

Annexure: AMENDMENTS TO/ CLARIFICATIONS OF ZIMBABWE FINANCIAL REPORTING MANUAL

a. Chapter 2: First Time Adoption of the IPSAS

Addition of 2.5.8 “Any adjustments arising from changes in accounting policies in applying IPSAS for the first time should be taken through Non-Distributable Reserve account. For example, if an entity recognises an asset that was not recognised in the previous accounting base, it will debit the asset account and credit the Non-Distributable Reserve account.”

b. Chapter 4: Presentation of Financial Statements

Addition to 4.9.1 “Entities that are of the opinion that a different financial year end will achieve a fairer presentation of the financial affairs of the entity should consult Treasury before adopting a different year end.”

c. Chapter 14: Property, Plant and Equipment

The following proviso shall apply “All assets which were purchased or acquired prior to 1 January 2023 shall be capitalised, even if they do not meet the capitalisation threshold set out in paragraph 14.3.8. Assets purchased as from 1 January 2023, shall be capitalised based on the capitalisation threshold.”

d. Chapter 29: Consolidations

Deletion of paragraph 29.3.4 to be replaced by the guidance under 14.3.10. Where control is contested or not clear, entities should seek guidance from Treasury on the appropriate accounting treatment. Schools, deep tanks, clinics and such similar assets should be recognised based on control which normally rests with the responsible authority.

e. Appendix 10: Template for Exchequer Trust Financial Statements

Replace “Receivables from exchange transactions and Recoverable from non-exchange transactions” with “Receivables from binding and non-binding transactions” respectively.

f. Appendix 11: Depreciation Rates and useful lives

Under Motor vehicle depreciation (page 161), substitute useful life of 5 years in place of “2 to 3 years”.