserve Bank of Zimbabwe and the Securities and Exchange Commission of Zimbabwe on issues to do with regulations and professional practice.

4.3 Members' Activities

4.3.1.1 Annual Conference

The 2016 Annual Conference was successfully held at the Troutbeck Resort from 23 to 25 September 2016. The Conference, whose theme was "*Chartered Secretary – Focus on the Future*" was attended by one hundred and ninety-two (192) delegates. The Keynote Speaker at the Conference was the Minister of Industry and Commerce, Honourable Mike Bimha who delivered a keynote address on the topic "*Unpacking Zimbabwe's economic potential and the role of professionals in ensuring that both the private and public sectors are appropriately capacitated with many challenges that the country's industry and commerce is facing*". Honourable Bimha's presentation at the Annual Conference was well received.

4.3.1.2 **Annual Dinner**

The Institute hosted a successful Annual Dinner on 29 July 2016 in Harare. The Minister of Finance, Honorable Patrick Chinamasa, was the guest of honour. Honourable Chinamasa, whose speech was well received, spoke on the topic "*Bond notes and debt that Zimbabwe has to International Monetary Fund, the World Bank and the African Development Bank*". A total of sixty-nine (69) members and their guests attended the dinner.

4.3.2 **Chartered Secretary of the Year Award**

The Institute continued to run its Chartered Secretary of the Year Award to recognize the Chartered Secretary adjudged to have done well in the previous year.

Mrs Molly Dingani (ACIS), the Divisional Director – Business Banking, a division of CBZ Holdings, was the winner of the Chartered Secretary of the year 2015 award. The runner up was Mr Tendai Kwenda (FCIS), the Acting Finance Director of Harare City Council. The award was presented at the Institute's 2016 Annual Conference.

4.3.3 **Corporate Governance Awards**

The Institute's annual Excellence in Corporate Governance Awards (ECGA) continued to grow from strength to strength. In this regard, the fourth edition of the Awards took place at the Rainbow Towers Hotel in Harare in November. The Awards were in the following categories: the ZSE listed companies, Banking institutions and State Owned Enterprises.

The fourth edition of the ECGA had the Honourable Vice President Emmerson Dambudzo Mnangagwa as the Guest of Honour and Professor Mervyn King was the Guest Speaker. The Vice President spoke on *Good Corporate Governance for Sustainable Economic Development* while Professor King spoke on the *Increasing Need for Integrated Reporting*. These speeches were well received. A total of 304 guests attended the Excellence in Corporate Governance Awards presentation dinner.

The following were the winners of the Fourth Edition of the ICSAZ Excellence in Corporate Governance Awards:

List of winning ZSE listed companies per Award Category

Shareholder Treatment	Stakeholder Practices & Sustainability Reporting	Board Practices	Overall: Best Corporate Governance Practices
1. CBZ Holdings Ltd	1. Innscor Africa Ltd	1. NicozDiamond Insurance Ltd	1. Innscor Africa Ltd
2. African Distillers Ltd	2. Dairibord Holdings Ltd	2. CBZ Holdings Ltd	2. CBZ Holdings Ltd
3. Innscor Africa Ltd	3. CBZ Holdings Ltd	3. African Sun Ltd	3. Dairibord Holdings Ltd

List of winning Banking Institutions per Award Category

Best Banking Governance Practices	**Best Banking Risk Management Practices**	**Best Banking Internal Audit Disclosures**	**Overall: Best-Banking Corporate Governance Practices**
1. CBZ Bank	1. CBZ Bank	1. CBZ Bank	1. CBZ Bank
2. CABS	2. FBC Bank	2. FBC Bank	3. CABS
3. NMBZ Bank	3. MBCA Bank	3. MBCA Bank	4. MBCA Bank

List of winning State Owned Enterprises and Parastatals

Best Corporate Governance Practices
1. People's Own Savings Bank (POSB)
2. Deposit Protection Corporation (DPC)
3. Telone (Private) Limited

Individual Awards – (ZSE listed Companies only for 2016

- **Governance Professional of the Year 2016 – Most Improved Ranking on the ZSE-listed Companies Category award was presented to:**

  Andrew D Lorimer – Innscor Africa Limited Company Secretary

- **Governance Professional of the Year 2016 – For consistently Winning the ECG Awards in the Past four Editions (including the current) award was presented to:**

  Rumbidzayi Angeline Jakanani – CBZ Holdings Limited Group Legal Corporate Secretary

4.3.4 **Annual Charity Golf Tournament**

As part of its Corporate Social Responsibility, the Institute organized a Charity Golf Day on 22 July 2016. The Charity Golf Day is designed to afford members and their guests the opportunity to network while at the same time raising funds for the less fortunate members of our society. This event has been organized by the Institute annually for over 15 years.

The Charity Golf Day attracted 88 participants and raised a total of $2 544. Funds raised at the event were donated to charity. The donations are made to various charities around the country. To date, at least one charity has benefited in each of the country's ten provinces.

4.3.5 **Reunion Party**

As a tradition, the Institute organizes a Reunion Party for members who have been in the profession for 10 years and more. The event is meant to provide an additional forum for members to network and exchange notes in a relaxed environment. The 2016 Reunion Party was held on 25 November 2016 at Dzidzo House. Members are encouraged to attend future events to take advantage of this networking opportunity.

4.3.6.1 **Branch Activities**

The Institute aims to serve members in all parts of the country. To achieve this objective, the Institute organises CPD seminars in all the country's branches. Reasonable attendances were recorded at these seminars during the year 2016.

4.3.6.2 **Harare and Bulawayo Branches Activities**

The Institute's Harare and Bulawayo Branches (the Institute's two main branches) organized several functions during the year. These functions included luncheons, cocktails and a Budget Breakfast. Good attendances were recorded at most of the Harare branch's activities. Dates, topics and speakers for the functions were as follows:-

Date	**Topic**	**Presenter(s)**
10/03/2016	Luncheon - Harare Value your Pension	Mrs Lynn Mukonoweshuro – Chairman, Insurance and Pension Commission
21/07/2016	Luncheon - Harare Liquidity Crisis: Bond Notes Challenges and Survival Strategies	Mr Prosper Chitambara – Economist, Labour and Economic Development Research Institute of Zimbabwe
01/09/2016	Luncheon - Harare Strategy Formulation and Execution in a Challenging Economic Environment	Dr Ranzi Rusike – Lecturer, Graduate School of Management, University of Zimbabwe
09/12/2016	Budget Breakfast – Harare	Dr Godfrey Kanyenze – Executive Director, Labour and Economic Development Research Institute of Zimbabwe
04/03/2016	Sundowner – Bulawayo An Entrepreneurship Perspective to Penetrating the Turbulent Economic	Mr Paradzai Matuka – Entrepreneur

	Environment: A Critical Consideration for the Chartered Secretary and Determined Student	
04/08/2016	Sundowner – Bulawayo Sources of Funding for SMEs in Zimbabwe	Ms Lifneth Moyo – Regional Coordinator, Empretec Zimbabwe

4.3.7 **Public and Practicing Accountants**

The Institute is a constituent member body of the Public Accountants and Auditors Board (PAAB). Benefits of this membership are that members of the Institute are entitled to be registered and practice as Public Accountants. They can also practice as Tax Accountants. Through this membership, our members are also kept in touch with developments in the profession as per the regulator's requirements.

A total of 471 members were registered as Public Accountants as at 31 December 2016. Members who are in Public Practice are further encouraged to register with the Institute on the Institute's Practicing members database.

4.3.8 **Pan African Federation of Accountants (PAFA)**

As reported last year, the Institute became a full member of the Pan African Federation of Accountants (PAFA) in 2015. The Institute has now begun to participate in PAFA activities and is beginning to derive the benefits from its PAFA membership. Representatives of the Institute attended the Pan African Federation of Accountants' Annual General Meeting in May 2016 and participated at the PAFA organized conference. The Institute was also represented at other fora and meetings organized by the PAFA to develop the professional accountancy organisations and the profession.

4.3.9 **Corporate Social Responsibility**

The ICSAZ 2016 Annual Charity Golf Day and 2016 Annual Conference were used to raise funds for charity. As a result of these fund raising activities goods worth $2 544 purchased from the proceeds of the fund raising activities, and were donated to Ethandweni Children's Home in Matabeleland South in December 2016. The Home has over 30 children ranging from infants to 21 year olds. The donation was well appreciated.

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

The Institute continued to play a significant part in the affairs of the Corporate Secretaries International Association (CSIA) through Mr Richard Summers and the Chief Executive and Secretary. The two representatives played their roles especially on the issue of changing the CSIA domicile from Switzerland to Hong Kong. This work will continue in 2017. It is hoped that this will be concluded in early 2017. The Corporate Secretaries

Toolkit will now be rolled out in the first quarter of 2017. Mr Richard Anderson Summers from Zimbabwe completed the year as the CSIA President for the year 2016.

5.0 **STUDENTS SERVICES**

5.1 As with the members, the Institute's students found the year 2016 challenging with regards to resources availability. This affected students' registrations. The students' registration figures continued to decrease during the year. The decline in the students' body is attributed to the difficult economic environment characterized by liquidity challenges in the market and very low formal employment levels. Extensive marketing and selling operations have been put in place in order to reduce this loss of students. It is hoped that this and other initiatives will be able to assist in increasing student numbers for the Institute going forward.

5.2 **Winter School**

Winter Schools are designed specifically to assist students in acquiring the soft skills needed for the work environment. The Winter Schools are part and parcel of the ICSAZ curriculum.

In 2016, the Institute hosted two student Winter Schools. These Winter Schools were held in Bulawayo, at the Holiday Inn and in Juliasdale at the Montclair Resort and Casino hotel. The Winter Schools were attended by fifty-eight (58) delegates in Bulawayo and forty-two (42) delegates in Juliasdale. The Theme for the Winter Schools was *The Chartered Secretary – Thriving on Challenges*.

5.3 **Examinations**

It is pleasing that the students who wrote the examinations during the year 2016 produced better results than in recent years. The Institute hopes that this good performance will be repeated in future examination sittings. A total of 126 students completed their examinations in 2016. These will graduate on 29 April 2017. This number is an increase on the numbers that have been completing their studies since the introduction of the new qualifying scheme. The introduction of revision classes has seen an improvement in the pass rates. The Institute will therefore continue to offer revision classes in certain subjects. Study material for some of the Professional Programme I and II subjects will also continue to be reviewed.

5.4 The Prize Winners for the year were:-

Prize Winner	Subject
Victor Madzikatire	Business Communication
Asani Mwanza	Quantitative Techniques
Prosper Chauke	Introduction to Financial Accounting
Timothy Mandisodza	Human Resources Management
Monica Mushaya	Auditing
Elton Banda	Cost and Management Accounting
Gift Kanogwere	Corporate Law
Eugenia Nyasha Nyamutowa	Advanced Accounting and Financial Reporting
Ellen Mberi	Corporate Financial Management
Luckmore Chivandire, Sheperd Nduna & Nelson Nyatanga	Integrative Case Study

5.5 **2016 Best Finalist Students**

The year 2016's best student and the winner of the President's trophy was Bernard Fungai Tumbare.

The first runner up was Albert Dangarembizi.

The second runner up was Robert Darare.

5.6 **Student Attachment**

Student attachment is now a core component of the Institute's Training Programme. The Institute continued to actively source for attachment facilities for its students. The Institute is very grateful for the assistance offered to the Institute's students by members and companies during these challenging times. Members who have not participated in this vital component of the students' development and wish to assist are requested to get in touch with the students services department with their offers.

6.0 **INSTITUTE OF BUSINESS AND ACCOUNTING STUDIES (IBAS)**

The IBAS performance, in terms of student registrations was below expectations. This, like under ICSAZ, is probably a sign of the difficult economic environment. The newly accredited-curriculum subjects were examined for the first time in November 2016. Performance in the examinations was mixed but was generally satisfactory.

The Institute provided revision classes on a number of subjects as a way to improve performance in examinations.

Improvements will be expected as from 2017. The IBAS Council took a decision to implement the coursework component as per the new curriculum requirements. This implementation will commence in 2017. The lower student numbers may also have been caused by the increased number of subjects in the newly accredited curriculum. The IBAS Council will continue to monitor the situation and assess what corrective action is needed to reverse the situation going forward.

7.0 **PUBLICATIONS AND PUBLIC RELATIONS**

The Institute published four issues of the Chartered Secretary Magazine. Two of the four issues were published as hard copies while the other two were published as soft copies. In addition to the magazine, the Institute also published a Technical Newsletter to keep members and students abreast with changes in the profession. Issues tackled in the Technical Newsletter were:

First Issue	Second Issue
(Analysis and key highlights of the draft Companies Bill)	*(Ease of Doing Business Reforms update to members and implementation guide for the National Code on Corporate Governance (ZimCode))*
Third Issue	Fourth Issue
(Tax updates from midterm fiscal policy review statement and new guidelines on minute taking)	*(2017 National budget highlights, Major highlights from the new King IV report and IFRS update).*

Newspaper supplements were also run in the print media in order to keep the general public informed of the Institute's activities. Newspaper supplements were on the following: - The Graduation and New Presidium, the Annual Conference and the Excellence in Corporate Governance Awards.

8.0 **STAFF**

One staff member left the Institute and no new staff members were recruited during the year.

9.0 **INTERNAL CONTROLS AND RISK MANAGEMENT**

9.1 As part of the Institute's internal controls, three internal audit assignments were carried out during the year. Reports from these internal audit processes were tabled at the Executive, Finance and General Purpose Committee meetings. Corrective measures were taken in areas where shortcomings were identified. In addition to the internal audits mentioned above, the Institute is also a member of the Tip Off Anonymous run by Deloitte. This is part of the risk management and mitigation programme of the Institute which allows people to whistleblow when they notice irregular practices at the Institute.

9.2 **Investments**

The Institute actively manages its investment risk using a variety of measures to minimise, as far as possible, the risk of default by any investment house used. The system in place is to regularly review the investment houses' liquidity levels, asset strength and their reputation. Investments are therefore placed with investment house(s) adjudged to offer the minimum risk to the Institute.

9.3 **Reputational Risk**

For reputational risk, the Institute minimises this risk by ensuring that the Institute's activities are carried out in accordance with legal and regulatory requirements.

9.4 **Operational Risk**

For operational risk, the Institute regularly reviews its operational structures and updates them in line with the needs of the Institute and any changed circumstances. The Institute has in place a Disaster Recovery Plan, particularly for the Information and Communication Technology System. Segregation of duties is used as both an internal control system and risk mitigation measure.

10.0 **THE INTERNATIONAL COUNCIL**

The International Council has begun the process of refocusing the Institute and will now be implementing the agreed strategies. As part of this process, the Council has appointed MCI, an Association Management Company, to run the day to day affairs of the Institute. MCI is based in the United Kingdom. The ICSA also appointed Mr Tim Sheehy to be the new Director-General of the Institute.

As part of refocusing the Institute, the Council appointed a consultant to lead the process of reviewing the Institute's Qualifying Scheme. Progress has been made in this direction and it is hoped that a decision on the template for the new qualifying scheme will be made by the first quarter of 2017.

Loice Kunyongana (FCIS) was elected by Council to represent the ICSAZ on the International Council from 2016 to 2018. She was able to attend one of the Council meetings held in 2016.

11.0 **THE FUTURE**

The Institute has been operating in a tight economic environment in the period under review. It has developed strategies to weather the storm and should be able to remain as a going concern. During the last year, Zimbabwe's economy continued to suffer from the liquidity challenges and the poor macro-economic environment. These have continued to have a negative impact on the Institute's activities. The country was however blessed with an abundance of rainfall. As a mainly commodity based economy the good rains will improve the country's economy through improved harvests leading to both increased exports and import substitution. This is expected to have a positive impact on the economy which in turn will cushion the Institute's members and students.

12.0 ACKNOWLEDGEMENT

The Council received overwhelming support from its Committee members during the year. It thus 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 2016.

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 2017.

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

DR JOSHUA FARAI MUSAMBA (FCIS)
Chief Executive and Secretary

GEORGE MAHEMBE (FCIS)
President

COUNCILLORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Council is responsible for the maintenance of adequate accounting records and the preparation of the financial statements and related information. HLB Zimbabwe and Company have audited the financial statements and their report appears on page 27.

The Council is 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 Council 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 Council to indicate that the Institute will not remain a going concern for the foreseeable future.

The financial statements set out on pages 31-56 were approved by Council on 8 April 2017 and are signed on its behalf by

DR JOSHUA FARAI MUSAMBA (FCIS)
Chief Executive and Secretary

GEORGE MAHEMBE (FCIS)
President

REPORT OF THE INDEPENDENT AUDITORS

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

Opinion

We have audited the accompanying consolidated financial statements of the Institute of Chartered Secretaries and Administrators in Zimbabwe (the Group) as set out on pages 31 to 56, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in reserves and consolidated statement of cash flows for the year then ended, and a consolidated summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Institute of Chartered Secretaries and Administrators in Zimbabwe Group as at 31 December 2016 and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Council is responsible for the other information. The other information comprises the (information included in the Annual Report, but does not include the financial statements and our auditor's report thereon). Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS

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

Council members' responsibility for consolidated financial statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, council is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the council.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

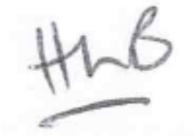
We communicate regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT OF THE INDEPENDENT AUDITORS

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

Report on other legal and regulatory requirements

In our opinion, the consolidated financial statements have been properly prepared in conformity with the disclosure requirements of the Chartered Secretaries Act (27:03) and Companies Act (24:03).



HLB ZIMBABWE	**HARARE**
Chartered Accountants	**Date: 10 April 2017**
Emmanuel Dhenhere 0562	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	NOTES	2016 USD	2015 USD
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	**4**	1 039 800	453 356
Long term investment	**6**	-	19 585
Deferred tax	**19**	22 456	9 583
		1 062 256	**482 524**
CURRENT ASSETS			
Inventory	**8**	46 582	47 947
Accounts receivable	**9**	126 435	82 370
Short term investments	**10**	504 923	1 009 319
Cash and bank balances	**11.1**	9 778	36 137
Related party balances	**15**	-	3 404
		687 718	**1 179 177**
TOTAL ASSETS		**1 749 974**	**1 661 701**
RESERVES AND LIABILITIES			
RESERVES			
Accumulated fund		967 972	1 127 353
Non distributable reserves		349 228	349 228
		1 317 200	**1 476 581**
LONG TERM LIABILITIES			
Long term loan	**12**	288 507	-
Deferred tax	**19**	15 053	13 890
		303 560	**13 890**
CURRENT LIABILITIES			
Current tax		-	1 181
Accounts payable	**13**	78 265	89 312
Provisions	**14**	50 949	80 737
		129 214	**171 230**
TOTAL RESERVES AND LIABILITIES		**1 749 974**	**1 661 701**

CHIEF EXECUTIVE & SECRETARY

PRESIDENT

Date : 08 APRIL 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	2016 USD	2015 USD
INCOME			
Revenue	**16**	1 168 228	1 545 004
Other income	**17**	120 478	113 924
Finance income		41 114	77 017
Administration costs	**18**	(921 625)	(1 257 602)
Staff costs	**18.1**	(557 613)	(591 158)
Finance costs		(23 273)	-
Fair value adjustment on investments		(2 705)	(2 692)
Deficit before taxation		**(175 397)**	**(115 507)**
Income tax	**19**	16 016	6 971
Deficit for the year		**(159 381)**	**(108 536)**
Other comprehensive income		-	-
Total comprehensive deficit for the year		**(159 381)**	**(108 536)**

INSTITUTE'S STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	2016 USD	2015 USD
ASSETS		
NON-CURRENT ASSETS		
Property and equipment	103 590	146 096
Investment in subsidiary	695 411	1 000
Long term investment	-	19 585
	799 001	**166 681**
CURRENT ASSETS		
Inventory	46 582	47 947
Accounts receivable	120 323	77 087
Short term investments	504 923	1 009 319
Cash and bank balances	7 765	31 904
Related party balances	15 436	6 807
	695 029	**1 173 064**
TOTAL ASSETS	**1 494 030**	**1 339 745**
RESERVES AND LIABILITIES		
RESERVES		
Accumulated fund	998 101	1 093 409
Non distributable reserves	78 740	78 740
	1 076 841	**1 172 149**
LONG TERM LIABILITIES		
Long term loan	288 507	-
	288 507	**-**
CURRENT LIABILITIES		
Related party balances	20 157	-
Accounts payable	60 844	88 720
Provisions	47 681	78 876
	128 683	**167 596**
TOTAL RESERVES AND LIABILITIES	**1 494 030**	**1 339 745**

INSTITUTE'S STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 USD	2015 USD
INCOME		
Revenue	1 131 274	1 545 869
Other income	160 074	113 014
Finance income	41 011	77 017
Administration costs	(915 421)	(1 264 665)
Staff costs	(486 268)	(567 381)
Finance costs	(23 273)	-
Fair value adjustment on investments	(2 705)	(2 692)
Deficit for the year	**(95 308)**	**(98 838)**
Other comprehensive income	-	-
Total comprehensive deficit for the year	**(95 308)**	**(98 838)**

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 DECEMBER 2016

	Non Distributable Reserve USD	Accumulated Fund USD	Total USD
Balance as at 1 January 2015	**349 228**	**1 235 889**	**1 585 117**
Deficit for the year	-	(108 536)	(108 536)
Balance as at 31 December 2015	**349 228**	**1 127 353**	**1 476 581**
Balance as at 1 January 2016	**349 228**	**1 127 353**	**1 476 581**
Deficit for the year	-	(159 381)	(159 381)
Balance as at 31 December 2016	**349 228**	**967 972**	**1 317 200**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTES	2016 USD	2015 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Deficit for the year		**(175 397)**	**(115 507)**
Adjustments for:			
Depreciation		109 917	74 698
Amortisation of intangible asset		-	55 727
Interest received		(41 114)	(77 017)
Interest paid		23 273	-
Impairment of long term investment		-	45 626
Profit on sale of property and equipment		-	1 547
Fair value adjustment on equity investments		2 705	2 692
Net operating cash flows before working capital changes		**(80 616)**	**(12 234)**
Changes in working capital			
Decrease in inventories		1 364	9 830
(Increase) in receivables		(44 066)	(65 603)
(Decrease) in payables		(11 047)	(137 764)
(Decrease) in provisions		(29 788)	(41 522)
Net movement in related party balances		6 947	(3 297)
Total changes in working capital		**(76 590)**	**(238 356)**
Net cash flow from operating activities		**(157 207)**	**(250 590)**
Taxation paid		(2 364)	-
INVESTING ACTIVITIES			
Interest received		41 114	77 017
Interest paid		(23 273)	-
Proceeds from sale of property and equipment		-	750
Acquisition of property and equipment		-	(1 743)
Acquisition of subsidiary	**5**	(694 411)	-
Proceeds from disposal of long term investment		16 880	500
CASH FLOW FROM INVESTING ACTIVITIES		**(659 691)**	**76 524**
FINANCING ACTIVITIES			
Loan Received		310 000	**-**
Loan Paid		(21 493)	**-**
Cashflow from financing activities		**288 507**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(530 755)**	**(174 066)**
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		**1 045 456**	**1 219 522**
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	11	**514 701**	**1 045 456**

1. GENERAL INFORMATION

The consolidated financial statements of the Institute of Chartered Secretaries and Administrators in Zimbabwe group for the year ended 31 December 2016 were authorised for issue in accordance with Council's resolution on 30 March 2017. The Group comprises of the Institute of Chartered Secretaries and Administrators in Zimbabwe and Dzidzo House (Pvt) Ltd, its wholly owned subsidiary.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The consolidated financial statements have been prepared in compliance with the Chartered Secretaries Act (Chapter 27:03) and Companies Act (Chapter 24:03).

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

The following new and revised IFRSs have been adopted in these consolidated 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 Group has applied the following standards but they had no material impact on the current amounts and prior periods presented;

- IFRS 14: Regulatory Deferral Accounts for annual periods beginning on or after 1 January 2016.
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation for annual periods beginning on or after 1 January 2016.

2.2 New and revised standards and interpretations not yet effective

- IFRS 15: Revenue from contracts with customer for annual periods beginning on or after 1 January 2017. Provides a single, principles based five step model to be applied to all contracts with customers.
- IAS 7 Disclosure Initiative – Amendments to IAS 7 Effective for annual periods beginning on or after 1 January 2017.
- IFRS 9: Financial Instruments (2009 and 2010) effective for annual periods beginning on or after 1 January 2018.
- IFRS 16 Leases Effective for annual periods beginning on or after 1 January 2019.

BASIS OF PREPARATION (continued)

2.3 Basis of measurement

The consolidated 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.

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and underlying assumptions are based on historical experience and various other factors, including making assumptions concerning future events that are believed to be reasonable under the circumstances. Actual results may differ from these accounting estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are accounted for prospectively.

In the process of applying the accounting policies as set out below, management has made the following judgements that have a significant risk of causing material adjustment to the amounts recognised in the financial statements:

a) Useful lives and residual values of property and equipment.

The useful lives and residual values of property and equipment are reviewed at each year-end. The useful lives, which are estimated by management, are based on historic analysis and other available information. The residual values are estimated based on useful lives as well as other available information.

BASIS OF PREPARATION (continued)

b) Provisions and contingent liabilities

Various estimates and assumptions have been applied by management in arriving at the carrying value of provisions that are recognised in terms of the relevant accounting policy.

Management further relies on input from the Group's lawyers in assessing the probability of items of a contingent nature.

c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

3. ACCOUNTING POLICIES

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

3.1 Basis of consolidation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

ACCOUNTING POLICIES (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at cost.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

ACCOUNTING POLICIES (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit or loss. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

3.2 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 in profit or loss as incurred.

ACCOUNTING POLICIES (continued)

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

Buildings	10%
Furniture and fittings	10%
Motor vehicles	20%
Computers	20%
Office equipment	10%
Solar equipment	10%
Land is not depreciated	-

3.3 Intangible asset - Software

An intangible asset is recognised if it is probable that expected economic future benefits that are attributable to the asset will flow to the group 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.

3.4 Provisions

Provisions are recognised when the group 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.

ACCOUNTING POLICIES (continued)

3.5 Financial instruments

Classification

The Group classifies financial instruments on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. The financial assets and financial liabilities are classified into the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial assets at amortised cost

A financial asset is classified as "amortised cost" only if both of the following criteria is met: The objective of the Group's business model is to hold the assets to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments by principal and interest on the principal outstanding.

Trade and other receivables is the only line item on the group statement of financial position that is carried at amortised cost.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or designated as such upon initial recognition. The group has not designated any financial asset as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. A financial liability is classified as "fair value through profit or loss" only if it is evaluated on a fair value basis, results in an accounting mismatch or it is a certain embedded derivative.

Financial liabilities at amortised cost

If either the three criteria on 'financial liabilities at fair value through profit or loss" are met, the financial liability is classified as 'amortised cost".

Trade and other payables are the line items on the statement of financial position that are carried at 'amortised cost".

ACCOUNTING POLICIES (continued)

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 group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3.6 Inventory

Inventory is stated at the lower of cost and net realisable values. Cost is determined on the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

3.7 Impairment

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the unit on a pro rata on the basis of the carrying amount of each asset in the unit.

The Group assesses, at each reporting date, whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been

ACCOUNTING POLICIES (continued)

recognized or the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

3.8 Foreign currency

Transactions in foreign currencies are translated to the reporting currency of the Institute at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the reporting currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the reporting currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction

3.9 Revenue

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

3.10 Finance income

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

3.11 Employee benefits

3.11.1 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 a defined contribution plan those are due more than 12 months after the end of the period in which the employees render the service are discounted to

ACCOUNTING POLICIES (continued)

their present value.

3.11.2 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.

3.11.3 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 group 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.

3.12 Taxation

Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the profit or loss, except to that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ACCOUNTING POLICIES (continued)

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable: and
- Receivables and payables that are stated with the amount of value added tax included.

  The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the consolidated statement of financial position.

4 PROPERTY AND EQUIPMENT

	Land	Buildings	Small Tools	Motor Vehicles	Computer Equipment	Office Equipment	Furniture and fittings	Solar Project	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Cost or valuation									
Balance at 1 January 2015	135 000	215 000	8 113	192 967	131 811	94 312	74 605	21 301	873 109
Additions	-	-	-	11 650	748	675	320	-	13 393
Disposals	-	-	-	-	(13 692)	(1 437)	-	(10 431)	(25 560)
Balance at 31 December 2015	**135 000**	**215 000**	**8 113**	**204 617**	**118 867**	**93 550**	**74 925**	**10 870**	**860 942**
Balance at I January 2016	135 000	215 000	8 113	204 617	118 867	93 550	74 925	10 870	860 942
Additions from subsidiary	285 082	454 019	8 113	-	-	-	-	-	747 214
Balance at 31 December 2016	**420 082**	**669 019**	**16 226**	**204 617**	**118 867**	**93 550**	**74 925**	**10 870**	**1 608 156**
Accumulated depreciation									
Balance at 1 January 2015	-	(21 500)	(7 598)	(147 125)	(96 691)	(38 811)	(33 706)	(10 722)	(356 153)
Depreciation charge for the year	-	(21 500)	(255)	(19 780)	(16 479)	(9 207)	(6 101)	(1 375)	(74 697)
Disposals	-	-	-	-	13 692	814	-	8 758	23 264
Balance at 31 December 2015	-	**(43 000)**	**(7 853)**	**(166 905)**	**(99 478)**	**(47 204)**	**(39 807)**	**(3 339)**	**(407 586)**
Balance at 1 January 2016	-	(43 000)	(7 853)	(166 905)	(99 478)	(47 204)	(39 807)	(3 339)	(407 586)
Additions from subsidiary	-	(43 000)	(7 853)	-	-	-	-	-	(50 853)
Depreciation charge for the year	-	(66 902)	(510)	(15 689)	(10 436)	(9 141)	(6 138)	(1 101)	(109 917)
Balance at 31 December 2016	-	**(152 902)**	**(16 216)**	**(182 594)**	**(109 914)**	**(56 345)**	**(45 945)**	**(4 440)**	**(568 356)**
Carrying amount									
At 31 December 2015	**135 000**	**172 000**	**260**	**37 712**	**19 389**	**46 346**	**35 118**	**7 531**	**453 356**
At 31 December 2016	**420 082**	**516 117**	**10**	**22 023**	**8 953**	**37 205**	**28 980**	**6 430**	**1 039 800**

5 Acquisition of Subsidiary

Business combinations and acquisitions of subsidiary

Dzidzo House (Private) Limited

The Group acquired an additional 50% shareholding in Dzidzo House (Private) Limited with effect from I January 2016, increasing its stake from 50% to 100%. Dzidzo House (Pvt) Ltd provides office facilities to the Institute of Chartered Secretaries and Administrators in Zimbabwe.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of Dzidzo House (Private) Limited as at the date of acquisition were as follows:

	US$
Assets	
Property and Equipment	696 361
Deferred tax	9 583
Accounts receivables	1 130
Related party balances	4 033
Cash and cash equivalents	4 233
	715 338
Liabilities	
Deferred tax	13 890
Accounts payables	593
Amounts owed to related parties	3 404
Current tax	1 182
Provisions	1 859
Total	**20 927**
Total identifiable net assets at fair value	**694 411**
Purchase consideration	**694 411**

Analysis of cash flows on acquisition:

Transaction costs of the acquisition	**(694 411)**

		2016 USD	2015 USD
6	**LONG TERM INVESTMENT**		
	Money market	-	46 126
	Equities	19 585	19 585
		19 585	**65 711**
	Proceeds from liquidation of equities	(16 880)	(45 626)
	Fair value adjustment	(2 705)	(500)
		-	**19 585**
7	**INTANGIBLE ASSET**		
	Enterprise resource planning system		
	Cost	**192 122**	**192 122**
	Accumulated amortisation and impairment	**(192 122)**	**(192 122)**
	Balance at beginning	(192 122)	(136 394)
	Current year charge	-	(55 728)
	Balance at the end of year	**-**	**-**
8	**INVENTORY**		
	Past exam booklets	36 367	37 228
	Study packs	6 523	5 992
	Other	3 692	4 727
		46 582	**47 947**
9	**ACCOUNTS RECEIVABLE**		
	Sundry receivables	5 083	9 674
	CFX Travel and Tours	15 534	27 017
	Value added tax	19 260	-
	Zimbabwe Institute of Management	5 360	-
	Prepayments	72 323	15 847
	Staff debtors	8 875	29 832
		126 435	**82 370**
10	**SHORT TERM INVESTMENTS**		
	Money market	**504 923**	**1 009 319**

Money market investments are made up of Old Mutual Unit Trusts which are short term investments held at fair value through profit and loss.

		2016 USD	2015 USD
11	**CASH AND CASH EQUIVALENTS**		
11.1	Cash and bank balances	9 778	36 137
11.2	Money market investments	504 923	1 009 319
		514 701	**1 045 456**

12 LONG TERM LOAN

The Institute entered into a credit facility with CBZ bank for the purchase of 50% Dzidzo house Shares. The loan facility was approved at the council meeting held on 19 September 2015. The interest on loan will be charged at a rate of 15% per annum and attracted a 2% flat establishment fee on acquisition. The Institute has complied with the loan requirements during the year.
The loan balance as at 31 December is as follows:

	2016 USD	2015 USD
Principal amount	310 000	
Repayment	(21 493)	-
loan Balance	**288 507**	**-**

13 ACCOUNTS PAYABLE

	2016 USD	2015 USD
Fees prepayments	28 884	43 065
Unallocated Deposits	3 899	977
Legal fees	-	19 780
Zimbabwe Agricultural Society	-	11 486
Accrued expenses	27 289	5 190
Public Accountants and Auditors Board	8 055	5 760
Withholding tax	2 162	2 882
Sundry payables	7 976	172
	78 265	**89 312**

14 PROVISIONS

	2016 USD	2015 USD
Audit fees	13 885	15 220
Capitation fees	14 074	28 260
Leave pay	22 989	37 257
	50 949	**80 737**

15 RELATED PARTIES

The Institute has a related party relationship with Dzidzo House (Private) Limited in which it holds 100% equity investment. Unless otherwise disclosed, all transactions with the related party are on arm's length basis at market related prices.

Balances with related parties other than key management personnel

	2016 USD	2015 USD
Dzidzo House (Private) Ltd	-	3 404
	-	**3 404**

		2016 USD	2015 USD
16	**REVENUE**		
	Continuous professional development	4 366	10 910
	Election fees	10 050	7 200
	Examination fees	430 272	603 172
	Exemption fees	18 563	32 049
	Membership fees	248 096	290 272
	New registration	21 320	30 955
	Levies	36 954	-
	Re-registration	243 783	346 206
	Annual conference	130 969	200 008
	Winter school	23 855	24 232
		1 168 228	**1 545 004**
17	**OTHER INCOME**		
	Annual charity golf day	6 866	6 685
	Annual dinner	2 170	2 955
	Gowns	5 935	4 259
	Magazine advertising fees	1 678	1 800
	Study packs and past papers	14 815	28 984
	Penalties-current year	4 980	8 624
	Ties	356	667
	Rent receivable	2 343	-
	Sundry income	78 072	57 065
	Functions	3 263	2 885
		120 478	**113 924**

		2016	2015
18	**ADMINISTRATION COSTS**	**USD**	**USD**
	Audit fees-internal	9 200	9 200
	Audit fees-external	11 906	11 320
	Annual conference fund	99 949	186 967
	Amortisation of intangible asset	-	55 727
	Annual golf day expenses	8 665	7 349
	Annual dinner	4 162	4 557
	Bank charges	13 103	20 346
	Cleaning expenses	4 913	3 080
	Continuing professional development	11 913	24 646
	Corporate secretaries international	7 525	7 500
	Capitation fees	12 794	62 193
	Computer expenses	49 820	57 164
	Communications costs	36 924	49 009
	Consultancy	-	5 765
	Depreciation	109 917	74 698
	Electricity and water	33 853	15 839
	Examination costs	188 083	237 087
	Functions	40 588	41 054
	Graduation prizes	1 485	1 205
	Impairment of investment	-	45 626
	Insurance	15 668	15 944
	Legal costs	31 574	27 899
	Library	3 606	5 522
	Loss on disposals of assets	-	1 545
	Meeting expenses	31 079	35 281
	Motor vehicle expenses	23 652	33 274
	Office expenses	14 635	19 350
	Provision for bad debts	14 373	11 353
	Publications	13 887	13 485
	Public relations	40 303	57 553
	Printing and stationery	9 798	12 919
	Repairs and maintenance	7 712	5 874
	Costs of sales	11 588	23 123
	Security	1 182	374
	Travel expenses	23 359	42 966
	Technical and research costs	2 875	
	Winter school expenses	23 423	27 512
	Other expenses	8 111	3 294
		921 625	**1 257 602**
18.1	**STAFF COSTS**		
	Basic salaries	435 438	442 312
	Wages	6 117	12 099
	Medical aid contribution	39 145	36 807
	Pension contributions	26 331	26 580
	NSSA	7 545	7 437
	Workers compensation insurance fund	4 924	4 084
	Leave expense	17 744	17 951
	Staff development costs	5 325	8 285
	Staff uniforms	9 002	12 689
	Overtime	-	6 093
	Long service awards	1 066	11 944
	Funeral cover	1 828	918
	Other staff costs	3 148	3 959
		557 613	**591 158**

19 TAXATION

	2016 USD	2015 USD
Current tax		
Zimbabwe income tax		
-current	-	-
Movement in temporary differences	12 725	(2 634)
Unutilised assessed loss	3 291	(4 337)
	16 016	**(6 971)**
Tax rate reconciliation		
Accounting losses	(56 188)	(16 789)
Tax at 25.75%	(14 468)	(4 323)
Tax rate adjustment on permanent differences	30 484	(2 610)
Interest received	-	(38)
	16 016	**(6 971)**
Deferred Tax		
Analysis of temporary differences		
Property and equipment	(15 053)	(13 890)
Assessed Loss	22 456	9 582
	7 403	**(4 308)**

20 PENSION AND OTHER POST RETIREMENT OBLIGATIONS

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

20.1 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.

20.2 National Social Security Authority

This is a defined contribution scheme established under the National Social Security Authority Act (17:04). The group`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.

21 FINANCIAL RISK MANAGEMENT

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

21.1 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 group 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 group to concentration of credit risk consist of amounts receivables and cash. The group's cash and cash equivalents are placed with high credit quality financial institutions.

21.2 Interest rate risk management

The group 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 group does not have borrowing or interest commitments.

The group can only invest in certain clearly defined instruments. Where instruments are for medium to long term, these should be backed by security at all times. Investments and advances must be diversified in the market place. The composition of the Institute's investment portfolio must reflect market conditions.

FINANCIAL RISK MANAGEMENT (continued)

21.3 Liquidity risk management

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

21.4 Compliance risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with laws, rules, regulations, prescribed practices, internal policies, and procedures or ethical standards. The risk exposes the Institute to fines and can lead to diminished reputation and limited business opportunities. The group manages compliance risk by regular management checks, quarterly internal audit checks and yearly external audit checks.

22 GOING CONCERN

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

23 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.