



Staff Pension  
Fund

"Retirement Security. Today and Tomorrow"

# ANNUAL REPORT 2024



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## ABOUT THIS REPORT

The Annual Report for the year ended December 31, 2024, provides insights into the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund's performance, highlighting key financial and non-financial highlights for the benefit of our stakeholders.

The annual financial statements were audited by AMG Global Chartered Accountants and approved by the Board in accordance with the Fund's rules. They were then submitted to the Insurance and Pensions Commission (IPEC) Commissioner, as required by the Regulator.

## STRATEGIC UNDERPINNINGS

### Vision

To ensure that all members achieve a secure and sustainable retirement income.

### Mission statement

We are committed to providing the best service delivery and retirement security for our members – today and tomorrow.

### Our values

- Client centric.
- Diligence.
- Innovation.
- Professionalism.



## GENERAL INFORMATION

### Nature of business

Provision of retirement benefits.

### Board Members

Dr. H. M. Murerwa	Chairman -Independent Board Member Mr.
Mr. A. V. Sibangani	Employer Appointed Board Member
Mr. T. Chinhengo	Employer Appointed Board Member
Mr. D. Maviva	Employer Appointed Board Member
Mr. E. Madzikanda	Employer Appointed Board Member
Mr. L. Nyamande	Employee Elected Board Member
Eng. G. Tsumbalagwa	Employee Elected Board Member
Mr. W. Nondo	Pensioner Elected Board Member
Mr. H. T. Makura	Pensioner Elected Board Member

### Principal Officer

Bright Kondo

### Offices

4th Floor Megawatt House 44 Samora Machel Avenue Harare

### Fund Actuary

Quantum Consultants and Actuaries Ground Floor, East Wing,  
Block 6, Celestial Office Park, Borrowdale  
Harare

### Auditors

AMG Global  
Chartered Accountants (Zimbabwe) Registered Public  
Auditors  
3 Elcombe, Milton Park  
Harare

### Bankers

Stanbic Bank Private Limited Samora Machel Avenue  
Harare

### Equity Asset Managers

IMARA Asset Management Zimbabwe 1st Floor Block 2,  
Tendeseka Office Park Samora Machel Avenue  
Harare



Member Outreach session



# CHAIRMAN'S REPORT



Dr. Herbert M Murerwa | Board Chairman

## Dear Member,

It is my pleasure to present the Fund's financial results for the 2024 financial year.

## Operating environment overview

In 2024, the operating environment was marked by economic uncertainty, with inflation and foreign exchange volatility posing significant challenges in the first quarter of the year. However, timely interventions by the Reserve Bank of Zimbabwe (RBZ) and the Government helped stabilize the economy.

The RBZ launched the Zimbabwean Gold (ZWG) in April 2024 to replace the Zimbabwean dollar (ZWL) due to its rapid depreciation. The ZWL inflation as of April 2024 was estimated at 371% year on year. Although the ZWG was stable on the official market following its introduction in April until September 2024, parallel market rates remained volatile leading to ZWG devaluation by 42.55% by the Government to align with market exchange rate and restore confidence in the financial system.

The RBZ further implemented monetary policy measures, including increased statutory requirements and tighter liquidity controls, which curbed speculative activities and brought inflation under control. The month-on-month inflation declined from 37.2% in September 2024 to 3.7% in December 2024. The foreign exchange rate stabilized at ZWG 25.7980: USD 1 by year-end.

In response to these dynamics, the Fund implemented robust strategies to ensure operational sustainability and maintain good performance.

Zimbabwe's operating environment is shaped by a blend of challenges and opportunities, influenced by both global and domestic economic trends. Globally, geopolitical tensions, protectionism, and ongoing inflationary pressures are affecting trade and capital flows, with global GDP growth expected to slow from 3.2% in 2024 to 3.1% in 2025. However, Zimbabwe's economy is poised for a rebound, with projected growth of 6% in 2025, up from 2% in 2024, driven by a

## CHAIRMAN'S REPORT (CONTINUED)

strong recovery in the agricultural sector (12.8%) and significant expansion in the mining sector (5.6%). This positive outlook is likely to boost market activity. Amidst these dynamics, the Fund remains committed to navigating the complexities while delivering value to our stakeholders.

### 2024 to 2028 strategy implementation

Despite the challenging economic environment, the Fund remained focused on its journey towards achieving 'Mudyandigere' - a milestone where the average pension payout reaches USD161.00 per pensioner. As of 2024, the Fund's average pension was USD73.03. Following the conclusion of the actuarial deficit value preservation in 2025, the Fund is poised to review pensions, potentially increasing the average pension to USD161 per month. To drive progress towards this goal, the Fund's strategic initiatives for 2024 centered on three key areas:

1. Sustainable Investing: Optimizing returns, adhering to ESG principles, and empowering members.
2. Enhancing Member Experience: Improving benefit levels, service delivery, and accessibility.
3. Operational Sustainability: Strengthening risk management, ensuring compliance, enhancing operational efficiency, maintaining data integrity, and streamlining costs.

Throughout the year, the Board continued to align the Fund's operations with these strategic priorities, ensuring progress towards achieving Mudyandigere and delivering value to our members.

### Audited Financial results

In June 2025, the Fund and ZESA Holdings Board resolved on an actuarial deficit of USD105 million as of 5 April 2024, following expert advice received from consultations done on actuarial deficit value preservation. A defined benefit valuation was conducted as of 5 April 2024, date of currency conversion, as recommended by legal counsel. The Fund's actuary performed the actuarial review, which was peer-reviewed by ZESA Holdings' independent actuary, resulting in revised audited financial statements. A summary of the revised financial performance is provided in the table below.

Description	2024 results (ZWG)	2023 results (ZWG)	Change %	Comment
Revenue	3 billion	449.9 million	560%	Exchange gain on the actuarial deficit was the main contributor to the revenue increase. Since the actuarial deficit is in USD, changes in exchange rates affect its valuation.
Expenditure	76.4 million	54.7 million	62.7%	Costs increased due to pension adjustments and additional discretionary lump sum payments, which grew from a payment frequency 4 in 2023 to 6 in 2024.
Surplus	2.9 billion	395.2 million	631.9%	
Total Assets	3.7 billion	800.3 million	362.3%	The USD actuarial deficit led to a notable increase in Fund assets, with the deficit amount rising from ZWG67 million (2023) to ZWG2.6 billion (2024).
Cashflows	146.7 million	225.1 million	-5.3%	Most of the Fund cash inflows (76%) came from actuarial deficit payments, supplemented by rental income. All USD income was generated from rent and dividends from listed shares.
Fund Return	ZWG 772.74%	ZWL 1025%		The Fund outperformed currency depreciation due to its investment in real assets, with the actuarial deficit adjusted to track exchange rate fluctuations



# CHAIRMAN'S REPORT (CONTINUED)

## Investments

In 2024, the Fund prioritized optimizing investment returns by focusing on high-yielding investments that would hedge against currency depreciation. Key investment highlights include:

### *i. Investment property*

The Fund continued to preserve value through strategic investments in property, completing the Marondera medical centre (operated by CIMAS) and partnering with ZEIPF on the redevelopment of Lochinvar Warehouse (to be operated by National Foods). The Fund's exposure to investment property decreased to 25.77% from the 2023 level of 83% after dilution by actuarial deficit.

The Fund continued to defend its key property performance indicators, closing the year at 82% collection rate, 9.39% yield and 95% occupancy versus strategic targets of 80% collection rate, 5% yield and 80% occupancy respectively.

### *ii. Quoted shares*

2% of the Fund investments were in quoted shares. The Fund earned a return of 130.96% vs. the Zimbabwe Stock Exchange All Share Index of 117.6% gain while return of 7.6% was earned on Victoria Falls Stock Exchange All Share against an Index of 4.09%. Investments into this portfolio have continued to be suppressed due to lack of funding from low payments of actuarial deficit.

### *iii. Prescribed assets*

The Fund's prescribed asset exposure was 0.12%, falling short of the minimum 20% requirement. This non-compliance is primarily due to liquidity constraints, resulting from low actuarial deficit payments.

### *iv. Money markets*

To mitigate currency risks, the Fund limited money market investments to a two-month payroll buffer. Despite funding challenges, the Fund has been cautious with this asset class to prevent value loss due to currency deterioration outpacing interest rates.

The actuarial deficit's value preservation led to dilution of other asset classes, increasing its exposure to 72% as of December 2024, up from 8% in 2023. Despite the drop in real asset exposure from 89% to 28%, the denomination of the actuarial deficit in USD will ensure the asset hedges from currency volatility.

## Value preservation of actuarial deficit

The Fund concluded negotiations with ZESA Holdings in June 2025 to preserve the actuarial deficit's value. The ZESA Holdings Board passed a resolution adopting an actuarial deficit of USD105 million, effective 5 April 2024. The actuarial deficit will be settled over 15 years in local currency (ZWG), with minimum payments covering payroll obligations. The determination of the actuarial deficit value of USD105 million and payment over 15 years implies that:

- i. The Fund is able to restore average pension values to USD161 (Mudyandigere target).
- ii. If ZESA Holdings adheres to the 15-year payment plan for the actuarial deficit, the Fund will have the capacity to explore alternative investments, such as solar projects.
- iii. The Fund will not dispose of Fund assets to pay monthly pension payments.

## Actuarial Assessment and pension increases

Based on historical accounting values with the preserved actuarial deficit value, the Fund generated 772.74% Fund return for the year 2024 versus currency deterioration of 90.2%. The Board approved a cumulative pension increase of 84.5% for the year 2024 before finalization of value preservation engagements of the actuarial deficit.

An additional final pension increase of 260% to give a cumulative pension increase awarded for the year 2024 of 664.2% was approved by the Board in July 2025. As of the end of July 2025 this increase had not yet been implemented due to low levels of actuarial deficit payments. ZESA Holdings, as of July 2025, was making monthly actuarial deficit payments of ZWG8.6 million while implementing the additional pension increase of 260%, the actuarial deficit instalments need to increase to ZWG20 million per month. Engagements are currently underway with ZESA Holdings to increase the payments to ZWG20 million monthly.

Paid-up members were awarded an interest of 772.74%.

The Board remains committed to securing sustainable retirement income by investing in inflation-hedging assets, which will facilitate regular pension increases.

Considering the country's multi-currency regime, the Board recognizes the need to adjust pensioners' income accordingly. To address this, the Fund has continued to pay USD discretionary top-ups to pensioners after every two months, subject to USD cash availability. The Board will continue to review this position monthly to ensure protection of pensioners, spouses, and child beneficiaries' incomes.

## CHAIRMAN'S REPORT (CONTINUED)

### Fund Membership as of 31 December 2024

The Fund being a mature Fund has the bulk of its membership in receipt of pension payments. This influences the complexion of Fund expenditure as noted in Fund financial statements were on average 80% of Fund expenses are towards benefit payments.

Description	2024		2023	
	Number	%	Number	%
Paid up members	2,522	36	2,536	36
Principal pensioners	1,975	28	1,933	27
Beneficiaries	2,438	34	2,454	35
Unclaimed benefits	157	2	157	2
Total	7,092	100	7,080	100

### Member Engagement

Physical engagements were made in 2024 as part of national outreach sessions. Regular member education sessions provide our members with the opportunity to ask questions and empowers members to make right retirement decisions. Fund Management will continue with these engagements to empower members to plan their retirement better.

In 2024 the Fund engaged members/pensioners through the following ways:

1. Fund website [www.zeipf.co.zw](http://www.zeipf.co.zw)
2. Fund WhatsApp: 0777 953 777
3. Emails: [benefits@zesapf.co.zw](mailto:benefits@zesapf.co.zw)
4. Fund Telephone: +263 242 252736-8 / 252764 /252845
5. Circulars
6. Conversation with the Principal Officer (Virtual, interactive sessions)
7. National Outreach Programme (Face to face interactions)



## CHAIRMAN'S REPORT (CONTINUED)

### Compliance

The Insurance and Pensions Commission (IPEC) introduced significant reforms, including the Insurance and Pensions Commission Amendment Bill gazetted in December 2024, which aligns industry practices with global standards. The following circulars were released in 2024.

Circular	Release Date	Content
Circular 1 of 2024	25 January 2024	Sectoral risk assessment to inform Zimbabwe's 3rd money laundering national risk assessment.
Circular 2 of 2024	30 January 2024	Actuarial Society of Zimbabwe Guidance note for S.I. 162 of 2024.
Circular 8 of 2024	10 May 2024	Guideline on 2024 Currency Changes.
Circular 10 of 2024	17 June 2024	IPEC AML/CFT/CPF Industry Training Calendar.
Circular 11 of 2024	27 June 2024	Amendments to circular 8 – Guideline on 2024 Currency Changes.
Circular 12 of 2024	02 July 2024	Guideline to funds on Conduct of Annual General Meetings.
Circular 13 of 2024	12 July 2024	Financial Intelligence Unit Directive on High-Risk Jurisdictions and Countries under Increased Monitoring for Terrorist Financing and Proliferation Financing of Weapons of Mass Destruction.
Circular 14 of 2024	05 September 2024	Financial Intelligence Unit Directive on Implementation of Targeted Financial Sanctions.
Circular 15 of 2024	12 November 2024	Standard for the Establishment and Registration of Pension and Provident Funds.
Circular 16 of 2024	24 October 2024	Financial Intelligence Unit Directive on Civil and Administrative Penalties on Infringement of the Money Laundering and Proceeds of Crime (MLPC) Act.
Circular 17 of 2024	12 November 2024	Call to Update Institutional Risk Assessments.
Circular 18 of 2024	27 November 2024	Insurance and Pensions Commission Transition to Risk Based Supervision.
Circular 19 of 2024	27 November 2024	Amendment to the Risk Management and Corporate Governance Guideline for Pension Funds.
Circular 20 of 2024	11 November 2024	Amendments to Treating Customers Fairly Framework.
Circular 21 of 2024	21 November 2024	Invitation to Participate in Digital Transformation Assessment.
Circular 22 of 2024	18 November 2024	Registration of Financial Statements Preparers with PAAB.
Circular 23 of 2024	12 December 2024	Implementation Plan for the Zimbabwe Mortality Tables: Key requirements and timelines.

The Board, through the Audit, Risk and Compliance Committee, has put in place policies and structures to comply with all these requirements to enhance the governance of your Fund.

### Board Members

In 2024, the Board underwent some transformation, with Mrs. T.R. Madzonga, Mr. V Ndlovu, Mr. O. Nyekete, Mr. A Mudzonga, and Mr. D.N. Chiradza retiring with effect from 31 May 2024. They were succeeded by Dr. H. M. Murerwa, Mr. W. Nondo, Mr. H. Makura, Mr. L. Nyamande, Mr. A. V. Sibangani and Eng. G. Tsumbalagwa with effect from 1 June 2025. The Board extends its heartfelt appreciation to the outgoing members for their dedicated and distinguished service.

### Sustainability

Sustainability is at the heart of the Fund's strategy and operations. Our investments prioritize sustainability, embedding best practices across all our projects to ensure a positive impact. As part of its commitment to sustainability, the Fund is factoring climate change into its investment property developments, drawing on expertise from various experts to guide its approach.

## CHAIRMAN'S REPORT (CONTINUED)

### Outlook

In line with the authorities' tight monetary and fiscal policies, the macroeconomic environment is projected to remain steady. While this may lead to short-term economic constraints, the benefits of stability, certainty, and increased investment will drive long-term growth. The Fund has adjusted its strategy to prioritize risk management, sustainability, and value preservation. By leveraging opportunities in high-growth sectors and ensuring business resilience, the Fund is well-positioned to protect and grow members' assets, delivering on its promise of a secure retirement.

To safeguard value for members and pensioners, the Fund will be exploring solar projects from excess funds to be received from actuarial deficit payments.

The Fund is passionate about continuously enhancing member experience. The Board is confident in the Fund's resilience, thanks to its investments into real assets, value preservation of actuarial deficit, talented team, trusted advisors and above all patience from members. We're dedicated to achieving the best possible outcomes for our members and beneficiaries.

### Appreciation

I would like to express my deepest gratitude to the Board, management, and staff for their outstanding efforts and dedication. Additionally, I thank our valued members and pensioners for their continued patience, service providers, and stakeholders for their loyalty and trust in the Fund.



Dr. Herbert. M. Murerwa  
Board Chairman



Zengeza Shopping Centre



## GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT



Bright Kondo | Principal Officer

### Dear Members,

I am pleased to share the Fund's financial results for the year ended 31 December 2024, which reflect our ongoing commitment to delivering a secure retirement future for our members.

### Financial results

The Fund's financial results demonstrate its ability to thrive despite challenges, with a year-end surplus of ZWG2.9 billion, compared to ZWG395.2 million in 2023. The Fund concluded its engagements with ZESA Holdings on value preservation of the actuarial deficit in 2025. The deficit amount was agreed at USD105 as of 5 April 2024 resulting in the increase in income for the year by ZWG1.27 billion.

Although the Fund's real asset exposure dropped from 89% in 2023 to 28% in 2024 due to the actuarial deficit's value preservation, it remains protected against currency depreciation. The actuarial deficit value denomination in USD ensures that any adverse ZWG/USD exchange rate movements will be mitigated.

As of 31 December 2024, the value of the actuarial deficit had been reduced to USD102.6 million through payments which were made by ZESA Holdings from April 2024.

### Performance against 2024 Strategic Plan

The Fund in 2024 was focused on:

- i. Optimizing investment yield - invest in high yield assets that preserve value. In 2024, the Fund finished building the Marondera Megawatt medical center, which is being operated by CIMAS. To enhance returns, the Fund also partnered with ZEIPF on the Lochinvar Warehouse redevelopment project, slated for completion in September 2025. National Foods will operate the warehouse, with rentals denominated in USD. Target return of 8% per annum in USD terms will be achieved on both projects.

The investment property portfolio was closely managed to ensure rental income aligned with market rates, maximizing returns. The Fund also focused on increasing USD rentals and achieving 100% collection, driving Fund performance. This led to:

- i. An increase in USD rentals from 15% in 2023 to 36% in 2024 of total rent income.
- ii. A rental yield of 9.39% versus market average of 7%.
- iii. A collection rate of 82% versus market average of 68% and
- iv. An occupancy rate of 95% versus a market average of 89%.

## GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT (CONTINUED)

- ii. Enhancing member experience -The level of benefits and service delivery. Several initiatives were implemented during the year to improve member experience. These initiatives covered:
  - a. Engagements with ZESA Holdings to preserve the actuarial deficit's value which was concluded in 2025. The Fund is able to restore benefit levels to Mudyandigere. Prior to finalizing the value preservation engagements, the Fund awarded a cumulative pension increase of 84.5% in 2024. This increase elevated average monthly benefits from USD 67.18 to USD 73.03.
  - b. The Fund's cumulative pension increase for 2024, including the actuarial deficit adjustment, was 664.2%. Note that the actuarial deficit-related increase will take effect in 2025.
  - c. Payment of USD benefit payments after every 2 months. The Fund current level of 36% of rental income in USD can only fund 12% of monthly pension, hence the payment of the USD pension portion after every two months.
  - d. The Fund has been engaging members through multiple platforms, including outreach sessions, SMS, and emails, to ensure widespread reach and communication.
- iii. Operational sustainability –The Fund remains focused on cost management, ensuring expenses stay within the 0.6% regulatory threshold of Fund value. As of 2024, our expense ratio stood at 0.3%, well within the limit

### Compliance with circular 8 of 2024 – Guidelines on currency changes

Following the change in currency from ZWL to ZWG on 5 April 2025, the Fund guided by statutory instrument issued by RBZ and circular 8 of 2024:

- a. Carried a financial review as of 5 April 2024 and
- b. Carried an interim audit as of 30 June 2024.

The above exercises were aimed at ensuring Members benefits were properly accounted for on currency change.

### Sustainability

At the heart of our operations is a commitment to sustainability and responsible investing. As stakeholders' focus on ESG grows, we're dedicated to aligning our investments with these principles, ensuring our portfolio is both sustainable and future-fit. This commitment will be reflected in the Fund venturing into solar projects to continue driving long-term value for members and pensioners.

The Fund investment approach prioritizes not only returns for members but also community impact, focusing on job creation and economic empowerment in the communities where the Fund operates.

### Industry trends

The inflationary pressures severely diminished the purchasing power of pension benefits, leaving many retirees struggling to make ends meet due to payouts that no longer align with the actual cost of living. This issue is a pressing concern for both current pensioners and active contributors.

The industry is responding by payment of USD payouts though they are not adequate to restore value or in line with complexion of the transactions in the market.

The Insurance and Pensions Commission (IPEC) is actively working on reforms to improve compliance, transparency, and governance in the sector. This includes efforts to ensure pension funds are better managed and more aligned with member interests.

There is a slow but steady shift toward digital platforms for pension administration and member engagement. This includes online portals for contributions, benefit tracking, and communication, although adoption is still in early stages.

### Outlook and appreciation

Looking ahead, the Fund will focus on:

- a. Ensuring collection of actuarial deficit payments in line with the 15-year payment plan.
- b. Completion of Lochinvar Warehouse by September 2025 and generation of USD rental.
- c. Monthly reviews of pensions, subject to the return generated by the Fund.

I am grateful for the tireless efforts of our Board, Management, and staff, who have demonstrated remarkable dedication and expertise in navigating the complexities of our industry. Their passion for delivering exceptional customer experience and driving innovation continues to propel our Fund forward.



.....  
**Bright Kondo**  
 Principal Officer



# CORPORATE GOVERNANCE STATEMENT

*The ZESA Staff Pension Fund adheres to robust corporate governance principles, aligning with the King IV code, Zimbabwe's National Code on Corporate Governance, and IPEC guidelines. The Board prioritizes transparency, integrity, and accountability, ensuring the Fund's operations conform to best practices and serve the interests of members, employees, and stakeholders. By adhering to these principles, the Fund offers members and stakeholders confidence that it is managed with integrity, according to carefully considered risk guidelines, and in accordance with best practices, thereby safeguarding and growing members' assets.*

The Board's Code of Conduct, the Board Charter, and the Pensions and Provident Funds Act [Chapter 24:32] are available for the Board reference, regarding their fiduciary duties and obligations.

A Board evaluation exercise is carried out annually.

## Board Responsibility

The Board's primary responsibility is to discharge its fiduciary duty to Fund members. The Board meets quarterly to monitor Fund management performance and ensure proper control over the Fund's strategic direction.

The Board is aware that it takes independent professional advice at the Fund's expense, if necessary, for the furtherance of their duties.

## Board composition

The Board is composed of nine board members made up of four (4) Employer appointed board members, two (2) Member elected board members, two (2) Pensioner elected board member and (1) independent board member. The Board outsources skills it believes are not sufficiently represented with the skills and experience of the Board, yet necessary to achieve the Fund's goals.

The Board reconfigured its composition in 2024 which saw the appointment of an independent board expert member

The Board outsources skills it believes are not sufficiently represented with the skills and experience of the Board, yet necessary to achieve the Fund's goals.

## Nomination of Board Members

The Fund is guided by the Fund Rules in the appointment of Board Members. The rules state that, the Fund's sponsoring employer appoints Employer-appointed Board members while member board members are elected by members.

## Strategic Planning Process

The Board meets annually to discuss and set the strategic initiatives of the Fund on a 5-year rolling period.

## Board Committees

The Board has the following Committees that assist in the discharge of its responsibilities:

### i. Audit, Risk and Compliance Committee (ARCC)

The Audit, Risk and Compliance Committee meets at least once per quarter and is responsible for:

- The integrity of the Fund's financial statements and the effectiveness of the systems of governance, risk management and internal control, and for monitoring the effectiveness and objectivity of internal and external auditors.
- Monitoring consistency of the Fund's accounting policies.
- Review of the scope of work for the internal auditors and the planning memorandum for external auditors.
- Recommendation of the appointment, and fees of both internal and external auditors who have unrestricted access to it.
- Assisting the Board in fulfilling its corporate governance oversight responsibility regarding the identification, evaluation, and mitigation of operational, strategic, and external risks.

The Board is satisfied with the level of experience and competence of committee members.

### ii. Finance, Investments and Procurement Committee (FIPC)

This Committee meets at least once per quarter and:

- Considers management recommendations regarding investment opportunities in various asset classes.
- Reviews the performance of the Fund and the actuarial recommendation for pension increases and bonuses.

The Board is satisfied with the level of experience and competence of committee members.

### iii. Human Resources, Remuneration, Legal and Benefits Committee (HRRLBC)

The Committee meets at least once per quarter and:

- Handles any legal issues for the Fund and the review of members/pensioners benefits.
- Considers Fund staff remuneration issues, oversees the recruitment of high-level positions and conditions of service.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

The Board is satisfied with the level of experience and competence of committee members.

### Meeting attendance during the year

	Board	FIPC	ARCC	HRRLBC
Total meetings	7	6	3	4
Dr. H. M. Murerwa**	4	x	x	x
Mrs. T. R. Madzonga*	3	x	x	x
Mr. J. Mapillar*	3	x	1	x
Mr. D. Maviva	7	x	x	4
Mr. A. V. Sibangani**	4	5	x	x
Mr. T. Chinhengo	6	6	x	x
Mr. E. Madzikanda***	7	1	2	x
Mr. O. Nyekete*	3	1	x	x
Mr. A. Mudzonga*	3	x	x	2
Mr. D. N. Chiradza*	3	x	1	x
Mr. V. Ndlovu*	3	x	1	x
Mr. W. Nondo**	4	5	x	x
Mr. H. T. Makura**	4	x	2	x
Mr. L. Nyamande**	4	x	x	2
Eng. G. Tsumbalagwa**	4	x	2	x

\*Retired during the year.

\*\* Joined during the year.

\*\*\* Moved from FIPC to ARCC during the year.

### RISK MANAGEMENT

Risk management approach.

The Fund developed an enterprise risk management framework in line with ISO 31000 International Risk Management Standards. The Fund's risk management approach is based on the Enterprise Risk Management Model which involves all levels of management in identifying and managing risks affecting the Fund.

The Fund's Audit, Risk and Compliance Committee (ARCC) is responsible for monitoring the Fund's risk management processes and providing oversight over implementation of risk mitigation measures.

Management of risk is at the heart of the Fund business planning processes and is core to achieving Fund strategic goals. The Board is responsible for risk management and internal controls at the Fund. It discharges its responsibility through the Audit, Risk and Compliance Committee. The Board provides guidance on tolerable risks, risk appetite and the adequacy of prevailing controls in managing risks while the executive management is responsible for the implementation of the risk management framework.

### Top 5 Fund risk exposures

The following were the key strategic risks the Fund was facing during 2024 and the mitigation measures in place to reduce their impact to attain the strategic objectives.



## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Risk Subcategories and description	Inherent	Mitigation Measures	Residual
<b>Funding risk</b> Possible non-payments of actuarial deficit monthly obligations agreed by the Sponsoring Employers leading to failure to fund payroll.		Enforce provisions of payment plan to ensure payments are received.	
<b>Market risk</b> i. Risk that the Fund will continue to be negatively impacted by exchange rate depreciation. ii. The risk that Fund may not earn real returns and returns above 8% in USD. iii. The risk of continued losses resulting from RBZ and agreed market exchange rate gaps, i.e., the Fund receives income at an RBZ rate and deploys it at agreed exchange rate with suppliers		1. Continue with active equity management strategies. 2. Ensure monthly pension reviews and passing on of bonuses to members. 3. Ensure that excess funding from the deficit repayments are deployed in real assets.	
<b>Currency risks</b> – The risk that the Government of Zimbabwe will implement mono currency which will result in loss of value on monetary financial assets such as the actuarial deficit debt.		1. Enforce a debt settlement agreement that is dynamic and mitigates against currency change. 2. Invest in real assets that hedge against currency depreciation and inflation.	
<b>Regulatory risk/ Country risk</b> – risk of: i. Possible policy pronouncements or changes that affect the operating environment, i.e., fiscal and monetary policies. ii. Possible future regulations about ESG.		1. Invest within the IPS limits to reduce concentration risk. 2. Continue considering ESG factors in all the investments, integrated reporting, pension payments, administration and human resources activities of the Fund.	
<b>Private Equity risk</b> – risk of loss of value from the private equity such as governance risk, liquidity risk, failure in underlying operations and loss of control on assets.		1. Limit the exposure to private equity to the IPS limit even if they seem to be performing. 2. Ensure continued periodic assessment of the private equities.	

## BOARD'S RESPONSIBILITY STATEMENT

The Board is responsible for the preparation and fair presentation of these financial statements, in accordance with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act (Chapter 24:32) of Zimbabwe, as set out in the statement of accounting policies, and for such internal control as the Board members determine is necessary to enable the preparation and presentation of the financial statements that are free from misstatement, whether due to fraud and/or error.

The Board is also responsible for the system of internal controls. 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 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 Board 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 comply with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pensions and Provident Funds Act (Chapter 24:32) of Zimbabwe. The Fund's independent external auditors, AMG Global Chartered Accountants, are responsible for reporting on the fair presentation of the annual financial statements and their report appears on pages 17 to 18.

The financial statements are prepared on a going concern basis. Nothing has come to the attention of the Board to indicate that the Fund will not remain a going concern for the foreseeable future.

The financial statements set out on pages 19 to 38 were approved by the Board of the Fund on 31 July 2025 and are signed on its behalf by:

Approval of financial statements:



**Board Chairman**



**Principal Officer**



**Board Member**



# REPORT OF THE INDEPENDENT AUDITORS

## TO THE MEMBERS OF THE ZIMBABWE ELECTRICITY SUPPLY AUTHORITY (ZESA) STAFF PENSION FUND

### Opinion

We have audited the financial statements of the Zimbabwe Electricity Supply Authority Staff Pension Fund, “ZESA Staff Pension Fund”/ “the Fund”, set out on pages 19 to 38, and comprising:

- Statement of changes in net assets available for benefits for the year ended 31 December 2024;
- Statement of net assets available for benefits as at 31 December 2024;
- Statement of cashflows for the year ended 31 December 2024;
- Membership Statistics as at 31 December 2024;
- Statement of accounting policies applied by the Fund during the year; and
- Related financial statement notes.

In our opinion, the Fund has complied in all material respects with the accounting policies as set out in the notes to the financial statements and the basis of preparation applicable to retirement funds in the manner required by the Pension and Provident Funds (Amendment) Regulations, 2020 (No. 25), Statutory Instrument 91 of 2020 and the Insurance and Pensions Circular 26 of 2020, 20 of 2021, 34 of 2023 and 8 of 2024.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Those standards require that, in conducting the audit, we comply with ethical requirements. The standards also require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. We are independent of the Fund in terms of the Institute of Chartered Accountants of Zimbabwe (“ICAZ”) Code of Professional Conduct, which is consistent with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We consider it that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

#### Prescribed asset ratio

Without qualifying our opinion, we draw attention to the fact that the Fund has not complied with the prescribed asset ratio of a minimum of 20% in terms of Section 18(2)(a) of the Pension and Provident Funds Act (Chapter 24:32), as amended by Finance Act of (2009).

### Key audit matters

Key audit matters are those in our judgement, that were of most significance in our audit of the financial statements. Key audit matters are selected from matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. There were no key audit matters identified for the audit of the Fund.

### Board’s responsibility for the financial statements

The Fund Board is responsible for the preparation and fair presentation of these financial statements, in accordance with the basis of preparation applicable to retirement funds in Zimbabwe and the provisions of the Pension and Provident Funds Act (Chapter 24:32) of Zimbabwe. This responsibility includes, but is not limited to the following:

- designing, implementing and maintaining internal controls that ensure the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- formulating and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the Fund’s circumstances.

In preparing the financial statements, the Board is responsible for assessing the Fund’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 Board either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor 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 risk 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 controls;
- 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 Fund's internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the Administrators' 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 Fund 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; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the Fund to express an opinion on the 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 Board 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 Board 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Restriction on use

These financial statements are prepared for regulatory purposes in accordance with the accounting requirements of the Pension and Provident Funds Act (Chapter 24:32) and Statutory Instrument 323 of 1991 as stated under the basis of preparation policy note paragraph. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

The Engagement Partner on the audit resulting in this independent auditors' report is Tariro Mhuka (PAAB number 0423).

AMG Global

AMG Global Harare  
31 July 2025



# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended 31 December 2024

	2024			2023		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
<b>Membership activities</b>						
<b>Contributions</b>						
By members						
(a) Normal	-	-	-	-	-	-
(b) Voluntary	-	-	-	-	-	-
By employers						
(a) Normal	-	-	-	-	-	-
(b) Special towards member accumulations GLA premiums	-	-	-	-	-	-
Interest on contribution arrears	-	-	-	-	-	-
<b>Total contributions (A)</b>	-	-	-	-	-	-
<b>Total other membership income (B)</b>	-	-	-	-	-	-
<b>Benefits and payments</b>						
<b>Pensions</b>						
(a) to members	31 415 023	-	31 415 023	20 607 538	-	20 607 538
(b) to surviving spouse	24 562 617	-	24 562 617	16 111 348	-	16 111 348
(c) to children and other dependents	1 142 400	-	1 142 400	749 365	-	749 365
One third commutation						
Lumpsum awards on death	-	-	-	-	-	-
Lumpsum awards on withdrawal/registration	-	-	-	4 176	-	4 176
Lumpsum awards on retirement and retrenchment	1 478 664	-	1 478 664	1 717 385	-	1 717 385
<b>Total benefits and payments (C)</b>	<b>58 598 704</b>	<b>-</b>	<b>58 598 704</b>	<b>39 189 812</b>	<b>-</b>	<b>39 189 812</b>
<b>Net membership activities income/loss (A+B-C)=D</b>	<b>(58 598 704)</b>	<b>-</b>	<b>(58 598 704)</b>	<b>(39 189 812)</b>	<b>-</b>	<b>(39 189 812)</b>

# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2024

	2024			2023		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
<b>NON-MEMBERSHIP ACTIVITIES</b>						
<b>Investment income</b>						
<b>Financial assets</b>						
Interest income	8 863 890	-	8 863 890	149 767 499	-	149 767 499
Dividends	2 040 050	-	2 040 050	2 145 021	-	2 145 021
Unrealised fair value gains / (losses) on financial assets	31 971 836	-	31 971 836	16 640 473	-	16 640 473
Realised fair value gains / (losses) on financial assets	3 523	-	3 523	1 950 191	-	1 950 191
Exchange gains	2 675 229 278	-	2 675 229 278	1 950 191	-	1 950 191
<b>Non-financial assets</b>						
Rental income	34 079 428	-	34 079 428	33 498 062	-	33 498 062
Revaluation gains/(losses) on property	283 380 755	-	283 380 755	407 349 252	-	407 349 252
<b>Total investment income/(loss) (E)</b>	<b>3 035 568 760</b>	<b>-</b>	<b>3 035 568 760</b>	<b>611 350 498</b>	<b>-</b>	<b>611 350 498</b>
<b>Investment expenses</b>						
<b>Financial assets</b>						
Asset management fees	390 278	-	390 278	440 471	-	440 471
Custodial fees	43 364	-	43 364	48 941	-	48 941
<b>Non financial assets</b>						
Property management fees	1 797 378	-	1 797 378	1 094 039	-	1 094 039
Property maintenance costs	1 944 583	-	1 944 583	1 826 367	-	1 826 367
Provision for bad debts	475 486	-	475 486	272 692	-	272 692
<b>Total investment expenses (F)</b>	<b>4 651 089</b>	<b>-</b>	<b>4 651 089</b>	<b>3 682 510</b>	<b>-</b>	<b>3 682 510</b>
<b>Net investment income/(loss) (E-F)=(G)</b>	<b>3 030 917 671</b>	<b>-</b>	<b>3 030 917 671</b>	<b>607 667 988</b>	<b>-</b>	<b>607 667 988</b>



# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2024

	2024			2023		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
<b>Other activities</b>						
<b>Other income</b>						
Other interest income	922 981	-	922 981	3 248 686	-	3 248 686
Revaluation gains on operating assets	71 996	-	71 996	5 675	-	5 675
Monetary (loss)/gain	(70 260 069)	-	(70 260 069)	(173 891 015)	-	(173 891 015)
Exchange gains	2 691 295	-	2 691 295	9 160 114	-	9 160 114
<b>Total other income (H)</b>	<b>(66 573 797)</b>	<b>-</b>	<b>(66 573 791)</b>	<b>(161 476 540)</b>	<b>-</b>	<b>(161 476 540)</b>
<b>Other expenses</b>						
Staff costs	6 769 842	-	6 769 842	5 748 755	-	5 748 755
Administration fees	2 742 026	-	2 742 026	2 768 083	-	2 768 083
Actuarial fees	558 300	-	558 300	246 642	-	246 642
Audit fees	180 510	-	180 510	165 237	-	165 237
Board expenses	864 744	-	864 744	839 567	-	839 567
IPEC levies	726 563	-	726 563	481 675	-	481 675
Bank charges	1 326 959	-	1 326 959	1 552 595	-	1 552 595
<b>Total other expenses (I)</b>	<b>13 168 944</b>	<b>-</b>	<b>13 168 944</b>	<b>11 802 554</b>	<b>-</b>	<b>11 802 554</b>
<b>Net other income/(loss) (H-I)=(J)</b>	<b>(79 742 741)</b>	<b>-</b>	<b>(79 742 741)</b>	<b>(173 279 094)</b>	<b>-</b>	<b>(173 279 094)</b>
<b>Change in net assets excluding membership activities (G+J)=(K)</b>	<b>2 951 174 930</b>	<b>-</b>	<b>2 951 174 930</b>	<b>434 388 894</b>	<b>-</b>	<b>434 388 894</b>

# STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Year ended 31 December 2024

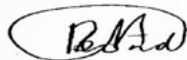
	2024			2023		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Net increase/(decrease) in net assets during the year (D+K)=(L)	2 892 576 226	-	2 892 576 226	395 199 082	-	395 199 082
Net assets available for benefits at beginning of the year (M)	797 751 600	-	797 751 600	402 552 518	-	402 552 518
Net assets available for benefits at end of year (L+M)	3 690 327 826	-	3 690 327 826	797 751 600	-	797 751 600

Head Finance



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Principal Officer



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31 July 2025

Board Chairman



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# STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

## As at 31 December 2024

		2024			2023		
		Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
<b>Assets</b>							
<b>A Operating assets</b>							
Furniture and equipment		154 580	-	154 580	82 585	-	82 585
Computer systems and hardware		-	-	-	9 832	-	9 832
<b>Total operating assets (N)</b>	<b>1</b>	<b>154 580</b>	<b>-</b>	<b>154 580</b>	<b>92 417</b>	<b>-</b>	<b>92 417</b>
<b>B Non current investments</b>							
Investment property	2	953 624 181	-	953 624 181	667 263 104	-	667 263 104
Equities							
quoted *	3	79 742 204	-	79 742 204	48 201 093	-	48 201 093
unquoted	4	1 689 307	-	1 689 307	1 052 380	-	1 052 380
Actuarial deficit		2 470 223 272	-	2 470 223 272	55 379 421	-	55 379 421
<b>Total non-current investment assets (O)</b>		<b>3 505 278 963</b>	<b>-</b>	<b>3 505 278 963</b>	<b>771 895 998</b>	<b>-</b>	<b>771 895 998</b>
<b>C Current investment assets</b>							
Actuarial deficit		176 444 519	-	176 444 519	11 711 571	-	11 711 571
Money market investments		2 372 895	-	2 372 895	3 787 911	-	3 787 911
Cash on bank and at bank		11 095 082	-	11 095 082	6 196 732	-	6 196 732
<b>Total current investment assets (P)</b>	<b>189 912 496</b>	<b>189 912 496</b>	<b>-</b>	<b>189 912 496</b>	<b>21 696 214</b>	<b>-</b>	<b>21 696 214</b>
<b>D Sundry debtors</b>							
Rental arrears		2 990 491	-	2 990 491	3 493 963	-	3 493 963
Interest receivable		52 449	-	52 449	15 184	-	15 184
Other (specify)							
Other debtors		1 937 461	-	1 937 461	3 164 251	-	3 164 251
<b>Total sundry debtors (Q)</b>		<b>4 980 401</b>	<b>-</b>	<b>4 980 401</b>	<b>6 673 398</b>	<b>-</b>	<b>6 673 398</b>
<b>Total assets (N+O+P+Q) =R</b>	<b>3</b>	<b>700 326 440</b>	<b>-</b>	<b>3 700 326 440</b>	<b>800 358 027</b>	<b>-</b>	<b>800 358 027</b>

# STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

As at 31 December 2024

	2024			2023		
	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
<b>E Non actuarial liabilities</b>						
Arrear pension benefits	-	-	-	4 023	-	4 023
Provisions						
Other payables	575 015	-	575 015	285 960	-	285 960
Provision for bad debts	9 423 601	-	9 423 601	2 316 444	-	2 316 444
<b>Total non-actuarial liabilities (S)</b>	<b>9 998 616</b>	<b>-</b>	<b>9 998 616</b>	<b>2 606 427</b>	<b>-</b>	<b>2 606 427</b>
<b>Net assets available for benefits at the end of the year (R-S) =T</b>	<b>3 690 327 826</b>	<b>-</b>	<b>3 690 327 826</b>	<b>797 751 600</b>	<b>-</b>	<b>797 751 600</b>
<b>F Actuarial liabilities Members' liabilities</b>						
Active members	1 485 570 833	-	1 485 570 833	305 113 568	-	305 113 568
Pensioners	2 015 580 061	-	2 015 580 061	436 560 869	-	436 560 869
Deferred pensioners	49 721 233	-	49 721 233	10 575 042	-	10 575 042
Pending exits	10 276 647	-	10 276 647	3 332 625	-	3 332 625
Unclaimed benefits	14 414 741	-	14 414 741	2 930 755	-	2 930 755
<b>Reserves</b>						
Reserves – data and exit revaluation	35 068 103	-	35 068 103	31 381 099	-	31 381 099
<b>Total actuarial liabilities (U)</b>	<b>3 610 631 618</b>	<b>-</b>	<b>3 610 631 618</b>	<b>789 893 959</b>	<b>-</b>	<b>789 893 959</b>
<b>Surplus/deficit (T-U)</b>	<b>79 696 208</b>	<b>-</b>	<b>79 696 208</b>	<b>7 857 642</b>	<b>-</b>	<b>7 857 642</b>

Head Finance



Principal Officer



31 July 2025

Board Chairman





# STATEMENT OF CASHFLOWS

Year Ended 31 December 2024

	2024 ZWG	2023 ZWG
<b>Net cash flows from membership activities</b>		
Cash received from contributions	-	-
Benefits paid	(58 598 705)	(39 189 813)
Cash transferred from other funds	-	-
Cash transferred to other funds	-	-
<b>Net cash flows from membership activities</b>	<b>(58 598 705)</b>	<b>(39 189 813)</b>
<b>Cash flows collected from other operating activities (V)</b>		
Other operating income	922 981	3 248 686
Cash paid to suppliers		
Actuarial fees	(558 300)	(246 642)
Administration fees	(2 742 026)	(2 768 083)
Audit fees	(180 510)	(165 237)
Levies and subscriptions paid	(726 563)	(6 769 842)
Cash paid to employees		
Staff expenses	(481 675)	(5 748 755)
Board expenses	(864 744)	(839 567)
Monetary loss	(70 260 069)	(1 326 959)
Other operating expenses		
Bank charges	(173 891 015)	(1 552 595)
<b>Net cashflows from other operating activities (W)</b>	<b>(82 506 032)</b>	<b>(182 444 883)</b>
<b>Cashflow from investing activities</b>		
Purchase of operating assets	-	(25 136)
Purchase of investment property	(2 980 322)	(13 376 211)
Purchase of financial assets	(356 963)	(2 198 322)
Proceeds from sale of financial assets	134 182	5 821 287
Proceeds from loan repayments	112 110 838	195 110 006
Property expenses paid	(3 741 961)	(2 920 405)
Rent received	34 582 901	30 004 098
Interest received	541 693	5 403 210
Dividends received	2 040 050	2 145 021
Investment management fees paid	(433 642)	(489 412)
<b>Net cash inflows/(outflows) from investing activities (X)</b>	<b>141 896 776</b>	<b>219 474 136</b>
<b>Net cash inflow/(outflow) for the year (V+W+X) =Y</b>	<b>792 039</b>	<b>(2 160 560)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>9 984 643</b>	<b>2 985 089</b>
Exchange gains /(losses) on cash and cash equivalents	2 691 295	9 160 114
<b>Cash and cash equivalents at the end of the year</b>	<b>13 467 977</b>	<b>9 984 643</b>

# MEMBERSHIP STATISTICS


Year ended 31 December 2024

		In Zimbabwe		Outside Zimbabwe	
		2024	2023	2024	2023
<b>1</b>	<b>Number of principal members at the beginning of the year</b>	<b>4 656</b>	<b>4 639</b>	-	-
	Number of beneficiaries at the beginning of the year	2 454	2 484	-	-
	<b>TOTAL</b>	<b>7 080</b>	<b>7 123</b>	-	-
<b>2</b>	<b>Principal membership as at the end of the year</b>				
	(a) new entrants for the year	-	-	-	-
	(b) active members	-	-	-	-
	(c) deferred pensioners	2 522	2 536	-	-
	(d) pensioners	1 769	1 810	-	-
	(e) suspended pensioners	206	123	-	-
	(f) members with unclaimed benefits	157	157	-	-
	(g) transfer in	-	-	-	-
	<b>Total membership as at the end of the year</b>	<b>4 654</b>	<b>4 626</b>	-	-
<b>3</b>	<b>Beneficiaries as at the end of the year</b>				
	(a) Pensioners:				
	Surviving spouse	1 667	1 649	-	-
	Children	210	237	-	-
	Other dependents	-	-	-	-
	(b) Suspended pensioners:				
	Surviving spouse	387	399	-	-
	Children	174	169	-	-
	Other dependents	-	-	-	-
	<b>Total beneficiaries as at the end of the year</b>	<b>2 438</b>	<b>2 454</b>	-	-
<b>4</b>	<b>Exits as at the end of the year</b>				
	(a) Transfers out	-	-	-	-
	(b) Full commutations	1	3	-	-
	(c) Death	31	-	10	-
	(d) Other	-	-	-	-
		<b>32</b>	<b>13</b>	-	-

Head Finance



Principal Officer



31 July 2025

Board Chairman





# STATEMENT OF ACCOUNTING POLICIES

31 December 2024

## A Registration and activities

The Zimbabwe Electricity Supply Authority Staff Pension ("the Fund"), is registered in terms of the Pensions and Provident Funds Act (Chapter 24:32), as a self-administered defined contribution Fund, set up for the purpose of providing pension benefits to its members on retirement or the members' beneficiaries in the event of death. The Fund is closed to new members and contributions.

During the year there were no changes to the Fund Rules.

## STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the preparation applicable to retirement funds in Zimbabwe and the provisions of the Pensions and Provident Funds Act (Chapter 24:32) of Zimbabwe.

These financial statements have been prepared in compliance with Circular 34 of 2022, issued by the Insurance and Pensions Commission on 12 August 2022, in terms of Section 3 (1) of the Insurance and Pensions Commission (Issuance of General Guidelines and Standards) Regulations, 2020, published in Statutory Instrument 69 of 2020.

In 2020, The Commission issued Circular 20 of 2020, which required all Pension Funds to adopt International Financial Reporting Standards (IFRS), and this was done in 2021. However, this presented non-compliance instances and inconsistencies in disclosures within the Industry, thereby necessitating the issuance of Circular 34 of 2022, being a revised financial reporting guideline for the Pensions Industry, which is effective from financial statements for the year 31 December 2022.

## ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

## B Functional currency

These financial statements are presented in Zimbabwean Dollars (ZWG), which is the Fund's functional and presentation currency.

Following the Monetary Policy Statement of 5 April 2024, the Government of Zimbabwe issued a Statutory Instrument (SI) 60 of 2024 which formalised the Reserve Bank of Zimbabwe (RBZ) (Central Bank's) introduction of a structured currency called the Zimbabwe Gold (ZWG). With effect from 5 April 2024, Banks were required to convert the previously existing Zimbabwean Dollar

(ZWL) balances into ZWG. The new currency is co-circulating with other foreign currencies in the economy. The swap rate on 5 April 2024 was ZWG 1: ZWG 2 498.7242 as guided by the closing interbank exchange rate and the price of gold as at that date. This swap rate was used to make legitimate conversions of all ZWL balances into ZWG.

The prior year comparatives in these financial statements were also converted using a rate of ZWG1 : 2 498.7242 for comparison purposes, after taking into account the effects of inflation.

## C Valuation of fund assets

Investment assets are valued at fair value except debt instruments held to maturity which are to be held at amortised cost.

Marketable securities / financial instruments, bid price at the end of the reporting period shall be the value recognised.

Property should be valued using the functional currency applicable to the Fund or sub fund for Funds with different sub fund accounts, that is for Sub Fund A valuation should be in ZWG for local properties and for Sub Fund B and purely USD pension funds, valuation should be in USD.

## D Valuation of actuarial liabilities

Actuarial liabilities are valued using the current period's actuarial valuation report or financial review report.

## E Income and expenses

The accrual method should be used when accounting for income and expenses.

## F Taxation

In terms of the Third Schedule to the Income Tax Act (Chapter 23:06), pension funds are exempt from income tax, capital gains tax and residents' tax on interest from financial institutions until such date as the Minister may specify by notice in the Gazette. As no such notice has been gazetted in respect of the year covered by these financial statements, no provision for taxation has been made.

## G Impairment of assets

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

# STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

31 December 2024

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. Any impairment loss of a revalued asset is treated as a revaluation decrease.

The Fund 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 other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for 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. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

## H Revenue

Revenue is measured based on the contributions specified in employment contract with an employee and excludes amounts collected on behalf of third parties. The pension fund recognises revenue when employment services are provided to employers.

Other sources of income that the Pension Fund has are:

- dividend income
- interest income
- profit on disposal of financial assets

## I Actuarial valuation

There is no requirement to carry out an actuarial valuation of the Fund, as it provides benefits on a defined contribution basis, though an annual financial review is carried out by the actuaries.

## J Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and money market deposits with financial institutions which are subject to an insignificant risk of change in value.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

## 1 OPERATING ASSETS

	Furniture and Fittings ZWG	Computers ZWG	Total ZWG
<b>Net carrying amount as at 1 January 2023</b>	<b>54 394</b>	<b>7 212</b>	<b>61 606</b>
Revaluation	54 394	7 212	61 606
Additions	25 136	-	25 136
Revaluation	3 055	2 620	5 675
<b>Revalued amount 31 December 2023</b>	<b>82 585</b>	<b>9 832</b>	<b>92 417</b>
Revaluation	82 585	9 832	92 417
Disposal	-	(9 832)	(9 832)
Revaluation	71 995	-	71 995
<b>Revalued amount 31 December 2024</b>	<b>154 580</b>	<b>-</b>	<b>154 580</b>
Revaluation	154 580	-	154 580

## 2 INVESTMENT PROPERTY

	2024 ZWG	2023 ZWG
Opening balance	667 263 104	246 537 641
Additions	2 980 322	13 376 211
Fair value adjustment	283 380 755	407 349 252
<b>Closing balances</b>	<b>953 624 181</b>	<b>667 263 104</b>
Investment property breakdown		
Investment property	952 072 500	661 525 338
Work in progress	1 551 681	5 737 766
<b>Closing balances</b>	<b>953 624 181</b>	<b>667 263 104</b>

There are no current obligations to purchase, construct or develop the investment properties.

The fair value of the Fund's investment property as of 31 December 2024 has been arrived at on the basis of a valuation carried out at that date by ZIMRE Property Investments, independent valuers not concerned with the Fund. The valuation conforms to International Valuation Standards. The fair value was determined based on the market approach that reflects recent transaction prices for similar properties.

## 3 QUOTED SHARES

	2024 ZWG	2023 ZWG
Opening balance	48 201 093	33 391 000
Additions	356 963	2 198 322
Disposal	(150 760)	(3 924 926)
Fair value gains	31 334 908	16 536 697
<b>Closing balances</b>	<b>79 742 204</b>	<b>48 201 093</b>
<b>Asset Managers – IMARA Asset Managers</b>		
Quoted shares	79 742 204	48 201 093
Dividends	2 040 050	2 145 021
Management fees	433 642	489 412

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

			2024 ZWG	2023 ZWG
<b>4</b>	<b>UNQUOTED SHARES</b>			
	Opening balances		1 052 380	948 604
	Fair value adjustments		636 927	103 776
	<b>Closing balances</b>		<b>1 689 307</b>	<b>1 052 380</b>
<b>5</b>	<b>ACTUARIAL DEFICIT</b>			
	Opening balances		67 090 992	112 073 986
	Interest accrued		8 726 198	144 364 289
	Monetary loss		(51 426 542)	(159 236 270)
	Repayments		(52 952 135)	(30 111 014)
	Exchange gains		2 675 229 278	-
	<b>Closing balances</b>		<b>2 646 667 792</b>	<b>67 090 992</b>
	Due within 12 months		176 444 519	55 379 421
	Due over 12 months		2 470 223 272	11 711 571
<b>6</b>	<b>PRESCRIBED ASSET RATIO</b>	<b>Maturity</b>	<b>Purchase Price</b>	<b>Fair value</b>
			<b>ZWG</b>	<b>ZWG</b>
	Marondera Health Care	31-Mar-38	4 452 500	4 452 500
				673 920
<b>6.1</b>	<b>COMPLIANCE RATIO</b>			
	The provisions of Section 18(2a) of the Pension and Provident Fund Act (Chapter 24:32) state that any registered Pension Fund shall hold not less than 35% of the aggregate cost value of all their investments in Zimbabwe in local registered securities. However, in the National Budget presented on 22 November 2018 and circular 3 of 2019 of the Insurance and Pensions Commission, the Government reviewed the prescribed asset ratio to 20% of the market values of assets, and thus was effective beginning 1 January 2019. At 31 December 2024 the market values of assets were as follows:			
	Prescribed assets (ZWG)			4 452 500
	Total assets less outstanding contributions (ZWG)			3 700 326 440
	RATIO			0.12%
<b>7</b>	<b>RENT DEBTORS AGING ANALYSIS</b>		2024 ZWG	2023 ZWG
	Below 30 days		620 554	1 214 972
	Between 30 days and 90 days		1 134 022	193 528
	181 days and above		1 210 679	1 533 194
	<b>Closing balances</b>		<b>2 990 491</b>	<b>3 493 963</b>



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 8 UNCLAIMED BENEFITS

	Number of Members	Amount ZWG
Less than 1 year	-	-
From 1 year to 2 years	-	-
From 2 years to 5 years	-	-
From 5 years to 10 years	-	-
More than 10 years	157	14 414 741
	<b>157</b>	<b>14 414 741</b>

## 9 USD DENOMINATED TRANSACTIONS AND BALANCES

	2024 USD	2023 USD
<b>9.1 Revenue</b>		
Rent	691 957	482 796
Dividends	127 232	130 914
Interest income	1 914	314
	<b>821 103</b>	<b>614 024</b>
<b>9.2 Expenditure</b>		
Benefits payments	854 190	574 138
Administration expenses	34 787	18 998
Bank charges	1 376	867
Investment expenses	7 684	11 723
Board expenses	13 323	2 581
Property expenses	17 307	12 183
	<b>928 667</b>	<b>620 490</b>

The above amounts are included in the revenue reported for the year 2024 and 2023 in the statement of changes in net assets available for benefits.

## 9.3 Assets

Quoted shares	1 387 476	1 353 560
Unquoted shares	55 867	52 840
Rent	49 928	59 188
Cash at bank	67 712	140 753
Money markets	91 978	40 514
Interest accrued	2 032	251
	<b>1 654 993</b>	<b>1 647 107</b>

The above assets are reported as part of the assets in the statement of financial position for Sub Fund A.

## 10 INTEREST INCOME

Actuarial deficit	8 726 198	144 364 289
Fixed term investments	137 692	5 403 210
<b>Closing balances</b>	<b>8 863 890</b>	<b>149 767 499</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 11 UNREALISED GAINS

	2024 ZWG	2023 ZWG
Quoted shares	31 334 908	16 536 697
Unquoted shares	636 927	103 776
	<b>31 971 836</b>	<b>16 640 473</b>

## 12 INCOME AND EXPENDITURE TRANSACTIONS FOR THE YEAR 2024

The following disclosure relate to the currencies in which the income and expenses were incurred in during the year in relation to ZWL and ZWG.

	April - Dec ZWG	Jan to April ZWL
<b>Membership activities</b>		
<b>Contributions</b>		
By members		
(a) Normal	-	-
(b) Voluntary	-	-
By employers		
(a) Normal	-	-
<b>Total contributions (A)</b>	-	-
<b>Total other membership income (B)</b>	-	-
<b>Benefits and payments</b>		
Pensions		
(a) to members	28 419 631	5 003 212 909
(b) to surviving spouse	21 314 722	3 911 602 818
(c) to children and other dependents	1 014 986	181 935 014
Lumpsum awards on retirement and retrenchment	1 81 893	491 676 271
<b>Total benefits and payments (C)</b>	<b>52 031 233</b>	<b>9 588 427 012</b>
<b>Net membership activities income/loss (A+B-C)=D</b>	<b>(52 031 233)</b>	<b>(9 588 427 012)</b>
<b>NON-MEMBERSHIP ACTIVITIES</b>		
<b>Investment income</b>		
<b>Financial assets</b>		
Interest income	457 008	10 201 297 608
Dividends	1 901 043	144 993 456
Unrealised fair value gains /(losses) on financial assets	45 130 787	69 951 776 542
Realised fair value gains / (losses) on financial assets	31 132	31 976 146
Exchange gains	1 400 560 579	3 186 343 782 562
<b>Non-financial assets</b>		
Rental income	29 431 339	5 451 392 274
Revaluation gains/(losses) on property	557 542 663	731 651 969 402
<b>Total investment income/(loss) (E)</b>	<b>2 035 054 551</b>	<b>4 002 478 930 050</b>
<b>Investment expenses</b>		
<b>Financial assets</b>		
Asset management fees	220 723	82 285 252
Custodial fees	129 630	49 173
<b>Non financial assets</b>		
Property management fees	1 229 165	761 761 735
Property maintenance costs	1 722 965	429 217 224
Provision for bad debts	297 895	144 391 399
<b>Total investment expenses (F)</b>	<b>3 600 378</b>	<b>1 466 829 423</b>
<b>Net investment income/(loss) (E-F)=(G)</b>	<b>2 031 454 173</b>	<b>4 001 012 100 627</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 12 INCOME AND EXPENDITURE TRANSACTIONS FOR THE YEAR 2024 (continued)

	April - Dec ZWG	Jan to April ZWL
<b>Other activities Other income</b>		
Other interest income	387 293	575 690 721
Revaluation gains on operating assets	21 996	118 057 357
Exchange gains	2 691 295	-
<b>Total other income (H)</b>	<b>3 078 588</b>	<b>963 493 353</b>
<b>Other expenses</b>		
Staff costs	5 697 931	1 351 080 605
Administration fees	2 360 269	500 395 853
Actuarial fees	353 243	111 276 340
Audit fees	151 585	72 274 693
Board expenses	789 959	147 926 908
IPEC levies	615 931	55 499 907
Bank charges	1 061 434	336 767 093
<b>Total other expenses (I)</b>	<b>11 030 352</b>	<b>2 575 221 399</b>
<b>Net other income/(loss) (H-I)=(J)</b>	<b>(7 951 763)</b>	<b>(1 611 728 046)</b>
<b>Change in net assets excluding membership activities (G+J)=(K)</b>	<b>2 023 502 411</b>	<b>3 999 400 372 581</b>
<b>Net increase/(decrease) in net assets during the year (D+K)=(L)</b>	<b>1 971 471 179</b>	<b>3 989 811 945 569</b>
<b>Net assets available for benefits at beginning of the year (M)</b>	<b>1 718 856 647</b>	<b>305 136 754 166</b>
<b>Net assets available for benefits at end of year (L+M)</b>	<b>3 690 327 826</b>	<b>4 294 948 699 735</b>



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 13 INCOME AND EXPENDITURE TRANSACTIONS FOR THE PERIOD 1 JANUARY 2024 TO 5 APRIL 2024

The following disclosure relate to January 2024 to 5 April 2024 transactions before and after currency change

	April - Dec ZWG	Jan to April ZWL
<b>Membership activities</b>		
<b>Contributions</b>		
By members		
(a) Normal		
(b) Voluntary		
By employers	-	-
(a) Normal	-	-
<b>Total contributions (A)</b>	-	-
<b>Total other membership income (B)</b>	-	-
<b>Benefits and payments</b>		
Pensions		
(a) to members	2 995 392	5 003 212 909
(b) to surviving spouse	3 247 895	3 911 602 818
(c) to children and other dependents	127 414	181 935 014
Lumpsum awards on retirement and retrenchment	196 771	491 676 271
<b>Total benefits and payments (C)</b>	<b>6 567 472</b>	<b>9 588 427 012</b>
<b>Net membership activities income/loss (A+B-C)=D</b>	<b>(6 567 472)</b>	<b>(9 588 427 012)</b>
<b>NON-MEMBERSHIP ACTIVITIES</b>		
<b>Investment income</b>		
<b>Financial assets</b>		
Interest income	8 406 882	10 201 297 608
Dividends	139 007	144 993 456
Unrealised fair value gains /(losses) on financial assets	(13 158 951)	69 951 776 542
Realised fair value gains / (losses) on financial assets	(27 609)	31 976 146
Exchange gains	1 274 668 698	3 186 343 782 562
Non-financial assets		
Rental income	4 648 089	5 451 392 274
Revaluation gains/(losses) on property	(274 161 908)	731 651 969 402
<b>Total investment income/(loss) (E)</b>	<b>1 000 514 209</b>	<b>4 002 478 930 050</b>
<b>Investment expenses</b>		
<b>Financial assets</b>		
Asset management fees	52 133	82 285 252
Custodial fees	31 156	49 173
<b>Non financial assets</b>		
Property management fees	568 213	761 761 735
Property maintenance costs	221 618	429 217 224
Provision for bad debts	177 591	144 391 399
<b>Total investment expenses (F)</b>	<b>1 050 711</b>	<b>1 466 829 423</b>
<b>Net investment income/(loss) (E-F)=(G)</b>	<b>999 463 498</b>	<b>4 001 012 100 627</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 13 INCOME AND EXPENDITURE TRANSACTIONS FOR THE PERIOD 1 JANUARY 2024 TO 5 APRIL 2024 (continued)

	April - Dec ZWG	Jan to April ZWL
<b>Other activities</b>		
<b>Other income</b>		
Other interest income	535 688	575 690 721
Revaluation gains on operating assets	50 000	118 057 357
Exchange gains	21 996	-
Monetary loss	(70 260 069)	-
<b>Total other income (H)</b>	<b>(69 652385)</b>	<b>963 493 353</b>
<b>Other expenses</b>		
Staff costs	1 071 911	1 351 080 605
Administration fees	381 757	500 395 853
Actuarial fees	205 057	111 276 340
Audit fees	28 925	72 274 693
Board expenses	74 785	147 926 908
IPEC levies	110 632	55 499 907
Bank charges	265 527	336 767 093
<b>Total other expenses (I)</b>	<b>2 138 594</b>	<b>2 575 221 399</b>
<b>Net other income/(loss) (H-I)=(J)</b>	<b>(71 790 979)</b>	<b>(1 611 728 046)</b>
<b>Change in net assets excluding membership activities (G+J)=(K)</b>	<b>927 672 519</b>	<b>3 999 400 372 581</b>
<b>Net increase/(decrease) in net assets during the year (D+K)=(L)</b>	<b>921 105 047</b>	<b>3 989 811 945 569</b>
<b>Net assets available for benefits at beginning of the year (M)</b>	<b>797 751 600</b>	<b>305 136 754 166</b>
<b>Net assets available for benefits at end of year (L+M)</b>	<b>1 718 856 647</b>	<b>4 294 948 699 735</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 14 STATEMENT OF FINANCIAL POSITION AS AT 5 APRIL 2024

The following disclosure relate assets and liabilities as of 5 April 2024 before and after currency change.

		April ZWG	April ZWL
	<b>Assets</b>		
<b>A</b>	<b>Operating assets</b>		
	Furniture and equipment	54 863	137 086 341
	Computer systems and hardware	6 531	16 319 802
	<b>Total Operating assets (N)</b>	<b>61 394</b>	<b>153 406 143</b>
<b>B</b>	<b>Non Current Investments</b>		
	Investment property	395 670 961	988 672 606 176
	Quoted shares	35 397 263	88 447 999 228
	Unquoted shares	649 548	1 623 040 260
	Actuarial deficit	1 326 999 588	3 001 475 529 300
	<b>Total Noncurrent investments (O)</b>	<b>1 758 717 360</b>	<b>4 080 219 174 964</b>
<b>C</b>	<b>Current investments</b>		
	Actuarial deficit	92 244 563	208 643 470 700
	Cash at bank	5 403 162	13 501 010 622
	<b>Total current investments (P)</b>	<b>97 647 725</b>	<b>222 144 481 322</b>
<b>D</b>	<b>Sundry Debtors</b>		
	Rent	719 610	1 798 108 024
	Other debtors	849 474	2 122 602 236
	<b>Total sundry debtors (Q)</b>	<b>1 569 084</b>	<b>3 920 710 260</b>
	<b>Total assets (N+O+P+Q)=(R)</b>	<b>1 857 995 564</b>	<b>4 306 437 772 689</b>
<b>E</b>	<b>Non Actuarial Liabilities</b>		
	Arrear pension benefits	8 147	20 357 627
	Provisions	99 529	248 694 935
	Other creditors	4 490 300	11 220 020 392
	<b>Total non actuarial liabilities (S)</b>	<b>4 597 976</b>	<b>11 489 072 954</b>
	<b>Net assets available for benefits at the end of the year(R-S)=(T)</b>	<b>1 853 397 590</b>	<b>4 294 948 699 735</b>
<b>F</b>	<b>Actuarial Liabilities Member liabilities</b>		
	Active members	171 949 826	429 655 193 014
	Pensioners	232 394 483	580 689 719 965
	Deferred pensioners	5 673 218	14 175 809 353
	Pending exists	1 878 135	4 692 940 505
	Unclaimed benefits	1 651 657	4 127 034 188
	Reserves		
	Reserves - data and exit revaluation	17 685 135	-
	<b>Total actuarial liabilities (U)</b>	<b>431 232 454</b>	<b>1 077 530 971 375</b>
	<b>Surplus / deficit (T-U)</b>	<b>1 422 165 136</b>	<b>3 217 417 728 360</b>



# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 15 Related party transactions

During the year, the Fund entered into the following transactions with sponsoring employers who are related parties to the Fund.

	2024 ZWG	2023 ZWG
<b>Rent debtors</b>		
The following amounts were outstanding at the reporting date.		
ZETDC	66 131	578 106
ZPC	-	411 760
REA	618 546	530 122
PowerTel	-	25
	<b>684 677</b>	<b>1 520 013</b>

## 16 FINANCIAL VALUATION

The Board finds it prudent to carry out a financial review of the Fund to:

- (i) Assess the Fund's financial position.
- (ii) Recommend a pension increase to be made to pensions in payment from the Fund.
- (iii) Recommend an interest rate to be credited to each member's account as at financial year end.
- (iv) Recommend the interim interest rate to be applied for claim payments in the following year.

The financial review carried out in line with IPEC guidelines as at 31 December 2024 revealed that the Fund was in a financially sound position with a surplus of ZWG79 696 209.

The Fund earned a return of 772.74% for the year ended 31 December 2024. The Actuary recommended for a pension increase of 352.09% after taking into account the pension increases and bonuses awarded during the year.

The final bonus awarded were as follows:

Final Bonus Awarded	
Paid up actives	772.74%
Reserves	772.74%

## 17 INVESTMENT POLICY STATEMENT

The Insurance and Pensions Commission (IPEC) issued Circular 1 of 2016 which allowed organisation to register their Investments Policy Statements (IPS) with investment guidelines. The Fund registered its IPS with IPEC and investment guidelines are as follows:

Asset class	Strategic allocation	Tolerance Range
Listed shares	30%	25% - 35%
Fixed property	40%	35% - 45%
Bonds	15%	15% - 25%
Alternative investments	5%	7.5% - 10%
Money market	10%	10% - 15%

As at 31 December 2024 the Pension Fund was not in full compliance with this Circular.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2024

## 18 QUOTED SHARES EXPOSURE

The Fund had exposure in the following counters exceeding 5% of the equity portfolio value but within the 5% of the Fund value.

	Equity Exposure	Fund Exposure
Delta	17.5%	0.37%
First Bank	13.1%	0.28%
Innsco	13.8%	0.30%
Seed Co International	9.2%	0.20%

## 19 Simbisa

COMPLIANCE WITH IPEC REGULATIONS	8.1%	0.17%
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The Fund in ensuring compliance with the currency guidelines measured assets at fair value at the measuring date of 31 December 2019. The Fund did not have any transactions for Sub Fund B as the Fund did not have contributing members and thus USD contributions.

During the year there were no fines and penalties levied against the Fund for non-compliance.

## 20 SUBSEQUENT EVENTS

The Fund and ZESA Holdings Boards resolved to preserve value on the actuarial deferred by linking to USD with effect from 5 April 2024 in June 2025 The actuarial deficit amount was determined as of 5 April 2024 on defined benefit basis by the Fund Actuary (African Actuaries) and peer reviewed by ZESA Holdings actuary ZAC Global Actuaries. The value of the deficit was valued at USD104 651 674.70. This resulted in the 31 December 2024 audited financial statements being restated.

## 21 GOING CONCERN

The Board has, at the time of approving the financial statements, a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. It is on this basis that the financial statements are prepared on a going concern basis.

# ACTUARIAL VALUATION REPORT

## 1. EXECUTIVE SUMMARY

### To the Board Members,

- 1.1 Quantum Consultants & Actuaries ("Quantum" or "We") have carried out an actuarial valuation of the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund ("the Fund") as at 31 December 2024 ("the valuation date") in line with your request.
- 1.2 This report summarises the results of the actuarial valuation carried out on the Fund as at 31 December 2024, after ZESA Holdings' adoption of an actuarial deficit value of USD 105 million as of 5 April 2024. We have also referred to all relevant Insurance and Pensions Commission (IPEC) Guidelines in conducting this valuation.
- 1.3 All monetary amounts in this report are denominated in Zimbabwean Gold (i.e. ZWG) unless stated otherwise.

### Status of report

- 1.4 This is the final report.

### Recap of April 2024 Currency Conversion Valuation

- 1.5 We conducted the previous valuation of the Fund as at 05 April 2024. The results of the 05 April 2024 valuation revealed that the Fund had earned investment returns of 268.16%. These returns were distributed to the members through a final interest declaration of 268.16% and a top-up pension increase of 627.5%.
- 1.6 We carried out a separate valuation as at 5 April 2024 on a defined benefit basis. The main objective of the valuation was to determine the Fund's deficit as at that date, excluding the Employer debt from the Fund's assets. This was in line with a legal opinion that was issued, requiring such a valuation to take place, and to have the deficit stated in United States Dollars.
- 1.7 The valuation was carried out considering a few scenarios. ZESA Holdings and the Fund agreed to settle on the value of the deficit amounting to USD104.65 million, representing a funding level of 25.1%. This value has been adopted as at the current review date, net of payments made by the Employer up to 31 December 2024 as the Employer's obligation and an asset of the Fund.
- 1.8 Further details of the DB valuation as at 5 April 2024 are contained in a separate report that was shared with the Board of Fund and the ZESA Holdings Board.

### Key Inter-valuation Events

- 1.9 Over the period, the following ZWG and USD lump sum amounts have been granted to pensioners. We have treated these as an advance distribution of the Fund's investment return.

Month	Cost of ZWG Lump sum (ZWG)	Cost of ZWG Lump sum (ZWG)
April	1 591 615	1 841 937
May	1 432 454	1 713 002
June	1 284 675	2 577
July	1 841 642	2 143 004
Aug	1 872 384	46 375
Sep	2 051 941	2 284 812
Oct	1 897 277	
Nov	1 888 203	65 620
Dec	1 884 783	4 069 684
Total (ZWG)	15 744 973	12 167 011



## ACTUARIAL VALUATION REPORT (CONTINUED)

- 1.10 The following criteria has been applied in determining the lump sum awards for pensioners.

	Cost of ZWG Lump sum (ZWG)	Cost of ZWG Lump sum (ZWG)
Apr-Sept 2024	100% of monthly pension	USD equivalent of monthly pension (at the RBZ rate) round-up to the nearest multiple of USD 10, subject to the following minimum thresholds: -USD 30 for principal pensioners and USD 20 for spouse beneficiaries
Oct-Dec 2024	54.2% of monthly pension	Same as above

- 1.11 We advise the Board to consider the Fund's liquidity position when granting lump sum amounts.
- 1.12 In October 2024, the Fund granted an 84.5% increase to pensions in payment, which we have considered an advance distribution of investment returns.

### Market Overview

- 1.13 The ZSE All Share index was rebased to 100 as at 5 April 2024, in light of the currency change to ZWG. The index increased to 217.58 as at December 2024 reflecting a 117.58% growth in the index.
- 1.14 CPI was also rebased to 100 basis points as at 5 April 2024, in light of the currency change to ZWG. The index increased to 166.30, as at 31 December 2024 implying inflation of 66.30% over the period.
- 1.15 The ZWG since its introduction has suffered significant value erosion as its opening exchange rate of ZWG 13.5616: USD1 moved to ZWG 25.7985: USD1 by 31 December 2024. This represents a 90.23% loss of value.

Over the inter-valuation period the following Circulars were issued:

Document	Issue Date	Content
Circular 8 of 2024	10 May 2024	Guideline on 2024 Currency Changes
Circular 11 of 2024	27 June 2024	Amendments to Guideline on 2024 Currency Changes
Circular 12 of 2024	02 July 2024	Guideline on Conduct of Annual General Meetings
Circular 19 of 2024	14 November 2024	Amendment to Risk Management and Corporate Governance Guidelines for Pension Funds
Circular 23 of 2024	12 December 2024	Implementation Plan for the Zimbabwe Mortality Tables: Key Requirements and Timelines
Circular 26 of 2024	12 December 2024	Issuance of a Draft Market Conduct Framework for the Insurance and Pensions Industry

### Key Assumptions

- 1.16 The key assumptions for valuing pensioner liabilities used in carrying out this valuation have been maintained as those used in the Fund's actuarial valuations post 2017. We believe that the long-term outlook for the Fund experience and economy has not changed sufficiently since the last valuation date to warrant a change in assumptions.

### Fair and Equitable Treatment of Pension Fund Members

- 1.17 The primary objective of the currency conversion guideline of 2024 as stated in Clause 14.1(b) is to ensure that "Conversion of member or beneficiary benefits from ZWL to ZWG should not result in generational transfer of assets from older to newer members of the Fund and should be done fairly without prejudice to different members of the Fund."

# ACTUARIAL VALUATION REPORT (CONTINUED)

## Summary of Membership Statistics

1.18 This valuation is based on data relating mainly to the following membership groups:

Year Ending	Frozen Active Members	Deferred Pensioners	Current Pensioners	Suspended Pensioners
31-Dec-21	2 052	214	3 991	471
31-Dec-22	2 050	210	3 465	953
31-Dec-23	2 013	206	3 696	123
05-Apr-24	2 013	206	3 696	-
31 Dec-24	2 007	204	3 656	771
Change (2021-2024)	(45)	(10)	(335)	(300)

1.19 The number of members with unclaimed amounts was 157 as at 31 December 2024.

## Assets

1.20 The financial statements provided showed that the value of assets amounted to ZWG 3.69 billion at the valuation date. A split of the assets invested in each investment class at 31 December 2024 with comparative figures at the conversion valuation date, is summarized in the table below:

Category	05 April 2024*		31 December 2024	
	Amount (ZWG)	Proportion of net assets	Amount (ZWG)	Proportion of net assets
Fixed Property	395 670 993	89.1%	953 624 181	26%
Ordinary Shares	36 046 814	8.1%	81 431 511	2%
Money Market	-	0.0%	2 372 895	0%
Actuarial Deficit – Loan	10 034 512	2.3%	2 470 223 272	67%
Cash on hand and at Bank	5 403 162	1.2%	-	-
Operating Assets	61 394	0.0%	154 580	0%
Current Assets	1 569 085	0.4%	192 520 001	5%
Current Liabilities	(4 597 976)	-1.0%	(9 998 616)	0%
Net Assets	444 187 984	100%	3 690 327 826	100.0%

\*Before deficit adoption

1.21 The Fund earned a return of 772.74% over the period since the Conversion Date compared to the ZSE All Share Index growth of 117.58%. Hence the Fund's assets performed comparably better than the ZSE counters as a whole over the financial period under review.

1.22 The deficit loan constitutes the highest proportion of Fund assets at 67% as of 31 December 2024, with the next highest being property at 26%. Together they account for 93% of the Fund's assets. Given the illiquid nature of these assets, the Board is advised to take this into consideration when awarding pension increases and lump sum disbursements.

1.23 The deficit loan was locked in at the USD value on the 5th of April 2024, being converted to ZWG at each future valuation date net of any payments made towards it by the Employer. This will guard the value of the Fund's main asset against value erosion, protecting member benefits.

## ACTUARIAL VALUATION REPORT (CONTINUED)

### Contributions and Expenses

- 1.24 The Fund is closed to new members and further accrual of benefits. In terms of the DC rules of the Fund, the Fund is non-contributory.
- 1.25 We also note that with the rules of the Fund, all expenses incurred by the Fund are to be funded from the investment earnings generated from the Fund's assets.
- 1.26 The operating expenses over the inter-valuation period were ZWG 11.03 million. The expenses were 0.3% of the average Fund assets over the inter-valuation period. The administration expenses for the period totalled ZWG 2.36 million, representing 0.06%, while the Board expenses amounted to ZWG 789,959, or 0.02% of the Fund's assets.
- 1.27 As per the IPEC Expense Framework of 2022, the thresholds for inactive Funds are set at 0.6% for administration and board expenses, based on the Fund's assets. Total expenses were 0.38% of assets. As a result, the Fund is compliant with the Expense Framework.

### Financial Position

- 1.28 The Fund's assets amounted to ZWG 3.69 billion at the review date whereas that of Fund liabilities amount to ZWG 675.30 million. Therefore, the Fund was in a financially sound position, with a surplus of ZWG 3.02 billion. This translated to a Funding level of 546.48%.
- 1.29 To distribute the investment return, we recommend applying a bonus rate of 772.74% to the accumulated balances of paid-up actives and to increase the reserves at a rate of 772.74%. We have kept a data reserve amounting to 2% of the Fund assets.
- 1.30 We observe that, during the inter-valuation period, the Fund granted an interim pension increase of 84.5% and paid discretionary lump sum amounts totalling ZWG 27.91 million.
- 1.31 Based on the asset values received for the financial review as at 31 December 2024, a pension increase of 352.09% is due to the pensioners in the Fund. However, given the Fund's current limited cashflow position, it may not be feasible to implement the recommended increase at this stage.
- 1.32 We therefore recommend conducting another financial review as at 30 June 2025 to account for the changes in asset values since 31 December 2024, before effecting any pension increase.



## ACTUARIAL VALUATION REPORT (CONTINUED)

1.33 The table below sets out the financial position of the Fund at 31 December 2024, together with comparative figures as at 5 April 2024.

	5 April 2024 Before Deficit Adoption		5 April 2024 After Deficit Adoption	31 December 2024	
Category	Before Interest (ZWG)	After Interest (ZWG)	After Interest (ZWG)	Before Interest (ZWG)	After Interest (ZWG)
Net Assets	444 187 984	444 187 984	1 718 856 648	3 690 327 824	3 690 327 824
Total Liability (b= c + d + e)	219 237 641	431 232 490	431 232 490	675 296 371	3 610 631 618
Actuarial Liabilities (c)	205 010 779	378 855 465	378 855 465	577 358 071	3 326 216 611
Paid-up actives	46 414 599	170 878 061	170 878 061	170 218 310	1 485 570 833
Deferred Pensioners	3 677 049	4 821 952	4 821 952	9 360 192	42 316 666
Pensioners	154 919 131	203 155 452	203 155 452	397 779 569	1 798 329 112
Outstanding Payments (d)	9 423 152	34 691 888	34 691 888	18 248 642	159 264 010
Pending Exits	766 880	2 823 314	2 823 314	1 177 509	10 276 647
Commuted Pensions	45 010	165 707	165 707	165 707	1 446 199
Deferred Pension ER Only	231 225	851 268	851 268	848 423	7 404 567
Unexpired Pensions	1 528 448	5 627 073	5 627 073	5 451 376	47 576 580
Arrear pension benefits	4 052 797	14 920 611	14 920 611	323 987	2 827 579
Outstanding Claims	851 721	3 135 659	3 135 659	3 113 382	27 171 870
AVCs	291 121	1 071 779	1 071 779	1 071 779	9 353 892
Unclaimed Benefits	448 630	1 651 657	1 651 657	1 651 657	14 414 741
ESC	1 207 321	4 444 822	4 444 822	4 444 822	38 791 937
Reserves (e)	4 803 709	17 685 136	17 685 136	79,689,657	125,150,996
Revaluation Gains Reserve	1 597 989	5 883 092	5 883 092	5 883 101	51 344 440
Data Reserve	3 205 720	11 802 044	11 802 044	73 806 556	73 806 556
Surplus (f = a- b)	224 950 342	12 955 494	1 287 624 158	3 015 031 453	79 696 209
Funding level (j = a/b)	202.6%	103.0%	398.6%	546.5%	102.2%

1.34 We have also evaluated the Fund's financial position using the Zim-mortality tables, in line with the requirements of Circular 23 of 2024. Since the Fund is a Defined Contribution scheme with pensioners, the change in the mortality tables impacts only the pensioners' liability.

## ACTUARIAL VALUATION REPORT (CONTINUED)

- 1.35 We have performed the Pensioners' liability calculations as of the valuation date using the Zim- mortality tables. Below is a summary of the results, along with the comparative figures based on the old mortality tables before applying the pension increases:

	Liability using old mortality tables	Liability using Zim- mortality tables	Change
Deferred Pensioners	9 360 192	11 269 573	1 909 381
Pensions in Payment	397 779 569	492 456 794	94 677 225
Total Pension Liabilities	407 139 761	503 726 367	96 586 607
Total Fund liabilities (b)	675 296 371	771 882 978	96 586 607
Total Fund Assets (a)	3 690 327 824	3 690 327 824	-
Surplus ( c = a-b )	3 015 031 453	2 918 444 847	-96 586 607
Funding level ( d = a/b )	546.48%	478.09%	-68.38%
Dec	1 884 783	4 069 684	
Total (ZWG)	15 744 973	12 167 011	

- 1.36 Using the Zim mortality tables, the Fund's liabilities have risen to ZWG 771.88 million, compared to assets of ZWG 3.69 billion. This has led to a surplus of ZWG 2.92 billion, reflecting a financially sound position with a funding level of 478.09%.
- 1.37 This reflects a decrease in the surplus of ZWG 96.59 million as of the review date, primarily due to the change in mortality tables, with the overall funding level falling by 68.38%.
- 1.38 We recommend that the Fund carries out a mortality investigation to assess the extent to which the current and proposed mortality tables relate to the mortality experience of the Fund.
- 1.39 We recommend that the investigation be carried out as at 31 December 2025, covering a period of 5 years.

### Conclusion

- 1.40 Overall, the Fund was in a financially sound position as at 31 December 2024.
- 1.41 A summary of all our recommendations is outlined in Section 10 of the report.
- 1.42 We have set out the required certifications in Appendix VI.

# NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Zimbabwe Electricity Supply Authority (ZESA) Staff Pension Fund will be held both on the virtual platform (ZOOM) and physically in the Jacaranda Conference Room, at the Zimbabwe Electricity Supply Authority (ZESA) National Training Centre, Ganges Road, Belvedere South, Harare on Friday the 29th of August 2025 at 1100hrs.

## AGENDA

### Ordinary Business

#### 1. Minutes of the Previous Meeting

To confirm and sign off the minutes of the 4th Annual General Meeting held on the 24th of May 2024.

#### 2. Financial Statements

To receive and adopt the audited financial statements for the year ended 31 December 2024 and the reports of the Board, Auditors and Actuaries thereon.

#### 3. Board Members

##### 3.1 Board remuneration

To ratify the Board fees for the year ended 31 December 2024.  
(Board fees are included in the annual report.)

##### 3.2 Retirement and appointment of Board Members

3.2.1 To note the retirement of Mrs. T.R Madzonga, Mr. V. Ndlovu, Mr. D. N Chiradza, Mr. J. Mapillar, Mr. O. Nyekete and Mr. A. Mudzonga with effect from 31 May 2024.

3.2.2 To note the appointment of Dr. H. Murerwa, Mr. A.V Sibangani, Mr. W. Nondo, Mr. H. Makura, Mr. L. Nyamande and Eng. G. Tsumbalagwa with effect from 1 June 2024.

#### 4 External Auditors

To ratify the fees of the auditors for the past financial year.

#### 5 Any other business

To transact any other business as may be transacted at an Annual General Meeting.

### Appointment of Proxy

In terms of the AGM Guidelines, members entitled to attend and vote at the meeting may appoint a proxy to attend, vote and/or speak on their behalf. The proxy should be a member of the Fund. The proxy must be lodged at the Fund's registered office at least 48 hours before the time of the meeting.

### Meeting details

The meeting link will be sent via SMS to members and pensioners five days before the meeting and can be requested from the Fund by emailing to [smapiye@zesapf.co.zw](mailto:smapiye@zesapf.co.zw) or [mdumba@zesapf.co.zw](mailto:mdumba@zesapf.co.zw).

By order of the Board



Bright Kondo  
Secretary/Principal Officer



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