

**ZIMBABWE ELECTRICITY SUPPLY  
AUTHORITY STAFF PENSION FUND**

**FINANCIAL STATEMENTS  
31 December 2024**

**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**  
**31 December 2024**

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

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# ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

## FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 December 2024

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<b>Country of incorporation and domicile</b>	Zimbabwe																		
<b>Nature of business and principal activities</b>	The Fund was 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 the employees of ZESA Holdings and its subsidiaries.																		
<b>Trustees</b>	<table><tr><td>Dr. H. Murerwa</td><td>Chairperson – Independent Board Member</td></tr><tr><td>D. Maviva</td><td>Employer Appointed Member</td></tr><tr><td>A. Sibangani</td><td>Employer Appointed Member</td></tr><tr><td>E Madzikanda</td><td>Employer Appointed Member</td></tr><tr><td>T. Chinhengo</td><td>Employer Appointed Member</td></tr><tr><td>L. Nyamande</td><td>Employee Elected Member</td></tr><tr><td>Eng.G.Tsumbalagwa</td><td>Employee Elected Member</td></tr><tr><td>W. Nondo</td><td>Pensioner Elected Member</td></tr><tr><td>H. Makura</td><td>Pensioner Elected Member</td></tr></table>	Dr. H. Murerwa	Chairperson – Independent Board Member	D. Maviva	Employer Appointed Member	A. Sibangani	Employer Appointed Member	E Madzikanda	Employer Appointed Member	T. Chinhengo	Employer Appointed Member	L. Nyamande	Employee Elected Member	Eng.G.Tsumbalagwa	Employee Elected Member	W. Nondo	Pensioner Elected Member	H. Makura	Pensioner Elected Member
Dr. H. Murerwa	Chairperson – Independent Board Member																		
D. Maviva	Employer Appointed Member																		
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T. Chinhengo	Employer Appointed Member																		
L. Nyamande	Employee Elected Member																		
Eng.G.Tsumbalagwa	Employee Elected Member																		
W. Nondo	Pensioner Elected Member																		
H. Makura	Pensioner Elected Member																		
<b>Principal Officer</b>	B Kondo																		
<b>Registered office</b>	4 <sup>th</sup> Floor Megawatt House 44 Samora Machel Avenue <b>Harare</b>																		
<b>Investment Advisors</b>	IMARA Asset Managers Block 2, First Floor Tendeseka Park Samora Machel Eastlea <b>Harare</b>																		
<b>Bankers</b>	Stanbic Bank Samora Machel Branch <b>Harare</b>																		
<b>Auditor</b>	AMG Global Chartered Accountants (Zimbabwe) 3 Elcombe Avenue Belgravia <b>Harare</b>																		
<b>Actuaries</b>	African Actuarial Consultants Ground Floor, Block 6, East Wing Celestial Office Park Borrowdale <b>Harare</b>																		

## STATEMENT OF THE BOARD MEMBERS' RESPONSIBILITY

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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 3 to 5.

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 6 to 23 were approved by the Board of the Fund on 28 March 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 ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

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### **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 6 to 23, 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 2022 and 8 of 2024.

### **Basis of 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 Members’ 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.

### **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**

**18 March 2025**

**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY PENSION FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

Year ended 31 December 2024

	Sub Fund A ZWG	2024 Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	2023 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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other membership income (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Benefits and payments</b>						
Pensions						
(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>



ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS – (CONT'D)

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
<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>360 339 482</b>	<b>-</b>	<b>360 339 482</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>355 688 393</b>	<b>-</b>	<b>355 688 393</b>	<b>607 667 988</b>	<b>-</b>	<b>607 667 988</b>

ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS – (CONT'D)

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>(66 573 797)</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>275 945 652</b>	<b>-</b>	<b>275 945 652</b>	<b>434 388 894</b>	<b>-</b>	<b>434 388 894</b>

ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - (CONT'D)  
 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)	217 346 948	-	217 346 948	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)	1 015 098 548	-	1 015 098 548	797 751 600	-	797 751 600

Head Finance



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Principal Officer



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28 March 2025

Board Chairman



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**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

As at 31 December 2024

	Note	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		-	-	-	55 379 421	-	55 379 421
<b>Total non-current investment assets (O)</b>		<b>1 035 055 692</b>	<b>-</b>	<b>1 035 055 692</b>	<b>771 895 998</b>	<b>-</b>	<b>771 895 998</b>
<b>C Current investment assets</b>							
Actuarial deficit		-	-	-	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>13 467 977</b>	<b>-</b>	<b>13 467 977</b>	<b>21 696 214</b>	<b>-</b>	<b>21 696 214</b>
<b>--</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>1 053 658 650</b>	<b>-</b>	<b>1 053 658 650</b>	<b>800 358 027</b>	<b>-</b>	<b>800 358 027</b>

ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS– (CONT'D)

As at 31 December 2024

	Notes	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		37 985 088	-	37 985 088	2 316 444	-	2 316 444
<b>Total non-actuarial liabilities (S)</b>		<b>38 560 103</b>	<b>-</b>	<b>38 560 103</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>1 015 098 548</b>	<b>-</b>	<b>1 015 098 548</b>	<b>797 751 600</b>	<b>-</b>	<b>797 751 600</b>
<b>F Actuarial liabilities</b>							
<b>Members' liabilities</b>							
Active members		427 077 740	-	427 077 740	305 113 568	-	305 113 568
Pensioners		526 274 528	-	526 274 528	436 560 869	-	436 560 869
Deferred pensioners		13 652 399	-	13 652 399	10 575 042	-	10 575 042
Pending exits		2 954 321	-	2 954 321	3 332 625	-	3 332 625
Unclaimed benefits		4 143 936	-	4 143 936	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>1 009 171 027</b>	<b>-</b>	<b>1 009 171 027</b>	<b>789 893 959</b>	<b>-</b>	<b>789 893 959</b>
<b>Surplus/deficit (T-</b>		<b>5 927 521</b>	<b>-</b>	<b>5 927 521</b>	<b>7 857 642</b>	<b>-</b>	<b>7 857 642</b>

Head Finance



Principal officer



28 March 2025

Board Chairman



**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

**STATEMENT OF CASHFLOWS**  
**year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>ZWG</b>	<b>ZWG</b>
<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)	(481 675)
Cash paid to employees		
Staff expenses	(6 769 842)	(5 748 755)
Board expenses	(864 744)	(839 567)
Monetary loss	(70 260 069)	(173 891 015)
Other operating expenses		
Bank charges	(1 326 959)	(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>

**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

**MEMBERSHIP STATISTICS**  
year ended 31 December 2024

	In Zimbabwe		Outside Zimbabwe	
	2024	2023	2024	2023
<b>1 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 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 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 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 ..... 

28 March 2025

Board Chairman ..... 

# ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

## STATEMENT OF ACCOUNTING POLICIES

31 December 2024

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### 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.



# ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

## STATEMENT OF ACCOUNTING POLICIES

31 December 2024

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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.

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.

## ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

### STATEMENT OF ACCOUNTING POLICIES

31 December 2024

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#### **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 employees.

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.

ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

RELATED FINANCIAL STATEMENT NOTES  
31 December 2024

1 OPERATING ASSETS

	Furniture and Fittings ZWG	Computers ZWG	Total ZWG
Net carrying amount as at 1 January 2023	54 394	7 212	61 606
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
		<b>2024</b> <b>ZWG</b>	<b>2023</b> <b>ZWG</b>

2 INVESTMENT PROPERTY

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.

	2024 ZWG	2023 ZWG
3 QUOTED SHARES		
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>
Asset Managers – IMARA Asset Managers		
Quoted shares	79 742 204	48 201 093
Dividends	2 040 050	2 145 021
Management fees	433 642	489 412

**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

**RELATED FINANCIAL STATEMENT NOTES**

**31 December 2024**

		<b>2024</b>	<b>2023</b>
		<b>ZWG</b>	<b>ZWG</b>
<b>4 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 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)
<b>Closing balances</b>		<b>(28 561 487)</b>	<b>67 090 992</b>
<b>6 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
			<b>Income</b>
			<b>ZWG</b>
			673 920
<b>6.1 COMPLIANCE RATIO</b>			
<p>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:</p>			
Prescribed assets (ZWG)			4 452 500
Total assets less outstanding contributions (ZWG)			1 053 658 650
<b>RATIO</b>			<b>0.42%</b>
<b>7 RENT DEBTORS AGING ANALYSIS</b>		<b>2024</b>	<b>2023</b>
		<b>ZWG</b>	<b>ZWG</b>
Below 30 days		620 554	1 214 972
Between 30 days and 90 days		1 134 022	552 270
Between 91 days and 180 days		25 236	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>
<b>8 UNCLAIMED BENEFITS</b>		<b>Number of</b>	<b>Amount</b>
		<b>Members</b>	<b>ZWG</b>
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	3 984 369
		<b>157</b>	<b>3 984 369</b>

**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

**RELATED FINANCIAL STATEMENT NOTES**

**31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
<b>9 US\$ DENOMINATED TRANSACTIONS AND BALANCES</b>		
<b>9.1 Revenue</b>		
Rent	691 957	482 796
Dividends	127 232	130 914
Dividends	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.

<b>9.3 Assets</b>		
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.

	<b>2024</b>	<b>2023</b>
	<b>ZWG</b>	<b>ZWG</b>
<b>10 INTEREST INCOME</b>		
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>
<b>11 UNREALISED GAINS</b>		
Quoted shares	31 334 908	16 536 697
Unquoted shares	636 927	103 776
	<b>31 971 836</b>	<b>16 640 473</b>

**ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

**RELATED FINANCIAL STATEMENT NOTES**

**31 December 2024**

**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.

	<b>April - Dec ZWG</b>	<b>Jan to April ZWL</b>
<b>Membership activities</b>		
<b>Contributions</b>		
By members		
(a) Normal	-	-
(b) Voluntary	-	-
By employers		
(a) Normal	-	-
<b>Total contributions (A)</b>	<u>-</u>	<u>-</u>
<b>Total other membership income (B)</b>	<u>-</u>	<u>-</u>
<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
One third commutation		
Lumpsum awards on retirement and retrenchment	1 281 893	491 676 271
<b>Total benefits and payments (C)</b>	<u>52 031 232</u>	<u>9 588 427 012</u>
<b>Net membership activities income/loss (A+B-C)=D</b>	<u>(52 031 232)</u>	<u>(9 588 427 012)</u>
<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
<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>	<u>634 493 972</u>	<u>817 433 405 428</u>
<b>Investment expenses</b>		
<b>Financial assets</b>		
Asset management fees	220 723	82 285 252
Custodial fees	129 630	49 173 814
<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>	<u>3 600 378</u>	<u>1 466 829 423</u>
<b>Net investment income/(loss) (E-F)=(G)</b>	<u>630 893 594</u>	<u>815 966 576 005</u>

ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

RELATED FINANCIAL STATEMENT NOTES  
31 December 2024

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

	April - Dec ZWG	Jan to April ZWL
<b>Other activities</b>		
<b>Other income</b>		
Other interest income	387 293	575 690 721
Revaluation gains on operating assets	21 996	118 057 357
Exchange gains	2 669 299	-
<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	1 061 432	336 767 093
<b>Total other expenses (I)</b>	<b>11 030 350</b>	<b>2 575 221 399</b>
<b>Net other income/(loss) (H-I)=(J)</b>	<b>(7 951 762)</b>	<b>(1 611 728 046)</b>
<b>Change in net assets excluding membership activities (G+J)=(K)</b>	<b>622 941 832</b>	<b>814 354 847 959</b>
<b>Net increase/(decrease) in net assets during the year (D+K)=(L)</b>	<b>570 910 600</b>	<b>804 766 420 947</b>
<b>Net assets available for benefits at beginning of the year (M)</b>	<b>444 187 948</b>	<b>305 136 754 166</b>
<b>Net assets available for benefits at end of year (L+M)</b>	<b>1 015 098 548</b>	<b>1 109 903 175 113</b>

13 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>

## ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND

### RELATED FINANCIAL STATEMENTS NOTES

31 December 2024

#### 14 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 ZWG5 927 521.

The Fund earned a return of 150.9% for the year ended 31 December 2024. The Actuary recommended for a pension increase of 23.1% 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	150.90%
Reserves	150.90%

#### 15 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.

#### 16 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%	1.32%
First Bank	13.1%	0.99%
Innsco	13.8%	1.04%
Seed Co International	9.2%	0.70%
Simbisa	8.1%	0.61%

#### 17 COMPLIANCE WITH IPEC REGULATIONS

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.



## **ZIMBABWE ELECTRICITY SUPPLY AUTHORITY STAFF PENSION FUND**

### **RELATED FINANCIAL STATEMENTS NOTES**

**31 December 2024**

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#### **18 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.