INSTITUTE OF PEOPLE MANAGEMENT OF

ZIMBABWE- AMALGAMATED

INFLATION ADJUSTED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

GENERAL INFORMATION- INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

PRINCIPAL ACTIVITIES
The Institute of People Management of Zimbabwe- is incorporated in Zimbabwe and the main business of the institute is to develop, deliver and regulate the human resource management profession.

BOARD OF TRUSTEES / MEMBERS
P Chitagu (President)
P Murena - Nyika (Immediate Past President)
J Duve (Vice President-PR, Research and Customer Care)
C Chiketa (Vice President- Finance and Audit)
T Jasi (Vice President- Human Resources)
P Nyausara (Vice President- Membership and Education Committee)
K Nyashanu
W Mfambwa
K Gwamura
D Nyabadza
E Mutomba
S Mungofa
M Madzinga

SECRETARIAT
F Sekeso (Executive Director)
W Saidi (Finance Executive)
L Mupandawana (Administration and Human Resources Executive)
L Murape (Business Development Executive)

BANKERS
Stanbic Bank Limited
CBZ Bank Limited

REGISTERED OFFICE
IPMZ House
15 Argyle Road
Avondale
Harare
Zimbabwe

AUDITORS
Vali & Co.
Chartered Certified Accountants (Zimbabwe)
No. 2 Cameron Road
Borrowdale
Harare
Zimbabwe

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED
Inflation Adjusted Financial Statements for the year ended 31 December 2019

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COUNCIL'S RESPONSIBILITY AND APPROVAL OF INFLATION ADJUSTED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

TO THE MEMBERS OF COUNCIL OF THE INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

The Council is required to maintain adequate accounting records and is responsible for the content and integrity of the Inflation Adjusted Financial Statements and related financial information included in this report. It is its responsibility to ensure that the Inflation Adjusted Financial Statements fairly present the state of affairs of the institute as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the Inflation Adjusted Financial Statements.

The Inflation Adjusted Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Council acknowledges that it is ultimately responsible for the system of internal financial control established by the Institute and place considerable importance on maintaining a strong control environment. To enable it to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Institute and all employees are required to maintain the highest ethical standards in ensuring the Institute's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Institute is on identifying, assessing, managing and monitoring all known forms of risk across the Institute. While operating risk cannot be fully eliminated, the Institute endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Council is of the opinion, based on the information and explanations given by management, that the system of internal controls provide reasonable assurance that the financial records may be relied on for the preparation of the Inflation Adjusted Financial Statements. However any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Council has reviewed the Institute's budget for the year to December 31, 2020 and, in light of this review and the current financial position, they are satisfied that the Institute has or had access to adequate resources to continue in operational existence for the foreseeable future. The Council however draws attention to the fact that Zimbabwe's economy is not stable. The economy is characterized by hyperinflation, depressed disposable incomes, uncertain political environment and high unemployment rate among other issues. All these factors indicate the existence of an uncertainty that may cast doubt on the nations companies, churches and any other organizations operating in Zimbabwe ability to continue as a going concern.

The external auditors are responsible for independently auditing and reporting on the Institute's Inflation Adjusted Financial Statements. The Inflation Adjusted Financial Statements have been examined by the Institute's external auditors and their report is presented on pages 3-6.

The Inflation Adjusted Financial Statements were prepared under the supervision of William Saidi.

The Inflation Adjusted Financial Statements set out on pages 7 to 30, which have been prepared on the going concern basis, were approved by the Council on 13/08/2020 and were signed on their behalf by:

(On behalf of Institute of People Management of Zimbabwe- Amalgamated)

Dr P Chitagu
President

C Chiketa
Vice President-Finance and Audit

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL OF THE INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS Opinion

We have audited the inflation adjusted consolidated financial statements of IPMZ set out on pages 7 to 30, which comprise the inflation adjusted statements of financial position as at 31 December 2019, and the inflation adjusted statements of profit or loss and other comprehensive income, inflation adjusted statements of changes in reserves, and inflation adjusted statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the inflation adjusted financial statements present fairly, in all material respects, the financial position of IPMZ as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 2 of the financial statements which describes the course of events and the key judgements that resulted in the change in functional currency.

Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to the fact that Zimbabwe's economy is not stable. The economy is characterised by hyperinflation, depressed disposable incomes, uncertain political environment and high unemployment rate among other issues. All these factors indicate the existence of an uncertainty that may cast doubt on the nation's companies, churches and any other organisations operating in Zimbabwe ability to continue as a going concern. However, we have considered the reasonableness of the assumptions used by management to prepare the financial statements on the basis of a going concern and consider resultant disclosures to be appropriate.

Key Audit Matters

We summarise below the matters that had the greatest effect on our audit, our key audit procedures and our findings from those procedures in order that the company members as a body may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertaken in the context of and solely for the purpose of our audit opinion on the Institute financial statements. In addition to the matter described in the "Material Uncertainty Related to Going Concern" section, we have determined the matters described below to be the key audit matters to be communicated in our report. The key audit matters below relate to the audit of the financial statements.

Key Audit Matter	How our audit addressed the matter
Fair Value Adjustments	• We reviewed the valuators profile to verify that he is legit and is suitably qualified to carry out the revaluation. • Requested for their revaluation schedule then cast and cross cast to agree the figures. • We agreed the revalued amount on the revaluation report to the asset register and agreed the fair value adjustment to the client's workings.
Foreign exchange gain	• We obtained the balance of cash on hand as at year end and agreed the exchange rate used to the official exchange rate which is the RBZ rate then calculated the gain or loss on the exchange. • We also obtained the client's schedule of exchange gains/losses and made recomputations and agreed the balances to ledger.
Intercompany transactions	• We agreed the intercompany ledger transactions between the branches and the National office.

Other information

The Council is responsible for the other information. The other information does not include the inflation adjusted financial statements and our auditor's report thereon. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the inflation adjusted 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We confirm that we have not identified any such inconsistencies or misleading statements.

Responsibilities of the Council for the Inflation Adjusted Financial Statements

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

In preparing the financial statements, the Council members are responsible for assessing the Institute'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 the directors either intend to liquidate the Institute or to cease operations, or have realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the inflation adjusted 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 organisation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the institute'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 auditors' report. However, future events or conditions may cause the organisation 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 Institute to express an opinion on the inflation adjusted financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

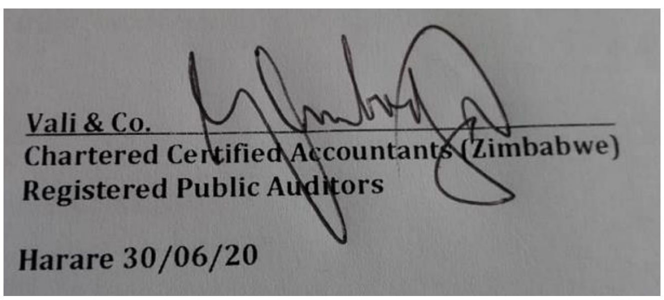
We communicate with the Institute members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Institute with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the institute, 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 on Other Legal and Regulatory Requirements

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted financial statements have not in all material respects, been properly prepared in compliance with the disclosure requirements of and in the manner required by the Institute's Constitution.

The engagement partner on the audit resulting in this independent auditor's report is Ephraim C Mbodza. (PAAB Practicing Certificate Number 0417)



INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE - AMALGAMATED

INFLATION ADJUSTED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Inflation Adjusted 2019 ZWL	Inflation Adjusted 2018 ZWL	Historical 2019 ZWL	Historical 2018 ZWL
ASSETS					
Non - current assets					
Property, plant & equipment	**5**	15,434,111	4,800,728	11,495,325	772,809
Investment Property	**6**	10,136,928	3,571,929	7,140,000	575,000
Intangible assets	**7**	88,817	136,938	7,320	22,044
Other financial assets	**8**	10,958	10,958	1,764	1,764
		25,670,814	**8,520,553**	**18,644,409**	**1,371,617**
Current assets					
Inventories	**9**	41,675	50,019	5,885	8,052
Accounts receivable	**10**	68,665	189,033	68,606	30,430
Cash & cash equivalents	**11**	767,791	1,599,603	767,791	257,500
		878,131	**1,838,655**	**842,282**	**295,982**
Total assets		**26,548,945**	**10,359,208**	**19,486,691**	**1,667,599**
RESERVES & LIABILITIES					
Reserves					
Non Distributable Reserves		2,334,483	2,334,483	375,799	375,799
Retained earnings	**page 9**	13,127,268	7,067,138	8,010,376	1,137,650
Revaluation Reserve		10,728,161	82,745	10,741,482	13,320
		26,189,912	**9,484,366**	**19,127,657**	**1,526,769**
Current liabilities					
Trade and Other payables	**12**	359,033	874,842	359,034	140,830
		359,033	**874,842**	**359,034**	**140,830**
		26,548,945	**10,359,208**	**19,486,691**	**1,667,599**

We certify that the financial statements on pages 7 to 30 were considered and adopted by the Institute of People Management of Zimbabwe at a meeting held on 13-8-20

President..............................

Vice President..............................

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

INFLATION ADJUSTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

		Inflation Adjusted	Inflation Adjusted	Historical	Historical
		2019 **ZWL**	**2018** **ZWL**	**2019** **ZWL**	**2018** **ZWL**
	Notes				
Revenue	**13**	15,721,827	9,866,747	5,435,543	1,588,324
Other income	**14**	7,351,561	1,503,117	6,902,664	241,968
Administrative expenses	**15**	(11,754,424)	(7,615,134)	(4,683,296)	(1,225,865)
Monetary loss		(3,050,690)			
Profit before income tax		**8,268,274**	**3,754,730**	**7,654,911**	**604,427**
Income tax expense		-	-	-	-
Profit for the period		**8,268,274**	**3,754,730**	**7,654,911**	**604,427**
Other Comprehensive Income		-	-	-	-
Reversal of previously recognised revaluation		(82,745)			-
Total Comprehensive Income for the year		**8,185,530**	**3,754,730**	**7,654,911**	**604,427**

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

INFLATION ADJUSTED STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2019

Historical

	Non Distributable Reserve ZWL	Revaluation reserve ZWL	Retained Earnings ZWL	Total ZWL
Balance as at 01 January 2018	375,799	13,320	884,977	1,274,096
Total comprehensive income for the year	-	-	252,673	252,673
Balance as at 31 December 2018	**375,799**	**13,320**	**1,137,650**	**1,526,769**
Revaluation	-	10,728,162	-	10,728,162
Total comprehensive income for the year	-	-	6,872,726	6,872,726
Balance as at 31 December 2019	**375,799**	**10,741,482**	**8,010,376**	**19,127,657**

Inflation Adjustment

	Non Distributable Reserve ZWL	Revaluation reserve ZWL	Retained Earnings ZWL	Total ZWL
Balance as at 01 January 2018	2,334,483	82,744	5,497,549	7,914,776
Total comprehensive income for the year	-	-	1,569,617	1,569,617
Balance as at 31 December 2018	**2,334,483**	**82,744**	**7,067,166**	**9,484,393**
Revaluation	-	10,728,161	-	10,728,161
Reversal of previously recognised revaluation	-	(82,744)	-	(82,744)
Total comprehensive income for the year	-	-	6,060,102	6,060,102
Balance as at 31 December 2019	**2,334,483**	**10,728,161**	**13,127,268**	**26,189,912**

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

INFLATION ADJUSTED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2019

	Inflation Adjusted 2019 ZWL	Inflation Adjusted 2018 ZWL	Historical 2019 ZWL	Historical 2018 ZWL
Cash flows from operating activities				
Profit before tax	6,060,102	1,569,617	6,872,726	252,673
Adjust for:				
Depreciation and amortisation	245,265	357,466	77,219	57,544
Fair value gains	(6,565,000)	(1,118,169)	(6,565,000)	(180,000)
Operating profit before working capital changes	**(259,633)**	**808,914**	**384,945**	**130,217**
	-	-		
Decrease in inventories	8,344	2,199	2,168	354
(Increase)/decrease in accounts receivable	120,367	31,371	(38,176)	5,050
Increase/(decrease) in accounts payable	(515,808)	(115,420)	218,204	(18,580)
Net cash from/(used in) operating activities	**(646,730)**	**727,064**	**567,141**	**117,041**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(185,082)	(737,942)	(56,850)	(118,792)
Purchase of intangible assets	-	(53,579)	-	(8,625)
Net decrease in cash and cash equivalents	**(831,812)**	**(64,457)**	**510,291**	**(10,376)**
Cash and cash equivalents as at the beginning of the year	1,599,603	1,664,060	257,500	267,876
Cash and cash equivalents as at 31 December	**767,791**	**1,599,603**	**767,791**	**257,500**
Reconciliation of movements during the year				
Bank balances	767,791	1,599,603	767,791	257,500
Cash and cash equivalents as at 31 December	**767,791**	**1,599,603**	**767,791**	**257,500**

GENERAL INFORMATION

CAUTIONARY STATEMENT NOTE - RELIANCE ON ALL INFLATION ADJUSTED FINANCIAL STATEMENTS PREPARED IN ZIMBABWE FOR 2018/2019

Following the reintroduction of the Zimbabwe Dollar on 22 February 2019 through the promulgation of Statutory Instrument 33 of 2019 (SI 33), The Council Members would like to advise users to exercise caution in their use of these annual Inflation Adjusted Financial Statements due to the material and pervasive impact of the technicalities brought about by the change in functional and presentation currency, and the consequent impact on the usefulness of Inflation Adjusted Financial Statements of entities reporting in Zimbabwe.

Users are also advised that the Zimbabwe Stock Exchange (ZSE) has previously issued a statement on the modified opinions for all listed entities reporting in Zimbabwe in respect of 2018/2019 financial year-ends. The statement notes that: "...it was not the Listed Companies' volition not to comply with financial reporting Standards but rather a matter of complying with the obtaining laws of the Country as prescribed by Statutory Instrument 33 of 2019 (SI 33)."

While the guidance has been issued for listed entities- the economic and legal environment in which the Institute of People Management of Zimbabwe operate equally affected its results and state of affaires.

Consequently - The audit report on these results has not been modified by the independent auditors, **Vali & Co Chartered Certified Accountants (Zimbabwe),** as indicated in the audit statement which accompanies these Inflation Adjusted Financial Statements.

1. NATURE OF BUSINESS

The main business of the institute is to develop, deliver and regulate the human resource management profession. The Institute's registered office is at: **15 Argyle Road, Avondale, Harare.**

2. BASIS FOR PREPARATION

Functional currency

With the introduction of a new currency under Statutory Instrument 33 of 2019 (SI 33/19), the Institute has adopted ZWL as the functional currency. The comparative information has been restated from US$ to ZWL at a rate of 1.1 as prescribed by Statutory Instrument 33 of 2019.

Basis and currency of preparation

The financial statements have been prepared on a historical cost basis. The government promulgated Statutory Instrument ("SI") 33 of 2019 on 22 February 2019 giving legal effect to the reintroduction of the Zimbabwe dollar (ZWL) as legal tender and prescribed that for accounting and other purposes, certain assets and liabilities on this effective date would be deemed to be Zimbabwe Dollars which was at par with the United States Dollar Guidance issued by the Public Accountants and Auditors Board (PAAB) noted that the requirements of SI33 were contrary to the provisions of International Accounting Standard 21, The Effects of Changes in Foreign Exchange Rate. The Directors have always ensured compliance with International Financial Reporting Standards (IFRS) but were unable to do so in the current year due to the conflict between these Standards and the local statutory requirements.

In line with SI 33, the Institute therefore changes its functional and presentation currency with effect from 22 February 2019. In an attempt to more fairly present its Statement of Financial Position as at this date in ZWL, the Institute re-based the net book value of its property, plant and equipment.

In addition, paragraph 2.12 of the Conceptual Framework for Financial Reporting ("the Conceptual Framework") prescribes that for financial information to be useful, it "must not only represent relevant phenomena, but it must also faithfully represent the substance of the phenomena that it purports to represent. In many circumstances, the substance of an economic phenomenon and its legal form are the same. If they are not the same, providing information only about the legal form would not faithfully represent the economic phenomenon."

We believe that events in the market and subsequent promulgation of the ZWL as a formal currency supports a change in functional currency from US$ to ZWL prior to 22 February 2019 and that transactions in the market indicated a different rate between the two currencies despite the legal 1:1 ZWL: US$ exchange rate and this occurred effective 1 October 2018. The Institute has chosen to comply with the law by adopting the date of change in functional currency of 22 February 2019. This therefore impacts the basis for measuring transactions that occurred between 1 January 2019 and 22 February 2019, the valuation of assets and liabilities as well as the accounting for exchange differences. Accordingly, the financial statements of the Institute include balances and transactions denominated in US$ that were not converted to ZWL at a ZWL: US$ exchange rate that reflects the economic substance of its value as required by IFRS.

Comparative financial information and that from the period from 1 January 2019 to 22 February 2019, has been prepared on the assumption that the USD and the ZWL were at par.

The Institute adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index and used the monthly indices to inflation adjust the historical figures. The factors used in the periods under review are as follows:

Period	**Indices**	**Conversion Factors at 31 December 2019**
CPI as at 30 September 2018	64.06	8.6112
CPI as at 31 December 2018	88.80	6.2120
CPI as at 31 December 2019	551.63	1.0000

Comparative financial information

The Institute's comparative financial information have been shown in ZWL converted from USD at 1:1. These comparative should be used with caution due to the material and pervasive impact of the technicalities brought about by the change in functional and presentation currency, and the consequent impact on the usefulness of financial statements of companies reporting in Zimbabwe.

Statement of compliance

The Institute's Inflation Adjusted Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), promulgated by the International Accounting Standards Board (IASB) with the exception to IAS 21 Effects of Changes in Exchange Rates on accounting for change in functional currency, due to inability of The Institute to comply with both IAS 21 requirements and the laws and regulations stemming from Statutory Instrument ("SI") 33. The Inflation Adjusted Financial Statements also comply with the Zimbabwe Companies Act (24:03) and the Institute of People Management of Zimbabwe Constitution. The principal accounting policies applied in the preparation of these consolidated annual Inflation Adjusted Financial Statements are except, where stated consistent with those applied in the previous annual Inflation Adjusted Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies of The Institute, which are set out below, are consistently followed in all material respects.

IFRS 16- LEASES

An operating lease is recorded together with operating lease assets and related depreciation and interest expense.

REVENUE RECOGNITION

Revenue from trading activities represents the amount receivable in the ordinary course of business for services provided. Revenue is measured by reference to the fair value of the consideration received or receivable by The Institute for services provided, excluding trading levies, VAT, rebates and trade discounts. The performance obligations that were identified are delivery training courses and provision of study material. Revenue from these services is recognised as the services are provided.

IFRS 15: Revenue from Contracts with Customers

The Institute adopted IFRS 15 which applies to the Annual Inflation Adjusted Financial Statements for the period beginning on or after 1 January 2018. The objective of IFRS 15-Revenue from Contracts with Customers, is to establish the principles that an entity shall apply to report useful information to users of Inflation Adjusted Financial Statements about the nature , amount , timing , and uncertainty of revenue and cash flows arising from a contract with a customer.

The Institute used a 5-step model for revenue recognition from contracts with
customers; 1 Identify the contract(s) with the customer
2 Identify the performance obligations in the contract
3 Determine the transaction price
4 Allocate the transaction price to the performance obligations and
5 Recognise revenue when (or as) the entity satisfies a performance obligation

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable, guidance regarding agent versus principal considerations and guidance regarding licences and royalties.

The effective date of the amendment is for the years beginning on or after 1 January 2018. The Institute adopted the amendment for the first time in the 2018 Inflation Adjusted Financial Statements.

TAXATION

The Institute is exempt from paying income tax to the government. The only tax which they are liable for is "Pay As You Earn" on employees' remuneration.

NET FINANCE COST/INCOME

Net finance (cost)/income consist of interest receivable on funds invested in financial institutions and interest payable on borrowings. Interest income is recognized in profit or loss as it is accrued, taking into account the effective yield on the asset. All interest and other costs on borrowings are expensed as they are incurred.

PROVISIONS AND CONTINGENCIES

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

The expense relating to any provision is presented in the statement of profit and loss and other comprehensive income net of any reimbursement.

PROPERTY, PLANT AND EQUIPMENT

Recognition

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Institute, and the cost of the item cab be measured reliably.

Measurement

Property, plant and equipment are initially measured at cost less accumulated depreciation and impairment losses.

Depreciation

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation Method	Average useful life
Furniture & Fittings	Straight Line	10 years
Motor Vehicles	Straight Line	5 years
Office Equipment	Straight Line	10 years
Computer Equipment	Straight Line	3 years

Depreciation is provided to write off the cost of property, plant and equipment on the straight line basis at the following rates per annum:

Computer Equipment	33.3%
Office Equipment	10%
Furniture & fittings	10%
Motor Vehicles	20%

Residual values of assets are reassessed annually, and should the value exceed the carrying amount, depreciation is no longer charged. Each part of an item of property, plant and equipment with a cost that is significant in relation to the cost of the item is depreciated separately. The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment

The carrying amounts of the Institute's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount of items of property, plant and equipment is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment

Any impairment losses previously recognised are reversed if there has been a change in the estimates used to determine the recoverable amount. The increased carrying amount of an asset due to a reversal of an impairment loss should not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item , is derecognised.

INTANGIBLE ASSETS

Carrying values of intangible assets are amortized over their expected remaining useful lives.

An intangible asset is recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Intangible assets are initially recognized at cost.

Expenditure on research (or on the research phase of an internal project) is recognized as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognized when:

- It is technically feasible to complete the asset so that it will be available for use or sale
- There is an intention to complete and use or sell it
- There is an ability to use or sell it
- It will generate probable future economic benefits
- There are available technical, financial and other resources to complete the development and to use or sell the asset
- The expenditure attributable to the asset during its development can be measured reliably

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Useful Life
Computer software	3 years

Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates.

FINANCIAL INSTRUMENTS

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when The Institute becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

IFRS 9 does not provide specific guidance for business model assessment related to portfolios of financial assets for which the entity's objectives include transfers of financial assets to third parties in transactions that do not qualify for derecognition. In our view, whether such a portfolio is considered consistent with a held-to-collect business model depends on the circumstances.

Financial assets that are held for trading are managed and performance is evaluated on a fair value basis and measured at FVTPL for the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, The Institute considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, The Institute considers:

- Financial assets-Assessment whether contractual cash flows are solely payments of principal and interest
- Contingent events that would change the amount or timing of cash flows
- Terms that may adjust the contractual coupon rate, including variable rate features
- Prepayment and extension features and
- Terms that limit The Institute's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual payment, a feature that permits or requires prepayment at an amount that substantially represents the contractual amount accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognistion is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at amotised cost using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost if the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

De-recognition

Financial Assets

The Institute derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which The Institute neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Institute enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial Liability

The Institute derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Institute also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, The Institute currently has a legally enforceable right to set off the amount and it intends to either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI-(debt investment); FVCI (equity investment); or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless The Institute changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

On initial recognition of an equity investment that is not held for trading, The Institute may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Institute makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level A because this best reflects the way the business is managed and information is provided to management.

The objective of the entity's business model is not based on management's intentions with respect to an individual instrument, but rather is determined at a higher level of aggregation. The assessment needs to reflect the way that an entity manages its business or businesses. A single reporting entity may have more than one business model for managing its financial instruments.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognized in OCI id limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If he hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which The Institute has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value of financial assets and liabilities

The valuation technique used depends on the nature of the financial instrument

The fair values of quoted financial assets are based on quoted bid prices. If the market for a financial asset is not active, The Institute establishes fair value using the valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are subsequently the same, discounted cash flow analysis and option pricing models. 'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which The Institute has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the units to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect The Institute's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities traded on the Zimbabwe Stock Exchange

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This level includes non-listed equity investments.

The hierarchy requires the use of observable market data when available. The Institute considers relevant and observable market prices in its valuations, where possible. The Institute does not disclose the fair value of financial instruments where their carrying amounts are a reasonable approximation of fair value.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use.

EMPLOYMENT BENEFITS

Employee benefits are the consideration given by The Institute in exchange for services rendered by employees.

Short term benefits

Benefits earned by employees under normal employment terms, including salaries, bonuses and leave pay. These are expensed as they are incurred and accordingly, provisions are made for unpaid bonuses and leave pay.

Post-employment benefits

National Social Security Authority Scheme

This scheme was promulgated under the National Social Security Authority Act of 1989. The Institute's obligations under the scheme are limited to contributions legislated from time to time. The Institute's contributions to the fund are charged to the statement of comprehensive income and all relate to current service costs.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are carried at anticipated realizable value. Appropriate allowances for credit losses are recognized in the statement of comprehensive income where there is objective evidence that the asset is impaired.

TRADE PAYABLES

Trade payables are measured at cost.

RELATED PARTY AND RELATED PARTY TRANSACTIONS

For the purposes of these Inflation Adjusted Financial Statements, a party is considered to be related to The Institute if the party has the ability, directly or indirectly through one or more intermediaries, to control the Institute or exercise significant influence over The Institute in making financial and operating policy decisions, or has joint control over The Institute and if the parties are subject to common control; and the party is a member of key management personnel of The Institute or The Institute's parent, or a close family member of such an individual.

AUDIT FEES

Audit fees are expensed in the period when the auditing services are provided.

3.2 CRITICAL JUDGEMENTS IN APPLYING THE INSTITUTE'S ACCOUNTING POLICIES

In preparing the Inflation Adjusted Financial Statements, management is required to make estimates and assumptions that affect the amounts presented in the Inflation Adjusted Financial Statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Inflation Adjusted Financial Statements. Significant judgments include:

Impairment testing

The Institute assesses its assets for impairment at each reporting date in order to determine whether there is any objective evidence of impairment. Impairment testing is an area involving management, requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Going Concern

The Institute assesses it going concern at each reporting date. Going concern assessment is an area involving management judgment requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Functional Currency

These Inflation Adjusted Financial Statements are presented in Zimbabwe dollars (ZWL), which is also the functional currency of The Institute. Transactions in other currencies are translated to ZWL at the rate of exchange prevailing at dates of transactions. Exchange gains or losses on monetary items are recognized in profit or loss in the period in which they arise.

4. TREASURY AND FINANCIAL RISK MANAGEMENT

The main risks arising from The Institute's financial instruments are currency risk, interest rate risk, market risk, credit risk and liquidity & cash flow risk. The Institute does not use derivative financial instruments for speculative purposes. The Council Members have the overall responsibility for the establishment and oversight of The Institute's risk management framework. These policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

This note presents information about The Institute's exposure to risks, its objectives, policies and processes for measuring and managing the risks, and The Institute's management of capital.

Currency risk

This is the risk that The Institute is exposed to unfavorable exchange rate movements on mismatched spot or forward positions in a foreign currency deal. The Institute incurs foreign currency risk when it undertakes transactions in foreign currencies. However, exposure to foreign currency risk is managed by ensuring that foreign currency denominated assets are retained to set off against foreign currency denominated liabilities.

Interest rate risk

This is the risk arising from the adverse movement in the value of future interest receipts or commitments resulting from movements in interest rates. The Institute finances its operations through retained earnings and borrowings, and borrows principally dollars at fixed and floating rates of interest. The Institute maintains its borrowings at a minimum and undertakes new borrowings according to expected movements in interest rates.

Market risk

The principal amounts of all monetary assets and liabilities are fixed and not subject to market related value adjustments.

Credit risk

This is the risk that counter-parties to a deal or loan will default. The Institute's cash resources are principally invested with financial institutions which are considered reputable. Adequate provision is made against any trade and other receivables considered doubtful.

Liquidity & cash flow risk

This is the risk of insufficient liquid funds being available to cover commitments. The cash resources available to The Institute will enable The Institute to meet its short-term liquidity and cash flow requirements.

Historical

5 Property, plant & equipment

	Land, property & Buildings ZWL	Plant & Machinery ZWL	Furniture & Fittings ZWL	Motor Vehicles ZWL	Computer Equipment ZWL	Total ZWL
Carrying amount 01/01/2018	645,521	400	23,781	26,815	2,476	698,993
Cost	718,989	15,885	53,280	153,044	49,204	990,402
Accumulated depreciation	(73,468)	(15,485)	(29,499)	(126,229)	(46,728)	(291,409)
Disposal	-	-	-	(51,452)	-	(51,452)
Revaluation/ Additions	-	4,202	19,579	71,700	23,318	118,799
Depreciation on Disposal	-	-	-	51,452	-	51,452
Depreciation	(17,975)	(872)	(6,109)	(14,382)	(5,645)	(44,983)
Carrying amount 31/12/2018	627,546	3,730	37,251	84,133	20,149	772,809
Cost	718,989	20,087	72,859	173,292	72,522	1,057,749
Accumulated depreciation	(91,443)	(16,357)	(35,608)	(89,159)	(52,373)	(284,940)
Revaluations	10,271,011	-	-	457,150	-	10,728,161
Additions	-	-	4,498	38,889	13,464	56,851
Depreciation	(17,975)	(997)	(6,769)	(24,229)	(12,526)	(62,496)
Carrying amount 31/12/2019	10,880,582	2,733	34,980	555,943	21,087	11,495,325
Cost	10,990,000	20,087	77,357	669,331	85,986	11,842,761
Accumulated depreciation	(109,418)	(17,354)	(42,377)	(113,388)	(64,899)	(347,436)

Inflation Adjustment

5 Property, plant & equipment

	Land, property & Buildings ZWL	Plant & Machinery ZWL	Furniture & Fittings ZWL	Motor Vehicles ZWL	IT Equipment ZWL	Total ZWL
Carrying amount 01/01/2018	4,010,008	2,485	147,729	166,576	15,381	4,342,179
Cost	4,466,395	98,678	330,978	950,717	305,658	6,152,426
Accumulated depreciation	(456,387)	(96,193)	(183,249)	(784,141)	(290,277)	(1,810,247)
Revaluation/ Additions	-	26,103	121,626	445,404	144,853	737,985
Disposal	-	-	-	(319,622)	-	(319,622)
Depreciation	(111,662)	(5,460)	(37,949)	(89,342)	(35,067)	(279,480)
Disposal depreciation	-	-	-	319,622	-	319,622
Carrying amount 31/12/2018	3,898,346	23,128	231,406	522,638	125,167	4,800,684
Cost	4,466,395	124,781	452,604	1,076,499	450,511	6,570,789
Accumulated depreciation	(568,049)	(101,653)	(221,198)	(553,861)	(325,344)	(1,770,105)
Revaluation	10,271,011	-	-	457,150	-	10,728,161
Additions	-	-	15,010	85,655	84,445	185,110
Reversal of previously recognised revaluation	(82,744)					(82,744)
Depreciation	(58,980)	(3,421)	(22,247)	(73,119)	(39,376)	(197,143)
Carrying amount 31/12/2019	14,027,633	19,707	224,169	992,324	170,236	15,434,068
Cost	14,654,662	124,781	467,614	1,619,304	534,956	17,401,316
Accumulated depreciation	(627,029)	(105,074)	(243,445)	(626,980)	(364,720)	(1,967,248)

	Inflation Adjusted 2019 ZWL	Inflation Adjusted 2018 ZWL	Historical 2019 ZWL	Historical 2018 ZWL
6 Investment Property				
Opening Balance	2,453,759	2,330,885	395,000	375,220
Fair value adjustments	1,118,169	122,875	180,000	19,780
Closing Balance	3,571,928	2,453,760	575,000	395,000
Fair value adjustments	6,565,000	1,118,169	6,565,000	180,000
Closing Balance	10,136,928	3,571,929	7,140,000	575,000

Historical

7 Intangible Assets

	Microsoft Licences	Website & software	Online back up system	Total
Balance as at 01 January 2018	5,194	15,299	5,494	25,987
Cost	5,500	24,208	6,380	36,088
Accumulated Amortisation and impairment	(306)	(8,909)	(886)	(10,101)
Additions	-	-	8,625	8,625
Amortisation	(1,833)	(6,389)	(3,085)	(11,307)
Impairment	-	(1,261)	-	(1,261)
				-
Balance as at 31 December 2018	3,361	7,649	11,034	22,044
Cost	5,500	22,947	15,005	43,452
Accumulated Amortisation and impairment	(2,139)	(15,298)	(3,971)	(21,408)
Amortisation and impairment	(1,833)	(7,649)	(5,241)	(14,723)
Balance as at 31 December 2019	1,528	-	5,793	7,321
Cost	5,500	22,947	15,005	43,452
Accumulated Amortisation and impairment	(3,972)	(22,947)	(9,212)	(36,131)

Inflation Adjusted

7 Intangible Assets

	Microsoft Licences	Website & software	Online back up system	Total
Balance as at 01 January 2018	**32,265**	**95,038**	**34,129**	**161,432**
Cost	34,166	150,381	39,633	224,180
Accumulated Amortisation and impairment	(1,901)	(55,343)	(5,504)	(62,748)
Additions	-	-	53,579	53,579
Amortisation	(11,387)	(39,689)	(19,164)	(70,240)
Impairment	-	(7,833)	-	(7,833)
				-
Balance as at 31 December 2018	**20,878**	**47,516**	**68,544**	**136,938**
Cost	34,166	150,381	93,212	277,759
Accumulated Amortisation and impairment	(13,288)	(102,865)	(24,668)	(140,821)
Amortisation and impairment	(5,930)	(24,744)	(17,447)	(48,121)
Balance as at 31 December 2019	**14,948**	**22,772**	**51,097**	**88,817**
Cost	34,166	150,381	93,212	277,759
Accumulated Amortisation and impairment	(19,218)	(127,609)	(42,115)	(188,942)

	Inflation Adjusted 2019 ZWL	Inflation Adjusted 2018 ZWL	Historical 2019 ZWL	Historical 2018 ZWL
8 Other financial assets				
At Fair Value through profit or loss- held for trading				
Infinity Asset Management	2,151	2,149	346	346
The financial asset comprise of listed equity securities held for trading in Zimbabwe. The fair value of all equity securities is based on their current bid prices in an active market.				
Fidelity life asset management	7,921	7,920	1,275	1,275
The financial asset comprise of listed equity securities held for trading in Zimbabwe. The fair value of all equity securities is based on their current bid prices in an active market.				
Old Mutual	886	888	143	143
The financial asset comprise of listed equity securities held for trading in Zimbabwe. The fair value of all equity securities is based on their current bid prices in an active market.				
	10,958	**10,958**	**1,764**	**1,764**
Non- current assets				
Held for trading (fair value through income)	**10,958**	**10,958**	**1,764**	**1,764**
9 Inventory				
PUBLICATIONS	41,675	50,019	5,884	8,052
	41,675	**50,019**	**5,884**	**8,052**
10 Trade and other receivables				
Trade Receivables	(7,197)	86,590	(7,245)	13,939
Other receivables	75,863	102,443	75,852	16,491
	68,666	**189,033**	**68,607**	**30,430**
11 Cash & cash equivalents				
Cash on hand	68,029	2,647	68,029	2,647
Cash at bank	552,242	60,631	552,242	60,631
Deposit on call	147,520	194,222	147,520	194,222
	767,791	**257,500**	**767,791**	**257,500**

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Inflation Adjusted 2019 ZWL	Inflation Adjusted 2018 ZWL	Historical 2019 ZWL	Historical 2018 ZWL
12 Trade and Other payables				
Trade payables	(2,750)	777,655	(2,750)	125,185
Other payables	361,784	97,188	361,784	15,645
	359,034	**874,843**	**359,034**	**140,830**
13 Revenue				
Conferences	10,068,333	5,295,853	3,862,435	852,513
CPD	1,344,137	627,044	372,191	100,940
Diplomas	1,912,910	1,798,121	598,891	289,457
Joining Fees	84,965	58,890	21,095	9,480
Membership Fees	1,236,174	1,021,478	263,740	164,435
Publications	651,217	661,683	172,345	106,516
Research	37,428	-	7,450	-
Training	386,663	403,678	137,396	64,983
	15,721,827	**9,866,747**	**5,435,543**	**1,588,324**
14 Other Income				
Bad Debts Recovered	1,683	21,848	300	3,517
Car grant scheme	-	10,560	-	1,700
Fair Value Adjustment	6,565,000	1,118,175	6,565,000	180,001
Gain on disposal of asset	-	63,922	-	10,290
Gains/(Loss)-Exchange Rate Fluctuations	482,646	-	204,460	-
Hiring Services	57,309	21,121	18,775	3,400
Interest Received	20,466	37,310	6,858	6,006
Inventory Adjustment	16,634	-	3,083	-
Rent received	149,810	143,890	70,024	23,163
Sundry Income	58,013	86,291	34,164	13,891
	7,351,561	**1,503,117**	**6,902,664**	**241,968**

INSTITUTE OF PEOPLE MANAGEMENT OF ZIMBABWE-AMALGAMATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Inflation Adjusted 2019 ZWL	Inflation Adjusted 2018 ZWL	Historical 2019 ZWL	Historical 2018 ZWL
15 Administrative expenses				
Publications	112,398	182,448	28,702	29,370
Accounting & Auditing Fees	132,422	68,078	68,188	10,959
Administration expenses	295,194	154,140	144,944	24,813
Advertising & Promotions	252,070	190,834	72,851	30,720
Amortisation Intangible Assets	48,122	78,073	14,724	12,568
Bad Debts	-	21,848	-	3,517
Bank Charges	348,497	111,252	129,993	17,909
Business Assistance Car grant	-	10,560	-	1,700
Computer Expenses	51,375	91,590	21,240	14,744
Conferences	7,145,556	4,195,643	2,994,508	675,404
Consulting Fees	20,696	29,749	15,978	4,789
Continuous Professional Development	615,258	341,868	170,061	55,033
Courier Services	56,807	44,236	27,100	7,121
Depreciation	197,143	279,393	62,495	44,976
Diploma	607,231	593,636	188,718	95,562
Donations	53,028	-	17,918	-
Electricity & Water	60,219	63,276	30,020	10,186
Employee Costs	11,341	16,903	3,622	2,721
Hiring Expenses	233	-	63	-
Holiday Savings Fund	80,446	112,755	28,949	18,151
Insurance	77,084	85,627	38,603	13,784
Licencing	40,887	-	11,545	-
Membership	10,023	14,623	2,089	2,354
Motor Vehicle Expenses	416,792	109,295	145,679	17,594
Printing & Stationery	23,594	22,556	9,173	3,631
Rent/ Rates Paid	69,738	71,668	24,281	11,537
Repairs & Maintenance	320,084	162,277	157,229	26,123
Research	41,266	2,733	9,870	440
Security	17,962	21,550	5,490	3,469
Staff Training	137,392	38,751	57,453	6,238
Staff Welfare	47,377	83,310	27,345	13,411
Subscriptions	91,908	65,525	24,112	10,548
Sundry Expenses	35,018	41,086	20,492	6,614
Teas Canteen & Cleaning Services	106,731	70,594	37,640	11,364
Telephone Internet & Fax	155,004	123,874	66,199	19,941
Training	72,442	108,028	24,826	17,390
Travel & Entertainment	3,086	7,355	1,196	1,184
	11,754,424	**7,615,134**	**4,683,296**	**1,225,865**
16 Employee costs				
Funeral benefit	4,757	9,256	1,450	1,490
Leave pay provision	79,030	38,652	16,254	6,222
Medical Aid Expenses - Coy	226,338	188,927	95,653	30,413
N.E.C.C.S.	791	1,472	243	237
National Social Security Authority	20,629	31,694	6,509	5,102
Pension-Coy	76,301	106,648	24,657	17,168
Salaries	1,717,582	1,830,865	637,419	294,728
W.C.I.F.	11,341	16,903	3,622	2,721
	2,136,769	**2,224,417**	**785,807**	**358,081**

17 Events after Reporting Date

Impact of Corona virus disease (COVID-19)

The world is grappling with the Corona virus and Zimbabwe has not been spared. In response to this challenge, the Government of Zimbabwe declared COVID-19 a national disaster, a measure which came after the World Health Organisation (WHO) had declared COVID-19 an international pandemic. The government has issued a number of directives as well as enacting the Statutory Instrument 77 of 2020 to combat the pandemic. The Institute has activated a number of Business Continuity Plans and will continue to provide services and operate business through dedicated staff using virtual programs. The Institute is assessing the potential impact to its financial performance in 2020.

As at the date of the approval of the approval of the financial statements, management was in the process of assessing the full impact of COVID-19 on its operations. Management however, do not anticipate the COVID-19 to have a significant impact on its operations, and in the preparation of these financial statements has not been revised.