



Highlights of Financial Reporting issues to be addressed at the TAS Financial Reporting Conference

From 21 to 22 November 2024, Training and Advisory Services will be hosting an corporate reporting conference in Kariba to address financial reporting challenges being faced by practitioners in Zimbabwe. Discussions shall be with high-profile finance professionals, economists, auditors, the Public Accountants and Auditors Board (PAAB), and the Institute of Chartered Accountants of Zimbabwe (ICAZ).

Last year, TAS held this conference in Durban and major accounting issues were discussed in-depth which resulted in interventions in the industry, click [TAS Durban Conference Report](#) to view full report.



TAS Annual Conference 2023 – Durban Blue Waters Hotel, Durban

This year our conference shall be centred around the following issues:

1. **Functional currency:** Most, if not all entities make their financial plans in US\$, and pricing in ZWG is often indexed to the US\$. Although planning and pricing

could be in US\$, entities may also have substantial transactions in ZWG. However, the majority of entities do not retain their profits in ZWG, priority is put on utilizing ZWG first and retaining the US\$. In light of this, what is the true functional currency for entities, and what should be the effective date of change of functional currency?

2. Conversion from ZWL to ZWG and its impact on the 2024 reporting.

Although this topic was widely discussed, a dive into the published half-year financials shows varied practices such as the creation of a translation reserve, usage of USD ledgers as take on balances versus the normal translation of the TB, deeming values via IFRS 1 application, use of historical accounts versus hyperinflated accounts in conversion, just to mention a few. There is a high risk of misstating financial statements in the process and auditors will definitely pay special attention to this area.

3. Should 2024 financial statements be hyperinflated or not?

The Accountants and Auditors regulator declared the Zimbabwean economy to be hyperinflationary in 2019. With the coming in of the ZWG, there was observed stability in prices for about 5 months until the exchange rate gap between the formal exchange platforms and alternative exchange platforms started widening. Given the 44% devaluation of ZWG in September 2024 which resulted in the USD appreciating relative to the ZWG by 78%, it heightens the question of whether Hyperinflation accounting should be applied for the 2024 financial period. If YES, using which General Price Index?

4. Exchangeability of the ZWG to other currencies.

In the event of an entity seeking to exchange ZWG for US\$ on the formal exchange platforms, the Willing Buyer Willing Seller exchange rate will only be applicable for foreign invoices and payments. For local transactions, one is not able to exchange ZWG for US\$ on the formal exchange platforms.

Is the Willing Buyer Willing Seller rate therefore appropriate for use as exchange rates given it is for selected transactions and the wide disparity between the formal rate and the alternative rates?

5. Other areas to be discussed:

- Valuation inaccuracies are mainly caused by currency issues.
- Consolidation of subsidiaries with USD functional currency into group accounts with ZWG presentation currency.
- IFRS updates ie IFRS 18, IFRS 19, and minor amendments
- Sustainability reporting – breaking down IFRS S and getting regulators expectations on the onboarding process.

Why is it important to be part of this conference? Well, if these accounting complexities are not addressed properly, they will result in:

1. **Inconsistent Accounting Treatments.** We observed this with half-year reporting where others hyped their financials and others did not. Comparability is one of the qualitative characteristics of financial statements and with this compromised, it reduces the usefulness of financial statements.
2. **Lack of fair presentation:** These complexities often result in accounting treatments that do not comply with reporting standards. Lack of faithful presentation makes the financial statements irrelevant which is a fundamental quality of financial reports. It is as good as the financial statements are useless.
3. **Poor decision-making and investor attractiveness.** With poor-quality financial reports, investor confidence goes low which affects the ability of companies to access finance.
4. **Reporting directives from regulators conflicting with international reporting standards.** Moving away from applying International Accounting Standards reduces the value of our financial statements.

We hope to see you in Kariba as we together shape the outcome of the 2024 Financial reporting period.



1TAS Annual Conference 2022 – Troutbeck, Nyanga



TAS 2024 Annual Conference - Kariba

Navigating the Reporting Challenges in Zimbabwe in Preparation for 2024 Reporting

Venue: Caribbea Bay Hotel

Date: 21 & 22 November

Investment:

USD \$1 400 with flights and accommodation.

USD \$900 with accommodation,

USD \$500 without accommodation.

Registration deadline:

8 November 2024

Registration link:

<https://forms.office.com/r/vDAazUiRm1>



Scan QR code to register

Nostro Banking Details

Account name : Itam Services Pvt Ltd

Bank : CABS Bank

Acc number : 1125266449

Join us for the essential financial reporting conference! 'Navigating the Reporting Challenges in Zimbabwe' will equip you with expert insights, regulatory updates, and best practices to tackle 2024 reporting. **Secure your spot now!**

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Conference Program

Navigating the Reporting Challenges in Zimbabwe in Preparation for 2024 Reporting



Day 1 - 21 November

Topics	Discussion Points	Potential Speaker(s)	Mode of Delivery	Time
ZSE financial statement analysis presentation	<ul style="list-style-type: none"> 2024 conference blueprint 2023 conference review 	TAS		0830 - 0900hrs
Economic Outlook and Landscape.	<ul style="list-style-type: none"> State of the Economy address Review of 2024 policies Government plans over the future of the Zimbabwean economy. The implications of policy formulation to business. What can be done going forward. 	<ul style="list-style-type: none"> Economist Regulator 	Short presentation and Panel discussion at the end	0900 - 1000hrs
Tea Break				1000 - 1045hrs
Financial reporting challenges in Zimbabwe and how to overcome them	<ul style="list-style-type: none"> Challenges by experienced by practitioners. Support required by practitioners. 	<ul style="list-style-type: none"> Financial Reporting Practitioner ICAZ 	Short presentation and Panel discussion at the end	1045 - 1130hrs
Auditor perspective on challenges faced	<ul style="list-style-type: none"> Challenges observed from beginning of year Audit issues to watch out for and how to overcome them. 	<ul style="list-style-type: none"> Auditor 	Short presentation	1130 - 1200hrs
The role of regulation in overcoming reporting challenges in Zimbabwe	<ul style="list-style-type: none"> Work which is being done to address current reporting issues. Local GAAP versus full compliance to IFRS. Usefulness of FS, perspective of investors. 	<ul style="list-style-type: none"> PAAB SECZ ZSE 	Panel	1200 - 1300hrs
Lunch				1300 - 1400hrs
Technical Update Emerging issues – IFRS Accounting Standards	<ul style="list-style-type: none"> Solutions to reporting challenges posed by introduction of ZIG. Addressing valuation challenges. IFRS 18 – How it transforms reporting as we know it. IFRS 19 – A huge relief to reporting for subsidiaries and why you should consider it. Post-standard implementation review (17, 9, 15, 16, 29) How to prepare for the implementation of the new standards 	<ul style="list-style-type: none"> TAS Technical Team 	Presentation	1400 - 1600hrs

Navigating the Reporting Challenges in Zimbabwe in Preparation for 2024 Reporting



Day 2 - 22 November

Topics	Discussion Points	Potential Speaker(s)	Mode of Delivery	Time
Sustainability reporting	<ul style="list-style-type: none"> How to prepare your first IFRS S report (Implementation insights and lessons learnt) Investor focus (IFRS S vs GRI) Progress being made towards Sustainability reporting in Africa Developments in sustainability reporting (standard setting etc) 	<ul style="list-style-type: none"> TAS Technical Team PAAB ZSE 	Presentation and panel discussion	0900 -1100hrs
Break				1100 -1130hrs
Taxation updates	<ul style="list-style-type: none"> Expectations from the 2025 budget ZIMRA challenges in the current year Navigating the new TARMs, ZIMRA departmental practices 	<ul style="list-style-type: none"> Tax Practitioner 	Presentation	1130 -1230hrs
Lunch				1230 -1400hrs
Activities				

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Contact Details

Email: marketing@tas.co.zw
Phone Number: +263 775 014 044

Registration Details

Registration link :
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