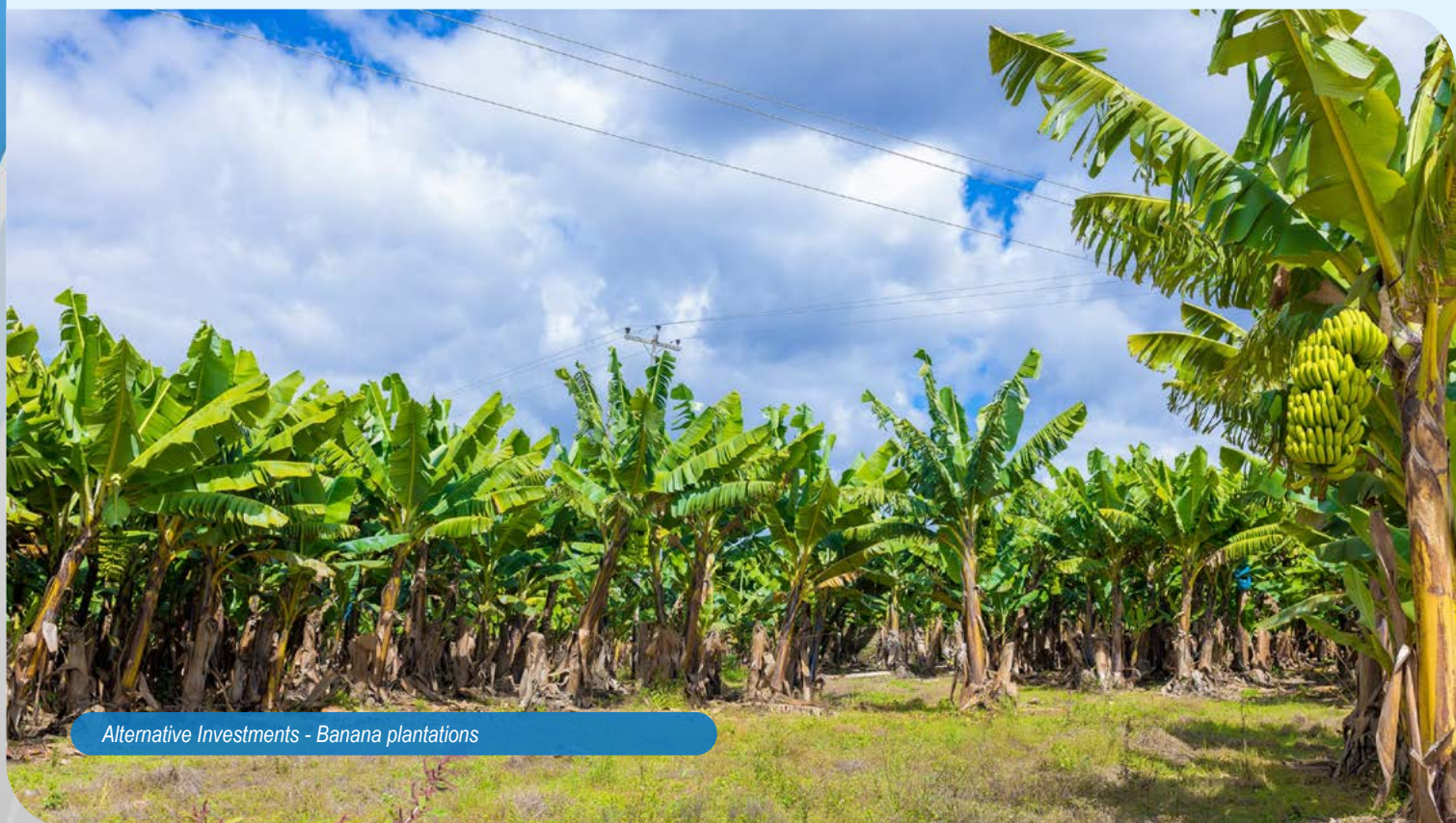


Annual Report 2024

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Alternative Investments - Banana plantations

ABOUT THIS REPORT

This Annual Report for the Zimbabwe Electricity Industry Pension Fund (ZEIPF) summarizes your Fund performance and operational highlights for the financial year ended December 31, 2024. Its primary objective is to transparently share the Fund's financial and operational achievements with our stakeholders.

STRATEGIC FOUNDATIONS



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.



Fund values

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



Cimas Hospital 35 Fife avenue

GENERAL INFORMATION

Nature of business

Provision of retirement benefits.

Board Members

Dr. H. M. Murerwa	Chairman
Engineer H. Choga	Employer representative
Mrs. CBE Mutsvairo	Employer representative
Mrs. M. Chigweremba	Employer representative
Mr. E. Madzikanda	Employer representative
Engineer Y. Mufambi	Employee representative
Ms. P. Mbuta	Employee representative
Mr. B. Ndlovu	Employee representative
Mr. S. Mukanganwi	Pensioner representative



Principal Officer

Bright Kondo

Offices

4th Floor Megawatt House 44 Samora Machel Avenue Harare

Fund Actuary

Mureriwa Actuarial Outsourcing Services (Pvt) Ltd 41 Guilford Drive Brookview Harare

Auditors

AMG Global
Chartered Accountants (Zimbabwe) Registered Public Auditors
3 Elcombe Avenue
Belgravia Harare

Bankers

Stanbic Bank
Samora Machel Avenue Harare

Equity Asset Managers Datvest Asset Managers Datvest Stand
312 Corner Edinburgh/ Campbell Road, Pomona, Harare.

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 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 Fund incurred losses on monetary investments, particularly arrear contributions, due to these currency fluctuations. Loss of value amounting to USD17.6 was incurred on ZWG contribution arrears by the Fund in 2024 from currency movements.

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.

CHAIRMAN'S REPORT (CONTINUED)

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 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,

with an average income replacement ratio of 54%. As of 2024, the Fund's average pension stood at USD 50.03, and the average income replacement ratio was 4.2%. To drive progress towards this goal, the Fund's strategic initiatives for 2024 were 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.

Financial results

Amidst a dynamic economic landscape in 2024, the Fund's financial performance remained resilient, showcasing its ability to adapt and thrive. Key financial results are summarized below

Description	2024 results (ZWG)	2023 results (ZWG)	Change %	Comment
Revenue	788.7 million	819.3 million	-3.73%	There was a loss of value on ZWG contribution arrears due to exchange rate depreciation. However, linking these arrears to USD will help preserve their value moving forward.
Expenditure	56 million	46.4 million	20.68%	Currency depreciation of 83.48% between April and September 2024 drove up prices.
Surplus	732.6 million	772.9 million	-5.2%	
Total Assets	2.08 billion	1.35 billion	54%	Notwithstanding a slowdown in growth momentum, the Fund still achieved a significant 54% growth rate for the year.
Cash inflow from contributions	346.7 million	322.2 million	7.6%	
Fund Return	118.3% (ZWG)	580.7% (ZWL)		The Fund's 2024 returns outperformed the rate of currency depreciation of 90.2% in 2024 (792.06%: 2023)

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 (to be operated by CIMAS) and progressing with the Victoria Falls hotel project (to be operated by the Fund through an International Management Agreement with Radisson Hotel Group under the Park Inn brand). Additionally, the Fund collaborated with ZESA Staff Pension Fund on the redevelopment of Lochinvar Warehouse (to be operated by National Foods). The Fund's exposure to investment property stood at 56%.

The Fund continued to defend its key property performance indicators, closing the year at 91% collection rate, 7.58% yield and 98% occupancy versus strategic targets of 80% collection rate, 5% yield and 80% occupancy respectively.

ii. Quoted shares

12% of the Fund investments were in quoted shares. The Fund earned a return of 108.41% vs. the Zimbabwe Stock Exchange All Share Index of 117.6% gain while return of 14.19% was earned on Victoria Falls Stock Exchange All Share against an Index of 4.09%.

iii. Unquoted shares

The Fund was 6% invested in unquoted shares through Mangwana Opportunities Fund. Mangwana Opportunities Fund is invested in mining and agriculture. Mangwana Opportunities Fund investments are made in local currency but invested in USD-generating assets, with a guaranteed annual return of 8% in USD terms. For 2024, the Fund achieved a return of 13.67%.

iv. Mortgages

Following exchange rate stability, the Mortgage facility was revived, and exposure closed the year at 1% of total Fund assets. ZWG20.2 million was availed for funding of the facility from August 2024 to July 2025 translating to mortgage facility of ZWG40.2 million.

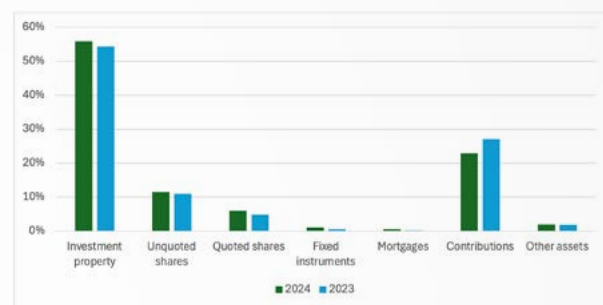
v. Fixed instruments

Investments in this asset class remain constrained due to unfavorable market conditions, as the Fund seeks to mitigate the risk of value loss from inflation. As of 31 December 2025, the Fund's exposure to fixed instruments stood at 1%, with 21% of these instruments invested offshore.

vi. Prescribed assets

As of 31 December 2024, the Fund's prescribed asset ratio at 21.74%, was compliant with the minimum regulatory requirement of 20% of the Fund's assets' fair value.

Asset allocation as of 31 December 2024



Contribution arrears

Non- payment of contributions has remained the key challenge for the Fund. As of 31 December 2024, contributions arrears represented 23% of total Fund assets. Though efforts to collect contributions have been ongoing, the Fund continues to struggle to collect the contributions, which has led to:

- The Fund being categorized as a "troubled entity" as more than 10% of Fund's assets were in arrear contributions.
- Failure to fund critical projects and avail funding to the mortgage facility.
- Noncompliance with exposure level of investments which require that investments with the employer should not exceed 10% of Fund value and payment of the contributions should be done by the 14th of the following month when contributions become due.
- Loss of value on ZWG contributions arrears due to currency deterioration which have negatively impacted the replacement ratio currently at 4.2%.

Building on its 2024 efforts or engagements to index/link ZWG arrear contributions to USD for value preservation, the Fund has continued to engage with ZESA Holdings on the matter into 2025. These negotiations are at an advanced stage of being concluded. As of April 2025, the ZESA Holdings Finance Committee resolved to link/index arrear contributions to USD in order to preserve value with effect from 28 February 2023. The Fund now awaits for ZESA Holdings Board resolution on the matter.

CHAIRMAN'S REPORT (CONTINUED)

Actuarial Assessment, pension increases and bonuses

Based on the historical results, the Fund generated 118.3% Fund return for the year 2024 versus currency deterioration of 90.2%. The Board approved a final pension increase of 15% to give a cumulative pension increase of 127.5% for the year 2024 way above currency deterioration of 90.2%.

The Board will continue to focus on ensuring sustainability of retirement income by investing in assets that hedge against inflation which would enable regular pension increases to be awarded. The Board is further cognizant that the country is in a multiple currency regime and as such, pensioners' income should reflect this position. This saw the continued payment of USD top up discretionary lump sum payments to pensioners on a monthly basis in line with Fund forex generation capacity.

During the year 2024, pension top up discretionary lump sums and pension increases were awarded monthly to ensure that the Fund returns are passed to members and pensioners before they are eroded by inflation. The pension benefit adjustments awarded were as follows:

Member category	Cumulative awards - year 2024	Cumulative awards - year 2023
Active members	Sub Account 1 - 169% Sub Account 2 - 79.4% Sub Account 3 - 9.3%	Sub Account 1 - 841% Sub Account 2 - 482.64% Sub Account 3 - 5.09%
Preserved members	169%	841%
Pensioners	127.5%	841%

Sub Account 2 continues to be negatively impacted by ZESA Holding's non-remittance of contributions, resulting in investment returns that are lower than inflation. As of 31 December 2024, the Fund had lost USD17.6 million since February 2023 due to late remittance of ZWG contributions. However, loss of value of ZWG contributions would be resolved on the implementation of linking/indexing ZWG contributions to USD to preserve value.

Despite earning a 9.3% USD return, Sub-account 3 faces challenges as most funds remain with the employer. Contributions arrears surged 155% to USD13.5 million in 2024, up from USD5.2 million in 2023. This poses a risk of benefit payment delays for members, given the funds are held by the employer. The 2024 collection rate stood at 9.4%.

Fund Membership as of 31 December 2024

Description	2024	2023
Actives	7216	7227
Principal Pensioners	794	783
Beneficiaries (spouses and children)	666	645
Total	8,676	8,655

The stable membership, coupled by increases in salaries, broadens the contribution base and puts the Fund in a better position for investment growth, however accumulation of arrear contributions negatively impacted the Fund Investment return.

Beneficiaries form an important component of the Fund, although they represent just a small percentage of the total membership.

Member Engagement.

Efforts to improve customer or member experience continued to be implemented during the year and are ongoing to ensure that members / pensioners easily access the Fund, experience improved service delivery and receive higher pension benefits.

Physical engagements were made in 2024 as part of national outreach.

Regular member education sessions provide our members with the opportunity to ask questions and allow the Fund to empower them to continuously make the right 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
2. Fund WhatsApp: 0777 953 777
3. Emails: 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 Programs (Face to face)

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 Currency Changes Circular 8 – Guideline on 2024
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

Contribution arrears non-compliance

Non-compliance with contribution payments persisted, though efforts by Fund Management and the Board to collect contributions has been ongoing. According to regulations, contributions should be remitted by the 14th day of the following month, but ZESA Holdings and its subsidiaries have consistently fallen short of this requirement. This has resulted in the Fund's contribution arrears exposure at 23% exceeding the 10% limit set by IPEC.

The Fund Board and Management continue to work with ZESA Holdings and IPEC to address contribution payment issues. As of June 2025, a payment plan to clear arrears over 12 months was submitted by ZESA Holdings to the Fund. The Fund's 2024 collection rates were 61.3% for ZWG contributions and 9.87% for USD contributions.

The Board, through the Audit, Risk and Compliance Committee, continue to monitor all non compliance issues and mitigation measures being implemented to address them.

CHAIRMAN'S REPORT (CONTINUED)

Board Members

In 2024, the Board underwent some transformation, with Eng E.A. Ncube, Mr. S. Chikwasha, Mr. V. Vudzijena, Eng G. Tsumbalagwa, and Mr. D.N. Chiradza retiring with effect from 31 May 2024.

They were succeeded by Dr. H. M. Murerwa, Mr. B. Ndlovu, Ms. P. Mbuta, Eng. Y. Mufambi, and Mr. S. Mkanganwi with effect from 1 June 2024. 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

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 on 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 has a pipeline to create strategic high yielding assets. Notably, the Victoria Falls 4-star hotel, slated for development over the next three years, will be operated by Raddison Hotel Group and is expected to break ground in Q4 2025. Additionally, the Fund is diversifying its portfolio by venturing into solar energy, further spreading its investments across various sectors.

The Fund is passionate about continuously enhancing member experience. The Board is confident in the Fund's resilience, thanks to its diversified investments, 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

GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT



Bright Kondo | Principal Officer

Dear Member,

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 ZWG734 million, compared to ZWG773 million in 2023. The last quarter of 2024 saw ZWG contribution arrears earning a return of 8.75% , exceeding the 3.7% currency depreciation rate which was witnessed as a result of currency stability. Contribution income and investment returns were the main drivers of the surplus.

The Fund's real asset exposure grew to 74% in 2024, reflecting a steady increase from 71% in 2023, due to continued investment in investment property. The remaining 26% of Fund assets were in arrear contributions (23%) and other assets (3%). The Fund total assets grew by 54% to ZWG2.08 billion in 2024 from ZWG1.45 billion in 2023.

Performance against 2024 Strategic Plan

The Fund in 2024 was focused on:

i. Optimising investment yield

Investment property

The Fund was focused on investing in high yield assets that preserve value. Notable projects worked on in 2024 included:

- a. Marondera Megawatt medical center, which was completed in 2024 to be operated CIMAS. Target return of 8% per annum in USD terms will be achieved.
- b. Construction of the Victoria Falls 4-Star Hotel continued into 2024, with a focus on water and electricity infrastructure. However, Cresta, the original tenant, withdrew from the project due to divergences over rentals. The Fund subsequently partnered with Radisson Hotel Group (RHG), and the hotel will now operate under the Park Inn brand. Ground breaking is scheduled for Q4 of 2025 and expected to open doors on the 31st of December 2028. Return is targeted to stabilize at 16% per annum in USD terms from year three onwards after opening doors.
- c. Lochinvar Warehouse redevelopment – The Fund collaborated with ZESA Staff Pension Fund to redevelop the latter's dilapidated warehouse. Upon completion, National Foods will occupy the warehouse, paying USD rent with a target annual return of 8% in USD terms.

GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT (CONTINUED)

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

- The proportion of USD rentals increasing from 57% of total rental income in 2023 to 68% by the end of 2024, reflecting a significant increase in foreign currency- denominated earnings.
- The Fund achieving:
 - Rental yield of 7.58% versus a market average of 5%,
 - Rental collection rate of 91% versus market average of 68%, and
 - Occupancy rate of 98% versus market average of 89%.

Contributions

One major headwind which the Fund faced is non-payment of contributions. Discussions with ZESA Holdings regarding contribution remittances to the Fund are ongoing. Fund Management and the Board have continued to engage both ZESA Holdings and the regulator, Insurance and Pension Commission (IPEC) to ensure that the challenge of contributions collection is resolved. These engagements have led to the ZESA Holdings in June 2025 giving the Fund a payment plan for settling contribution arrears. The plan has a commitment to pay current contributions in full and clearing the arrear contributions over a 12-month period.

The Fund collected 61.3% of ZWG contributions and 9.87% of USD pension contributions in 2024, representing a notable increase from the 9.4% collection rate in 2023. However, despite the improvement in the collection rate the Fund remained:

- Non-compliant with the exposure level of contribution arrears at 23% was above the IPEC limit of 10%.
- The top contributor to contributions arrears in the market. ZEIPF as of 31 December 2024 contributed 40.7% of the total contribution arrears of stand-alone pension funds. This position has resulted in the Fund being labelled as a "troubled entity" as it has contributions being owed of more than three months and being more than 10% of the total assets.

The low collection rate has not only caused noncompliance but slowed down the rate of investments being made by the Fund and caused loss of value to members due to currency deterioration. The Fund proposed to ZESA Holdings to link or index contribution arrears to USD as a measure to hedge against loss of value on the ZWG contribution arrears. The ZESA Holdings' Finance Committee in April 2025 approved this proposal to link ZWG arrears to USD with effect from 28 February 2023. The Fund is yet to receive ZESA Holdings Board resolution on the matter.

The impact on the Fund, as of 31 December 2024, on linking or indexing ZWG arrear contributions to USD is tabulated below:

	Unlinked position	Linked position	Value preservation
Outstanding contributions ZWG	128,081,893	583,231,086	455,149,193
Equivalent ZWG Outstanding contributions in USD	4,964,703	22,607,170	17,642,467

Offshore investments

To mitigate currency risk, the Fund invested in Trade and Development Bank's fixed instruments, an offshore investment. The Fund target is to allocate 5% of the Fund's value to offshore investments. The investments are earning a return of 8.09% per annum. Investment into this asset class remains subdued due to lack of funding as a result of non-payment of USD contributions. In 2024 only 9.4% of USD contributions deducted from members were collected.

ii. Enhance member experience

The Fund target is to improve level of benefits to an average of USD161 per month as well as good service delivery. Several initiatives were implemented during the year to improve member experience. These initiatives included:

- Engagement of members through outreach sessions at various workstations.
- Monthly pension increases to ensure value is passed to members before it is eroded by inflation. A cumulative pension increase of 127.5% was awarded in 2024, versus the currency deterioration rate of 93.6%.
- Refreshed the mortgage loans facility.

With the bulk of the Fund members still in active service (as tabulated below) it is critical that initiatives aimed at this category drives positive outcomes.

	2024		2023	
	Number	%	Number	%
Actives	7,216	83%	7,227	83%
Principal pensioners	794	9%	783	10%
Beneficiaries (spouses and children)	666	8%	645	7%
Total	8,676	100%	8,655	100%

GENERAL MANAGER / PRINCIPAL OFFICER'S REPORT (CONTINUED)

Mortgage loans facility

The Board revamped the mortgage loans facility in August 2024, following local currency stability. Through partnerships with NMB and NBS, the Fund provides 50% funding, with the banks contributing the remaining 50%. This initiative includes a micro-mortgage scheme for members for properties without title deeds. With ZWG20.2 million in funding availed into the scheme, the facility has grown to ZWG40.4 million, and 118 members have accessed loans since August 2024.

Contribution collection constraints continue to limit investment in the mortgage loans facility, resulting in a growing waiting list. As of 30 June 2025, 108 members were awaiting access. As part of its strategic initiative, the Board has set a target for the Fund to invest 10% of the contributions collected in the mortgage loan scheme.

iii. Operational sustainability

The Fund remains focused on cost management, ensuring expenses stay within the 15% regulatory threshold of collected contributions. As of 2024, our expense ratio stood at 9.14%, 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 investment. As stakeholders focus on ESG grows, we're dedicated to aligning your investments with these principles, ensuring your portfolio is both sustainable and future-fit. This commitment will be reflected in our increasing involvement in green energy initiatives, driving long-term value for our members and pensioners.

Our investment approach prioritizes not only returns for our members but also community impact, focusing on job creation and economic empowerment in the communities where we operate.

Industry trends

The inflationary pressures have 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 transactions on 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. Collection of both ZWG and USD contributions.
- b. Concluding the linking or indexing of contribution arrears.
- c. Maintaining the investment property to ensure future fit.
- d. Completion of Lochinvar Warehouse, Development of Victoria Falls Park Inn by Raddison Group.
- e. Monthly reviews of pension payments in line with the return generated by the Fund.
- f. Funding of the mortgage loan facility to clear the backlog.

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 experiences and driving innovation continues to propel your Fund forward.



Bright Kondo
Principal Officer

CORPORATE GOVERNANCE STATEMENT

ZEIPF is committed to sound corporate governance principles as laid out in the King IV code, National Code on Corporate Governance in Zimbabwe, and guidelines from IPEC. The Board notes the need to conduct Fund affairs with principles of transparency, integrity, and accountability and in accordance with generally accepted corporate governance practices, in the interests of its members, employees and other stakeholders. This ensures that Fund members and other stakeholders have the assurance that the Fund is being managed ethically, according to prudently determined risk parameters and best practices towards protecting and adding value to members' Fund values.

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

The Board's evaluation exercise is carried out annually.

Board Responsibility

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

The Board is aware that they take 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, three (3) Member elected board members, one (1) 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.

Nomination of Board Members

The Fund is guided by the Fund Rules in the appointment of Board Members. The rules state that employer board members are appointed by the employer 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 ARCC meets at least once per quarter and is responsible for:

- The integrity of the Fund's financial statements and the effectiveness of governance systems, 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.
- Reviewing the scope of work of 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.

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Meeting attendance during the year

	Board	FIPC	ARCC	HRRLBC
Total meetings	8	7	3	4
Dr. H. Murerwa**	4	-	-	-
Eng. E. A. Ncube*	4	-	-	-
Eng. H. Choga	8	7	-	-
Mrs. CBE Mutsvairo	8	-	-	4
Mr. E Madzikanda	8	7	-	-
Eng. G. Tsumbalagwa	4	-	-	2
Mr. S Chikwasha*	4	2	-	-
Mr. E. T. Vudzijena*	4	-	1	-
Mr. D. N. Chiradza*	4	-	1	-
Mrs. E. Chigweremba	8	-	3	-
Mr. B Ndlovu**	4	5	-	-
Mr. S. Mkanganwi**	4	-	-	2
Ms. P. Mbuta**	4	-	2	-
Eng. Y. Mufambi**	4	-	2	-

*Retired during the year.

** Joined 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 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 our business planning processes and is core to achieving our 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 executive management is responsible for the implementation of the risk management framework.



Parklands shopping complex Bulawayo

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Top 5 Fund's risk exposures

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

Risk Subcategories and description	Inherent	Mitigation Measures	Residual
Funding risk Continued non remittance of contributions by the ZESA Holdings.	●	1. Continued engagement of ZESA Holdings to conclude on linking and collect contributions. 2. Use base case scenario in planning and do strategy on the probable scenario.	●
Market risk i. Risk that the Funds 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. The risk of continued losses resulting from RBZ rate and alternative market exchange rate gaps, i.e., the Fund receives income at an official rate and deploys it at agreed rates.	●	1. Continue with active equity management strategies. 2. Ensure monthly pension reviews and passing on of bonuses to members. 3. Ensure that all investment decisions factor market risk analysis through following decision quality steps.	●
Currency risks – The risk that the Government of Zimbabwe will implement mono currency which will result in loss of value on monetary financial assets if not done properly.	●	1. Continue with strict cashflow management ensuring that the Fund holds no cash assets either USD or local currency. 2. Invest in assets that hedge against currency depreciation and inflation.	●
Regulatory risk/ Country risk – risk of: i. Possible policy pronouncements or changes that affect the operating environment, i.e., fiscal and monetary policies. 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.	●
Private Equity risk – 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 they seem to be performing. 2. Ensure periodic assessment of the private equities.	●



Member Outreach session

THE BOARD 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 page 18 and 19.

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 20 to 39 were approved by the Board of the Fund on 27 of March 2025 and are signed on its behalf by:

Approval of financial statements:



Board Chairman



Principal Officer



Board Member



Arlington distribution centre

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of the Zimbabwe Electricity Industry Pension Fund, "ZEIPF"/ "the Fund", set out on pages 20 to 39, 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, 8 of 2023 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

Without qualifying our opinion, we draw attention to the following:

Outstanding contributions

The sponsoring employer has outstanding contributions amounting to ZWG 476 548 785 (2023: ZWG366,815,760) due to the Fund as at 31 December 2024, in contravention of the Fund Rules, which require

contributions to be paid by the 14th of the following month when they become due to the Fund.

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.

INDEPENDENT AUDITORS' REPORT (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
27 March 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
Membership activities						
Contributions						
By members						
(a) Normal	71 364 157	45 926 365	117 290 522	80 522 464	28 525 810	109 048 273
(b) Voluntary	-	-	-	-	-	-
By employers						
(a) Normal	168 494 883	107 161 518	275 656 401	188 359 907	77 125 337	265 485 244
(b) Special towards member accumulations GLA premiums	-	-	-	-	-	-
Interest on contribution arrears	47 857 873	15 680 032	63 537 905	223 735 646	2 254 195	225 989 841
Total contributions (A)	287 716 913	168 767 915	456 484 828	492 618 017	107 905 342	600 523 359
Total other membership income (B)	-	-	-	-	-	-
Benefits and payments						
Pensions						
(a) to members	8 787 661	-	8 787 661	6 154 824	-	6 154 824
(b) to surviving spouse	2 468 217	-	2 468 217	1 837 261	-	1 827 261
(c) to children and other dependents	1 640 945	-	1 640 945	1 194 220	-	1 194 220
One third commutation						
Lumpsum awards on death	11 689	-	11 689	22 598	-	22 598
Lumpsum awards on withdrawal/registration	3 206 770	1 316 292	4 523 062	3 879 856	-	3 879 856
Lumpsum awards on retirement and retrenchment	5 484 873	-	5 484 873	5 883 703	-	5 883 703
Total benefits and payments (C)	21 600 155	1 316 292	22 916 447	18 972 462	-	18 972 462
Net membership activities income/loss (A+B-C)=D	266 116 758	167 451 623	433 568 381	473 645 555	107 905 342	581 550 897

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
NON-MEMBERSHIP ACTIVITIES						
Investment income						
Financial assets						
Interest income	969 053	247 224	1 216 277	12 105 099	-	12 105 099
Dividends	9 054 817	29 217	9 084 034	6 583 049	13 246	6 596 295
Unrealised fair value gains(losses) on financial assets	125 139 074	28 343	125 167 417	94 648 865	171 727	94 820 592
Realised fair value gains(losses) on financial assets	48 721	-	48 721	25 127 834	-	25 127 834
Non-financial assets						
Rental income	26 597 691	-	26 597 691	23 328 723	-	23 328 723
Revaluation gains/(losses) on property	332 808 376	-	332 808 376	349 600 742	-	349 600 742
Total investment income/(loss) (E)	494 617 732	304 784	494 922 516	511 394 312	184 973	511 579 285
Investment expenses						
Financial assets						
Asset management fees	801 850	6 400	808 250	702 258	2 578	704 835
Custodial fees	343 650	3 936	347 586	143 835	688	144 523
Non financial assets						
Property management fees	5 966 782	-	5 966 782	4 011 046	-	4 011 046
Property maintenance costs	2 493 651	-	2 493 651	1 241 938	-	1 241 938
Provision for bad debts	(35 945)	-	(35 945)	180 092	-	180 092
Total investment expenses (F)	9 569 988	10 336	9 580 324	6 279 161	3 266	6 282 435
Net investment income/(loss) (E-F)=(G)	485 047 744	294 448	485 342 192	505 115 143	181 707	505 296 850

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
Other activities						
Other income						
Other interest income	418 150	-	418 150	1 034 830	-	1 034 830
Revaluation gains on operating assets	1 483 142	-	1 483 142	2 438 603	-	2 438 603
Monetary (loss)/gain	(315 589 332)	74 430 883	(241 158 449)	(291 264 519)	(19 803 828)	(311 068 347)
Exchange gains	18 265 660	58 319 865	76 585 525	14 851 196	-	14 851 196
Total other income (H)	(295 422 380)	132 750 748	(162 671 632)	(272 939 890)	19 803 828	(292 743 718)
Other expenses						
Staff costs	9 345 283	3 570 661	12 915 944	11 810 555	-	11 810 555
Administration fees	5 491 629	394 170	5 885 799	5 858 229	-	5 858 229
Actuarial fees	622 687	69 745	692 432	356 217	-	356 217
Audit fees	155 755	21 738	177 493	193 396	-	193 396
Board expenses	1 043 803	195 758	1 239 561	1 299 383	-	1 299 383
IPEC levies	1 058 319	299 864	1 358 183	625 870	-	625 870
Bank charges	1 305 444	11 560	1 317 005	1 220 700	-	1 220 700
Total other expenses (I)	19 022 920	4 563 496	23 586 417	21 164 350	-	21 164 350
Net other income/(loss) (H-I)=(J)	(314 445 300)	128 187 254	(186 258 049)	(294 104 240)	(19 803 828)	(313 908 068)
Change in net assets excluding membership activities (G+J)=(K)	170 602 444	128 481 700	299 084 142	211 010 903	(19 622 121)	191 388 782
Net increase/(decrease) in net assets during the year (D+K)=(L)	436 719 202	295 933 323	732 652 524	684 656 458	88 283 221	772 939 679
Net assets available for benefits at beginning of the year (M)	1 255 575 945	88 283 221	1 343 859 166	570 919 488	-	570 919 488
Net assets available for benefits at end of year (L+M)	1 692 295 147	384 216 544	2 076 511 691	1 255 575 946	88 283 221	1 343 859 167

Head Finance

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Principal Officer

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27 March 2025

Board Chairman

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STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at 31 December 2024

		2024			2023		
	Note	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG	Sub Fund A ZWG	Sub Fund B ZWG	Total ZWG
Assets							
A Operating assets							
Motor vehicles		5 936 544	-	5 936 544	4 590 960	-	4 590 960
Furniture and equipment		188 928	-	188 928	131 607	-	131 607
Computer systems and hardware		881 850	-	881 850	635 993	-	635 993
Total operating assets (N)	1	7 007 322	-	7 007 322	5 358 560	-	5 358 560
B Non current investments							
Investment property	2	1 152 781 204	12 877 786	1 165 658 990	735 521 116	-	735 521 116
Equities							
quoted *	3	239 417 400	1 604 331	241 021 731	147 823 331	901 306	148 724 637
unquoted	4	124 475 770	-	124 475 770	65 852 968	-	65 852 968
Prescribed assets	6	-	-	-	158	-	158
Loans and mortgages		12 392 925	-	12 392 925	1 142 499	-	1 142 499
Long term deposits		-	4 643 730	4 643 730	-	-	-
Staff loans and mortgages		-	-	-	2 526	-	2 526
Total non-current investment assets (O)		1 529 067 299	19 125 847	1 548 193 146	950 342 598	901 306	951 243 904
C Current investment assets							
Prescribed assets	6	3 646 901	-	3 646 901	6 131 001	-	6 131 001
Staff loans and mortgages		16 240	-	16 240	241 549	-	241 549
Money market investments		-	13 879 593	13 879 593	1 629 938	-	1 629 938
Cash on bank and at bank		9 725 176	2 482 951	12 208 127	9 354 863	2 904 347	12 259 210
Total current investment assets (P)		13 388 317	16 362 544	29 750 861	17 357 351	2 904 347	20 261 698
D Sundry debtors							
Contribution arrears	7	128 081 893	348 466 892	476 548 785	282 338 192	84 477 568	366 815 760
Rental arrears		430 462	-	430 462	560 289	-	560 289
Interest receivable		123 541	261 261	384 802	-	-	-
Other (specify)							
Value Added Tax		10 160 342	-	10 160 342	3 654 114	-	3 654 114
Other debtors		10 445 273	-	10 445 273	3 785 451	-	3 785 451
Total sundry debtors (Q)		149 241 511	348 728 153	497 969 664	290 338 046	84 477 568	374 815 614
Total assets (N+O+P+Q) =R							
		1 698 704 449	384 216 544	2 082 920 993	1 263 396 555	88 283 221	1 351 679 776
E Non actuarial liabilities							
Arrear pension benefits		1 060 650	-	1 060 650	68 920	-	68 920
Tenants deposits		35 504	-	35 504	128 072	-	128 072
Provisions							
Other payables		5 269 417	-	5 269 417	7 440 625	-	7 440 625
Provision for bad debts		43 731	-	43 731	182 991	-	182 991
Total non-actuarial liabilities (S)		6 409 302	-	6 409 302	7 820 608	-	7 820 608
Net assets available for benefits at the end of the year (R-S) =T							
		1 692 295 147	384 216 544	2 076 511 691	1 255 575 946	88 283 221	1 343 859 167

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

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
F Actuarial liabilities						
Members' liabilities						
Active members	1 548 397 829	363 507 960	1 911 905 789	1 152 779 857	78 243 311	1 231 023 168
Pensioners	72 165 563	-	72 165 563	56 499 717	-	56 499 717
Deferred pensioners	22 018 855	-	22 018 855	13 679 667	-	13 679 667
Unclaimed benefits	-	-	-	773 334	-	773 334
Reserves						
Stabilisation reserve	6 444 963	20 326 819	26 771 782	4 686 054	5 598 178	10 284 232
Reserves	43 061 617	-	43 061 617	26 114 607	-	26 114 607
Total actuarial liabilities (U)	1 692 088 827	383 834 779	2 075 923 606	1 254 533 236	83 841 489	1 338 374 725
Surplus/deficit (T-U)	206 320	381 765	588 085	1 042 710	4 441 732	5 484 442

Head Finance



Principal Officer



27 March 2025

Board Chairman



STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	2024 ZWG	2023 ZWG
Net cash flows from membership activities		
Cash received from contributions	346 751 802	322 278 835
Benefits paid	(22 916 447)	-
Cash transferred from other funds	-	(18 972 462)
Cash transferred to other funds	-	-
Net cash flows from membership activities	323 835 355	303 306 373
Cash flows collected from other operating activities (V)		
Other operating income	418 150	1 034 830
Cash paid to suppliers Actuarial fees	(692 431)	(356 217)
Administration fees	(5 885 798)	(5 658 229)
Audit fees	(177 494)	(193 396)
Levies and subscriptions paid	(1 358 183)	(625 871)
Cash paid to employees		
Staff expenses	(12 915 944)	(11 810 555)
Board expenses	(1 239 561)	(1 299 383)
Monetary loss	(241 158 449)	(311 068 347)
Other operating expenses		
Bank charges	(1 317 004)	(1 220 700)
Net cashflows from other operating activities (W)	(264 326 714)	(331 197 868)
Cashflow from investing activities		
Purchase of operating assets	(119 333)	(40 343)
Purchase of investment property	(97 329 497)	(67 571 133)
Purchase of financial assets	(25 131 242)	(17 500 509)
Proceeds from sale of financial assets	251 690	69 718 900
Property expenses paid	(8 460 433)	(5 252 983)
Rent received	26 727 518	22 909 974
Interest received	1 216 278	12 105 099
Dividends received	9 084 034	6 596 294
Investment management fees paid	(1 155 836)	(849 358)
Net cash inflows/(outflows) from investing activities (X)	(94 916 821)	20 115 941
Net cash inflow/(outflow) for the year (V+W+X) =Y	(35 408 180)	(7 775 554)
Cash and cash equivalents at the beginning of the year	13 889 147	6 813 506
Exchange gains /(losses) on cash and cash equivalents	47 570 809	14 851 195
Cash and cash equivalents at the end of the year	27 051 776	13 889 147

MEMBERSHIP STATISTICS

Year ended 31 December 2024

	In Zimbabwe		Outside Zimbabwe	
	2024	2023	2024	2023
1 Number of principal members at the beginning of the year	8 010	7 926	-	-
Number of beneficiaries at the beginning of the year	645	614	-	-
TOTAL	8 655	8 540	-	-
2 Principal membership as at the end of the year				
(a) new entrants for the year	164	152	-	-
(b) active members	6 700	6 657	-	-
(c) deferred pensioners	352	288	-	-
(d) pensioners	761	752	-	-
(e) suspended pensioners	33	31	-	-
(f) members with unclaimed benefits	-	130	-	-
(g) transfer in	-	-	-	-
Total membership as at the end of the year	8 010	8 010	-	-
3 Beneficiaries as at the end of the year				
(a) Pensioners: Surviving spouse	314	307	-	-
Children	201	219	-	-
Other dependents	-	-	-	-
(b) Suspended pensioners:				
Surviving spouse	44	30	-	-
Children	107	89	-	-
Other dependents	-	-	-	-
Total beneficiaries as at the end of the year	666	645	-	-
4 Exits as at the end of the year				
(a) Transfers out	130	9	-	-
(b) Full commutations	8	38	-	-
(c) Death	26	21	-	-
(d) Other	-	-	-	-
	164	68	-	-

Head Finance



Principal Officer



27 March 2025

Board Chairman



STATEMENT OF ACCOUNTING POLICIES

For the year ended 31 December 2024

A REGISTRATION AND ACTIVITIES

The Zimbabwe Electricity Industry 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 was established on the 4th of February 2004 in Zimbabwe and caters for members employed by Companies operating in the Electricity Industry in Zimbabwe. The employer and employees contribute into the fund at rates of 21.25% and 6% of basic pay respectively. However, employees have also option to contribute at 8% and 10%.

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

B 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.

C FUNCTIONAL CURRENCY

Conversion from ZWL to ZWG

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..

D 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 is valued using the functional currency applicable to the Fund, that is for Sub Fund A valuation is done in ZWG for local properties and for Sub Fund B, valuation is done in USD.

E VALUATION OF ACTUARIAL LIABILITIES

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

F INCOME AND EXPENSES

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

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

For the year ended 31 December 2024

G 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.

H 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.

I REVENUE

The Fund recognises revenue from pension contributions resulting from employees' employment contracts.

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

J 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.

K 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.

RELATED FINANCIAL STATEMENT NOTES

31 December 2024

	Motor Vehicle ZWG	Furniture and Fittings ZWG	Computers ZWG	Total ZWG
1 OPERATING ASSETS				
Net carrying amount as at 1 January 2023	2 472 439	149 886	380 910	3 003 235
Gross carrying amount-cost	2 023 262	66 951	110 133	2 200 347
Revaluation	449 177	82 935	270 777	802 889
Additions	-	9 180	31 163	40 343
Disposal	(123 622)	-	-	(123 622)
Revaluation	2 242 143	(27 459)	223 920	2 438 603
Revalued amount 31 December 2023	4 590 960	131 607	635 993	5 358 560
Gross carrying amount – cost	1 899 640	76 131	141 296	2 117 067
Revaluation	2 691 320	55 476	494 697	3 241 493
Additions	-	46 288	119 333	165 621
Revaluation	1 345 585	11 033	126 524	1 483 142
Revalued amount 31 December 2024	5 936 544	188 928	881 850	7 007 322
Gross carrying amount – cost	1 899 640	122 419	260 629	2 282 688
Revaluation	4 036 904	66 509	621 221	4 724 634

	2024	2023
2 INVESTMENT PROPERTY		
Opening balance	735 521 116	318 809 377
Additions	97 329 498	67 571 133
Disposal	-	(460 136)
Fair value adjustment	332 808 376	349 600 742
Closing balances	1 165 658 990	735 521 116
Investment property breakdown		
Investment property	1 115 869 768	705 725 524
Work in progress	49 789 222	29 795 592
Closing balances	1 165 658 990	735 521 116

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 2023 has been arrived at on the basis of a valuation carried out at that date by Integrated Properties, 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	148 724 637	106 206 429
Additions	13 929 608	15 628 420
Disposal	(39 158)	(26 809 975)
Fair value gains	78 406 644	53 699 763
Closing balances	241 021 731	148 724 637

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

	2024 ZWG	2023 ZWG
3 QUOTED SHARES (continued)		
Asset Managers – Datvest		
Quoted shares	241 021 732	148 724 637
Dividends	9 084 034	6 596 295
Management fees	808 250	704 835

The exposure in the following counters exceeded 5% of the equity portfolio but did not exceed 5% of the Fund value.

	Equity exposure	Fund exposure
Delta	36.5%	4.2%
Econet	5.8%	0.7%
Innsco	9.4%	1.0%
Padenga	8.2%	0.9%
Simbisa	7.6%	0.9%

	2024 ZWG	2023 ZWG
4 UNQUOTED SHARES		
Opening balances	65 852 968	22 130 471
Additions	11 201 634	1 872 089
Fair value adjustments	47 421 168	41 850 408
Closing balances	124 475 770	65 852 968

	2024 USD	2023 USD
5 USD DENOMINATED TRANSACTIONS AND BALANCES		
5.1 Revenue		
Rent	1 241 124	928 958
Dividends	406 261	363 204
Interest income	1 241	11 625
	1 648 626	1 303 787
5.2 Expenditure		
Benefits payments	466 959	336 983
Administration expenses	635 221	396 487
Bank charges	7 962	5 583
Property expenses	14 922	7 030
	1 125 064	746 083

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 under Sub Fund A.

5.3 Assets		
Quoted shares	4 150 528	3 680 990
Operating assets	7 000	3 687
Investment property	923 959	783 136
Cash at bank	128 874	675 930
Money markets	-	102 125
Rent receivable	340	24 385
	5 210 701	5 270 253

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

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

6 PRESCRIBED ASSET INVESTMENTS

6.1 Analysis

Type of instrument	Name of issue issuer	Date of issue	Date of purchase	Maturity date	Purchase price	Face value of investment	Interest received	Dividend received
Non-current assets								
35 Avenue Specialist Hospital	ZEIPF	22-10-2020	22-10-2020	22-01-2033	111 941	71 000 000	-	-
9 Tiptol Psychiatric and Rehabilitation Centre	ZEIPF	22-10-2020	22-10-2020	22-07-2030	19 183	19 800 000	-	-
Mangwana Opportunities Fund	Mangwana	07-04-2020	07-04-2020	07-04-2030	5 440 683	124 475 770	-	-
IDBZ VAKA Bond	IDBZ	31-01-2014	31-01-2014	31-1-2026	920 470	3 646 901	-	-
Victoria Falls Hotel	ZEIPF	2024	2024	30-06-2049	46 249 766	46 249 766	-	-
Fixed Instrument	TDB	01-03-2024	01-014-2024	31-03-2026	2 466 558	4 643 730	-	-
Marondera Health Care Centre	ZEIPF	03-04-2023	03-04-2023	31-03-2038	49 921 869	79 420 000	-	-
Total					105 130 470	349 236 167	-	-

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

6.2 Compliance ratio

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:

6.2 Compliance ratio

Prescribed assets	349 236 167
Total assets less outstanding contributions	1 606 372 208
RATIO	21.74%

The Prescribed asset ratio based on market values as at 31 December 2024 was 21.74% (2023: 14.38%). The Pension Fund has adhered to this statutory requirement as at 31 December 2024.

7 CONSOLIDATED CONTRIBUTION ARREARS

Sponsoring Employer	Availability of certified repayment agreement (Y/N)	Contribution arrears				Total
		30 days and below	Between 31 days and 90 days	Between 91 days and 180 days	181 days and above	
ZPC	NO	9 986 484	30 085 933	21 951 304	40 798 551	102 822 272
ZETDC	NO	23 932 095	61 466 851	43 008 450	137 724 129	266 131 525
ZESA Holdings	NO	4 692 248	11 813 332	11 522 295	24 768 320	52 796 195
ZESA Executive	NO	3 963 210	2 630 205	2 625 623	11 891 143	21 110 181
ZENT	NO	2 156 181	6 666 990	7 383 096	12 189 923	28 396 190
REA	NO	2 979 896	1 636 291	-	-	4 616 187
Powertel	NO	(268 808)	-	-	-	(268 808)
NEWUZ/ZTEA	NO	45 260	169 697	145 476	340 891	710 324
NEC	NO	84 268	128 806	-	-	213 074
HESCO	NO	13 081	-	-	-	13 081
ESWU	NO	5 312	3 252	-	-	8 574
TOTAL		47 598 227	114 601 357	86 636 244	227 712 957	476 548 785

7.2 USD CONTRIBUTION ARREARS

Sponsoring Employer	Availability of certified repayment agreement (Y/N)	Contribution arrears				Total
		30 days and below	Between 31 days and 90 days	Between 91 days and 180 days	181 days and above	
ZPC	YES	149 698	456 657	464 453	1 581 431	2 652 239
ZETDC	NO	380 351	1 135 133	1 128 678	5 338 455	7 982 617
ZESA Holdings	NO	69 690	191 137	205 980	960 068	1 426 875
ZESA Executive	NO	33 835	101 952	101 774	460 924	698 485
ZENT	NO	34 244	118 551	99 118	385 804	637 697
REA	NO	47 050	40 007	-	-	87 057
Powertel	NO	999	-	-	-	999
NEWUZ/ZTEA	NO	826	2 477	2 477	10 052	15 832
NEC	NO	1 322	3 231	-	-	4 553
HESCO	NO	863	-	-	-	863
ESWU	NO	37	-	-	-	37
TOTAL		718 896	2 049 144	2 002 480	8 736 734	13 507 254

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

8 UNCLAIMED BENEFITS AGE ANALYSIS

	Less than 1 year ZWG	1-2 years ZWG	2-5 years ZWG	6-10 years ZWG	10 years+ ZWG	Total ZWG
Amount	-	-	-	-	-	-
No of members	-	-	-	-	-	-

Unclaimed benefits were paid during the year ended 31 December 2024.

10. Sub Fund A 2024 Financial Year Income and Expenditure Split

The following splits have been made in line with the currency the transactions were incurred before applying guidance on conversion from Zimbabwean dollars (ZWL) to Zimbabwean Gold (ZWG) and consolidation of the transaction incurred in ZWL with transactions incurred in ZWL

	31 December 2024			5 April 2024		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWL	Sub Account 2 ZWL	Total ZWL
Membership activities						
Contributions						
By members						
(a) Normal	-	56 957 495	56 957 495	-	15 888 170 206	15 888 170 206
By employers						
(a) Normal	-	134 678 426	134 678 426	-	37 362 121 359	37 362 121 359
Interest on contribution arrears	-	9 626 085	9 626 085	-	41 533 895 399	41 533 895 399
Total contributions (A)	-	201 262 006	201 262 006	-	94 784 186 964	94 784 186 964
Total other membership income (B)	-	-	-	-	-	-
Benefits and payments						
Pensions						
(a) to members	7 558 037	-	7 558 037	1 597 735 245	-	1 597 735 245
(b) to surviving spouse	2 111 804	-	2 111 804	446 800 477	-	446 800 477
(c) to children and other dependents						
One third commutation	1 444 918	-	1 444 918	302 799 961	-	302 799 961
Lumpsum awards on death	-	-	-	6 343 029	-	6 349 029
Lumpsum awards on withdrawal/registration	-	2 384 038	2 384 038	1 166 338 294	-	1 166 338 294
Lumpsum awards on retirement and retrenchment	1 725 347	3 088 152	4 813 499	836 169 697	-	836 169 697
Total benefits and payments (C)	12 840 107	5 472 190	18 312 296	4 356 186 703	-	4 356 186 703
Net membership activities income/loss (A+B-C)=D	(12 840 107)	195 789 816	182 949 710	(4 356 186 703)	94 784 186 964	90 428 000 261

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

	31 December 2024			5 April 2024		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWL	Sub Account 2 ZWL	Total ZWL
NON-MEMBERSHIP ACTIVITIES						
Investment income						
Financial assets						
Interest income	118 618	615 326	733 944	39 356 206	287 265 669	326 621 875
Dividends	6 325 963	2 437 676	8 763 639	572 432 953	155 141 567	757 574 520
Unrealised fair value gains / (losses) on financial assets	67 626 762	129 329 805	196 956 567	138 924 183 150	135 536 841 773	274 461 024 923
Realised fair value gains / (losses) on financial assets	8 472	3 295	11 767	-	48 762 556	48 762 556
Non-financial assets						
Rental income	18 047 919	3 437 699	21 485 618	6 961 362 125	1 140 774 690	8 102 136 815
Revaluation gains/(losses) on property	468 835 000	167 230 844	636 065 844	466 567 923 781	310 210 490 797	776 778 414 578
Total investment income/(loss) (E)	560 962 734	303 054 645	864 017 379	613 065 258 215	447 379 277 052	1 060 444 535 267
Investment expenses						
Financial assets						
Asset management fees	295 128	505 788	800 916	129 719 706	27 042 269	156 761 975
Custodial fees	-	216 767	216 761	9 000 529	1 843 482	10 844 011
Non financial assets						
Property management fees	3 090 339	1 814 961	4 905 300	632 927 444	442 878 557	1 075 806 001
Property maintenance costs	1 516 606	890 705	2 407 311	66 965 303	46 857 657	113 822 960
Provision for bad debts	(35 945)	-	(35 945)	108 320 069	-	108 320 069
Total investment expenses (F)	4 866 128	3 428 221	8 294 349	946 933 051	518 621 965	1 465 555 016
Net investment income/(loss) (E-F)=(G)	556 096 606	299 626 424	855 723 030	612 118 325 164	446 860 655 087	1 058 978 980 251
Other activities Other income						
Other interest income	-	232 284	232 284	226 270 840	17 890 348	244 161 188
Revaluation gains on operating assets	275 188	5 848 975	6 124 163	994 504 483	5 781 996 789	6 776 501 272
Exchange gains	1 919 864	806 974	2 726 838	15 262 812 335	108 664 341	15 371 476 676
Total other income (H)	2 195 052	6 888 233	9 083 285	16 483 587 658	5 908 551 478	22 392 139 136
Other expenses						
Staff costs	-	6 871 426	6 871 426	-	3 252 569 208	3 252 569 208
Administration fees	-	4 119 908	4 119 908	-	1 627 536 871	1 627 536 871
Actuarial fees	-	271 705	271 705	218 612 946	31 915 195	250 528 141
Audit fees -	123 931	123 931	53 421 076	26 100 528	79 521 604	
Board expenses	-	940 087	940 087	-	175 865 141	175 865 141
IPEC levies	-	894 660	894 660	50 179 621	24 715 337	74 894 958
Bank charges	-	1 103 026	1 103 026	-	271 835 944	271 835 944
Total other expenses (I)	-	14 324 743	14 324 743	322 213 643	5 410 538 224	5 732 751 867
Net other income/(loss) (H-I)=(J)	2 195 052	(7 436 510)	(5 241 458)	16 161 374 015	498 013 253	16 659 387 269
Change in net assets excluding membership activities (G+J)=(K)	558 291 658	292 189 914	850 561 572	628 279 699 179	447 358 668 341	1 075 638 367 520
Net Increase / (decrease) in net assets during the year (D+K)=(L)	545 451 551	487 979 732	1 033 431 282	623 923 512 476	542 142 855 305	1 166 066 367 781
Net assets available for benefits at the beginning of the year (M)	334 415 937	324 447 926	658 863 863	211 689 683 012	268 563 028 192	480 252 711 204
Net assets available for benefits at the end of year (L+M)	879 867 488	812 427 656	1 692 295 145	835 613 195 488	810 705 883 497	1 646 319 078 985

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

11. Sub Fund A 2024 Financial Year Assets and Liabilities Split

	31 December 2024			5 April 2024		
	Sub Account 1 ZWG	Sub Account 2 ZWG	Total ZWG	Sub Account 1 ZWL	Sub Account 2 ZWL	Total ZWL
A Operating assets						
Motor vehicles	698 416	5 238 128	5 936 544	423 228	2 608 942	3 032 170
Furniture and equipment	-	188 928	188 928	13 625	76 559	90 184
Computer systems and hardware	-	881 850	881 850	34 098	401 718	435 816
Total operating assets (N)	698 416	6 308 906	7 007 322	470 951	3 087 219	3 558 170
B Non current investments						
Investment property	723 471 000	429 310 204	1 152 781 204	248 963 839	189 617 935	438 581 774
Equities						
quoted *	154 183 000	85 234 400	239 417 400	79 402 651	26 943 749	106 346 400
unquoted	-	124 475 770	124 475 770	898	39 595 175	39 596 073
Prescribed assets	-	-	-	24	1 735 322	1 735 346
Loans and mortgages	10 288	12 382 637	12 392 925	8 426	172 533	180 959
Staff loans and mortgages	-	-	-	-	223	223
Total non-current investment assets (O)	877 664 288	651 403 011	1 529 067 299	328 375 838	258 064 937	586 440 775
C Current investment assets						
Prescribed assets	-	3 646 901	3 646 901	-	-	-
Staff loans and mortgages	-	16 240	16 240	-	57 430	57 430
Money market investments	-	-	-	1 028 757	198 842	1 227 599
Cash on bank and at bank	3 030 598	6 694 578	9 725 176	2 625 033	2 170 987	4 796 020
Total current investment assets (P)	3 030 598	10 357 719	13 388 317	3 653 790	2 427 259	6 081 049
D Sundry debtors						
Contribution arrears	-	128 081 893	128 081 893	-	58 380 863	58 380 863
Rental arrears	430 462	-	430 462	1 999 366	236 913	2 236 279
Interest receivable	-	123 541	123 541	5 115	37 508	42 623
Other (specify)	-	-	-	-	-	-
Value Added Tax	-	10 160 342	10 160 342	-	2 146 169	2 146 169
Other debtors	1 205 802	9 239 471	10 445 273	136 522	2 404 248	2 540 770
Total sundry debtors (Q)	1 636 264	147 605 247	149 241 511	2 141 003	63 205 701	65 346 704
Total assets (N+O+P+Q) =R	883 029 566	815 674 883	1 698 704 449	334 641 582	326 785 116	661 426 698
E Non actuarial liabilities						
Arrear pension benefits	-	1 060 650	1 060 650	133 475	-	133 475
Tenants deposits	35 504	-	35 504	19 605	-	19 605
Other payables	3 082 841	2 186 576	5 269 417	1 203	2 337 190	2 338 393
Provision for bad debts	43 731	-	43 731	71 362	-	71 362
Total non-actuarial liabilities (S)	3 162 076	3 247 226	6 409 302	225 645	2 337 190	2 562 835
Net assets available for benefits at the end of the year (R-S) =T	879 867 490	812 427 657	1 692 295 147	334 415 937	324 447 926	658 863 863
F Actuarial liabilities						
Members' liabilities						
Active members	742 534 242	805 863 587	1 548 397 829	292 620 545	319 674 604	612 295 149
Pensioners	72 165 563	-	72 165 563	31 163 942	-	56 499 717
Deferred pensioners	22 018 855	-	22 018 855	8 185 448	-	13 679 667
Unclaimed benefits	-	-	-	474 048	-	773 334
Reserves						
Stabilisation reserve	-	6 444 963	6 444 963	200 218	2 814 181	3 014 399
Reserves	43 061 617	-	43 061 617	-	-	-
Total actuarial liabilities (U)	879 780 277	812 308 550	1 692 088 827	332 644 201	322 488 785	655 132 986
Surplus/deficit (T-U)	(72 787)	199 107	206 320	1 771 736	1 959 141	3 730 877

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

12 Sub Fund B income and expenses transactions

The following are the income and expenses for Sub Fund B in the currency they were incurred in.

	2024 USD	2023 USD
Membership activities Contributions		
By members		
(a) Normal	2 608 380	1 482 921
By employers		
(a) Normal	6 105 335	3 919 660
Interest on contribution arrears	886 189	118 858
Total contributions (A)	9 599 904	5 521 439
Total other membership income (B)	-	-
Benefits and payments		
Lumpsum awards on withdrawal/registration	51 862	-
Total benefits and payments (C)	51 862	-
Net membership activities income/loss (A+B-C)=D	9 548 042	5 521 439
NON-MEMBERSHIP ACTIVITIES		
Investment income		
Financial assets		
Interest income	14 748	-
Dividends	2 115	718
Unrealised fair value gains /(losses) on financial assets	5 715	9 474
Total investment income/(loss) (E)	22 578	10 192
Investment expenses		
Asset management fees	600	180
Total investment expenses (F)	600	180
Net investment income/(loss) (E-F)=(G)	21 978	10 012
Other activities		
Other income	-	-
Total other income (H)	-	-
Other expenses		
Staff costs	155 364	-
Administration fees	28 158	-
Actuarial fees	5 000	-
Audit fees	846	-
Board expenses	3 014	-
IPEC levies	15 466	-
Bank charges	643	-
Total other expenses (I)	208 491	-
Net other income/(loss) (H-I)=(J)	(208 491)	-
Change in net assets excluding membership activities (G+J)=(K)	(186 513)	10 012
Net increase /(decrease) in net assets during the year (D+K)=(L)	9 361 529	5 531 451
Net assets available for benefits at beginning of the year (M)	5 531 451	-
Net assets available for benefits at the end of year (L+M)	14 892 980	5 531 451

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

14 Sub Fund B assets and liabilities

	2024 USD	2023 USD
Assets		
A Operating assets		
Motor vehicles	-	-
Total operating assets (N)	-	-
B Non current investments		
Investment property	390 468	-
Equities quoted *	62 187	56 472
Long term deposits	180 000	-
Total non-current investment assets (O)	632 655	56 472
C Current investment assets		
Money market investments	646 700	-
Cash on bank and at bank	96 244	181 974
Total current investment assets (P)	742 944	181 974
D Sundry debtors		
Contribution arrears	13 507 254	5 293 005
Interest receivable	10 127	-
Total sundry debtors (Q)	13 517 381	5 293 005
Total assets (N+O+P+Q) =R	14 892 980	5 531 451
E Non actuarial liabilities		
Arrear pension benefits	-	-
Total non-actuarial liabilities (S)	-	-
Net assets available for benefits at the end of the year (R-S) =T	14 892 980	5 531 451
F Actuarial liabilities Members' liabilities Active members	14 090 275	4 902 393
Reserves		
Stabilisation reserve	787 907	350 758
Total actuarial liabilities (U)	14 878 182	5 253 151
Surplus/deficit (T-U)	14 798	278 300

14 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
Rent income		
ZETDC	2 288 902	2 988 764
REA	470 523	280 162
The following amounts were outstanding at the reporting date.		
ZETDC	87 519	287 534

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

15 DEBTORS' AGE ANALYSIS

	2024		2023	
	Rental arrears	Contribution arrears	Rental arrears	Contribution arrears
Below 30 days	244 817	47 598 227	119 323	54 338 722
Between 31 days and 90 days	121 074	114 601 357	74 908	151 414 854
91 days and 180 days	55 780	86 636 244	298 807	161 062 185
181 days and above	8 791	227 712 957	67 251	-
Total at the end of reporting period	430 462	476 548 785	560 289	366 815 761

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 ZWG588 085.

The financial review indicated that the Fund earned a return of 118.3% for Sub Fund and 9.6% for Sub Fund B. The Actuary recommended for a pension increase of 15% after taking into account the pension increases and bonuses awarded during the year as detailed below:

	June	September	Cumulative
Pension increase awarded	7.24%	84.5%	97.8%

During the year pensioners received pension lumpsum translating to 18.9% increase. Overall pensioners between 5 April 2024 and 31 December 2024 received a cumulative increase of 135.1%.

The final bonus awarded were as follows:

Final Bonus Awarded	
Sub-Fund A - Account 1	169%
Sub-Fund A - Account 2	79.4%
Sub Fund B	9.3%
Preserved Benefits	169%

RELATED FINANCIAL STATEMENT NOTES (CONTINUED)

31 December 2024

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 share	30%	25% - 35%
Fixed property	40%	35% - 45%
Bonds	10%	5% - 10%
Alternative investments	10%	7.5% - 10%
Money market	5%	5% - 7%
Offshore	5%	3% - 5%

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

18 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 created Sub Account 1, Sub Account 2 and Sub Account 3 to comply with the currency guideline. Assumptions were made in allocating transactions that could not be directly allocated to Sub Account 1 and 2. The Fund started to receive USD contributions in 2023 thus Sub Account 3 amounts do not have 2022 comparative figures

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

19 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.



Alternate investments - Blueberry plantation

ACTUARIAL VALUATION

As of 31 December 2024

1. EXECUTIVE SUMMARY

Background

- 1.1. We have carried out an Actuarial Valuation of the Zimbabwe Electricity Industry Pension Fund ('the Fund') as at 31 December 2024 in line with your instructions.

Year-end Actuarial Valuation 31 December 2023

- 1.2. The results of the exercise revealed that the Fund was financially sound with a surplus of ZWL\$383 916 327 364 split ZWL\$189 943 638 653 in Sub Fund 1, ZWL\$188 695 668 704 in Sub Fund 2 and ZWL\$5 277 020 007 in Sub Fund 3 before recommendations, due to positive returns earned on assets held.
- 1.3. We recommended that Board members award the following bonuses to maintain financial soundness at the review date. We have been advised that these were adopted and implemented by the Board members.

	Bonus	Comments
Sub Fund 1	841.00%	Cumulative
Sub Fund 2	482.64%	Cumulative
Sub Fund 3	43.61%	Cumulative
Pension increase	77.73%	Additional
Pension reserve inc	841.00%	Cumulative
Preserved	841.00%	Cumulative

Table 1: Recommended bonuses as at 31 Dec 2023

Currency Conversion 05 April 2024

- 1.4. The government of Zimbabwe issued Statutory Instrument 60 of 2024 where all Assets and Liabilities that were, immediately before the effective date, valued and expressed in Zimbabwe dollars, shall be deemed to be values in Zimbabwe Gold (ZWG). The ZWL was converted to ZWG using the rate ZWG 1: ZWL\$2 498.724.
- 1.5. We carried out a Currency Conversion Actuarial Valuation of non -USD account of the Fund as at 05 April 2024 as per Section 48 of the new Pension and Provident Fund Act [Chapter 24:32].



Member Outreach session

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

Summary of results

- 1.6. The financial position of the Fund as at 05 April 2024 after implementing the bonuses as per paragraph 1.8 is as shown below:

After bonus	Actives	Pensioners	Preserved	Sub Fund A	Stabilization account	Total
Assets	616 414 741	31 249 275	8 185 448	655 849 464	3 014 399	658 863 863
Liabilities	612 769 196	31 163 942	8 185 448	652 118 587	3 014 399	655 132 986
Actives Account	-	-	-	-	-	-
Contributing	584 257 027	-	-	584 257 027	-	584 257 027
Omitted this valuation	84 727	-	-	84 727	-	84 727
Exit top ups	11 556 885	-	-	11 556 885	-	11 556 885
Unclaimed benefits	474 048	-	-	474 048	-	474 048
NGS Credits	188 401	-	-	188 401	-	188 401
Missing at conversion credits	200 074	-	-	200 074	-	200 074
Stabilization	-	-	-	-	3 014 399	3 014 399
2018 Surplus + Data reserve	16 008 036	-	-	16 008 036	-	16 008 036
Preserved	-	-	8 185 448	8 185 448	-	8 185 448
Pensioners	-	28 191 035	-	28 191 035	-	28 191 035
Pensioner's reserve	-	2 972 907	-	2 972 907	-	2 972 907
Surplus	3 645 545	85 332	-	3 730 877	-	3 730 877
Funding Level	101%	100%	100%	101%	100%	101%

Table 2: Financial position as at 05 April 2024

- 1.7. The results revealed that the Fund was financially sound with a surplus of ZWG 3 730 877.

- 1.8. The bonuses approved as at 05 April 2024 are as follows.

	Bonus	Comments
Sub Fund 1	300.45%	Cumulative
Sub Fund 2	166.18%	Cumulative
Pension increase	59.60%	Additional
Pension reserve inc	300.45%	Cumulative
Preserved	300.45%	Cumulative

Table 3: Recommended bonuses as at 05 April 2024

- 1.9. Effective 05 April 2024, the Fund has Sub Fund A which relates to accumulated credits and contributions in ZWG and Sub Fund B which relates to Accumulated Credits in respect of all contributions made from May 2023 in foreign currency (USD).
- 1.10. This means that for the non-USD account the review period is from 06 April 2024 to 31 December 2024, whilst for the USD account, the review period is 1 January 2024 to 31 December 2024.

The Economy

- 1.11. The growth of the Zimbabwean economy in 2024 can be attributed in part to the country being selected as the host nation for the 2024 SADC summit. The influx of international delegates and the associated economic activities played a pivotal role in driving growth and enhancing Zimbabwe's economic standing in the region.
- 1.12. Regardless, the Zimbabwe Gold currency faced a staggering decline, with its exchange rate plummeting from USD1: ZWG 13.56 on the 5th of April to USD1: ZWG 25.79 on the 31st of December, resulting in an 90.2% currency depreciation.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

- 1.13. This rapid devaluation raises serious concerns about the currency's stability and the overall economic health of Zimbabwe. Such a drastic shift not only undermines confidence in the currency but also exacerbates inflationary pressures, making everyday goods and services increasingly unaffordable for the population.
- 1.14. The All-Share Index saw a remarkable increase of 117.58%, rising from 100.00 points on April 5 to 217.58 points as of December 31, 2024. With the Victoria Falls All Share Index closing the year with a value of 104.09, highlighting a 6.72% increase from April 2024
- 1.15. This increase in the All-Share Index made a positive impact on the funds' performance by boosting the value of its equity holdings, improving its funding status, and increasing overall investment returns.
- 1.16. The Fund's property portfolio increased by 175%. This means that the property portfolio outperformed the depreciation of the local currency by 45%.
- 1.17. The Fund's cash and money market portfolio increased by 103%.
- 1.18. The Fund earned a return of 118.3% over the period. This means that the Fund performed above the depreciation of the local currency by 14.8%, therefore, members of the Fund have gained almost 14.8% of the real value of their investments over the review period.
- 1.19. This must however be viewed with care as the non-official depreciation is much higher since the parallel currency exchange rate was trading at around ZWG 40.00, implying a depreciation of 195% which could mean negative real returns.

Summary of results

Sub Fund A (ZWG)

- 1.20. The review period is from 06 April 2024 to 31 December 2024.
- 1.21. Sub Fund A consist of Sub Fund 1 which relates to contributions made pre 2019 and Sub Fund 2 which relates to contributions made post 2019.
- 1.22. Note that we have maintained the split of Sub Fund A into Sub Fund 1 and 2 given the high exposure to cross-subsidy risk due to non-payment of contributions.

ZWG Assets

- 1.23. The total ZWG assets of the Fund as per the Financial Statements provided amounted to ZWG 1 698 704 449 as at 31 December 2024.
- 1.24. The net assets backing liabilities after deducting non-pension related liabilities are ZWG 1 693 355 797 split ZWG 1 686 912 148 in Sub Fund A and ZWG 6 443 649 in the Stabilization Account.
- 1.25. Based on the average assets held over the period from 06 April 2024 to 31 December 2024, and the total net investment income of the Fund the return earned on the ZWG assets amounted to an average of 118.3%.

	Return
Sub Fund 1	169.3%
Sub Fund 2	79.4%
Sub Fund A	118.3%

Table 4: Return as at 31 December 2024

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

Interim Bonus declarations

- 1.26. Meanwhile, over the review period pensioners were awarded pension increases of 7.2% at 30 June 2024 and 84.5% at 30 September 2024, thus a cumulative total of 97.8%.

Effective date	Pension Inc awarded
April to Sept 2024	7.2%
Oct-Dec 2024	84.5%
Cumulative	97.8%

Table 5: Pension increases

- 1.27. In addition, pensioners also received monthly lumpsums as follows, which have a cumulative impact of 18.9%.
a. ZWG Lumpsum payment equivalent to the ZWG current pension.

	ZWG Lumpsum
April-Sept 2024	100.0% of monthly pension
Oct-Dec 2024	54.2% of monthly pension

b. USD Lumpsum equivalent to the ZWG monthly pension and rounded up to the nearest multiple of USD 10 guaranteed, subject to the following minimums:

- USD 30 for principal pensioners,
- USD 20 for spouse beneficiaries, and
- USD 10 for child beneficiaries.

- 1.28. This means that overall, the pensioners received a cumulative total pension increase of 135.1% over the review period.

Financial Position as at 31 December 2024 before bonus

- 1.29. The financial position of the Fund due to the Members before bonus recommendations as at 31 December 2024 is as shown below:

Before bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	785 894 459	806 729 914	72 235 535	22 052 240	1 686 912 148	6 443 649	1 693 355 797
Liabilities	291 369 686	493 162 279	62 989 180	8 185 448	855 706 592	6 443 649	862 150 242
Actives Account							-
Contributing	265 963 521	490 056 273			756 019 794		756 019 794
Exit top ups	8 450 879	3 106 006			11 556 885		11 556 885
Unclaimed benefits	474 048				474 048		474 048
NGS Credits	388 475				388 475		388 475
Stabilization					-	6 443 649	6 443 649
2018 Surplus + Data reserve	16 092 763				16 092 763		16 092 763
Preserved	-			8 185 448	8 185 448		8 185 448
Pensioners			57 109 245		57 109 245		57 109 245
Pensioner's reserve			5 879 934		5 879 934		5 879 934
Surplus	494 524 773	313 567 635	9 246 356	13 866 792	831 205 556	-	831 205 556
Funding Level	270%	164%	115%	269%	197%	100%	196%

Table 6: Financial position before bonus as at 31 December 2024

- 1.30. The total liabilities before bonus allocation as at this review date amounts to ZWG 862 150 242 split ZWG 855 706 592 in Sub Fund A and ZWG 6 443 649 in the Stabilization Account.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

- 1.31. The results show an excess of assets over liabilities of ZWG 831 205 556. This surplus translates to a Funding Level (Assets over Liabilities) of 196%.
- 1.32. This Funding Level shows that the Fund is financially sound as at 31 December 2024.
- 1.33. The Fund is Defined Contributions where at any given point the assets of the Fund must determine the liabilities of the Fund. This means the disclosed surplus must be distributed to Members of the Fund in the form of a bonus.

Bonus declarations

- 1.34. Based on the investment returns earned and the bonuses already credited, and considerations stated above, we recommend that Board members award the following additional bonuses over the review period 06 April to 31 December 2024.

Sub Fund A	Bonus	Comments
Sub Fund 1	169.0%	Cumulative
Sub Fund 2	79.4%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional

Table 7: Recommended bonus as at 31 December 2024

- 1.35. In line with the Board Members' instruction, we have distributed the maximum bonus which can be afforded, leaving the barest surplus with the Fund.

Financial Position after bonus of the ZWG Sub Account A

- 1.36. Should the bonus recommendations be adopted and implemented by the Board members, this will leave the Fund with a surplus of ZWG 1 417 683, thus leaving the Fund in a sound financial position.
- 1.37. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.
- 1.38. Should our recommendations be adopted by the Fund Board members, then the financial position of the Fund would be as shown below:

After bonus	Actives		Pensioners	Preserved	ZEIPF		Grand Total
	Sub Fund 1	Sub Fund 2	Sub Fund 1	Sub Fund 1	Sub Fund A	Stabilization account	
Assets	785 894 459	806 729 914	72 235 535	22 052 240	1 686 912 148	6 443 649	1 693 355 797
Liabilities	785 595 859	805 714 188	72 165 563	22 018 855	1 685 494 465	6 443 649	1 691 938 114
Actives Account							-
Contributing	717 253 275	800 143 239			1 517 396 514		1 517 396 514
Exit top ups	22 732 865	5 570 949			28 303 813		28 303 813
Unclaimed benefits	1 275 189				1 275 189		1 275 189
NGS Credits	1 044 998				1 044 998		1 044 998
Stabilization	-				-	6 444 963	6 443 649
2018 Surplus + Data reserve	43 289 532				43 289 532		43 289 532
Preserved				22 018 855	22 018 855		22 018 855
Pensioners			65 429 029		65 429 029		65 429 029
Pensioner's reserve			6 736 534		6 736 534		6 736 534
Surplus	298 600	1 015 726	69 972	28 526	1 417 683	-	1 417 683
Funding Level	100%	100%	100%	100%	100%	100%	100%

Table 8: Financial position after bonus as at 31 December 2024

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

- 1.39. We recommend that monthly returns be calculated for paying exits.
- 1.40. We recommend that monthly returns be calculated so as to determine if the Fund can afford to pay the Lump-sum benefits to the Pensioners, and the pension increase be based on what is earned.
- 1.41. In our view, the Fund will be financially sound at the next review date at 31 December 2025 should our recommendations be adopted and implemented by Board Members.

Implementation of the Zimbabwe Mortality Table (Circular 23 of 2024)

- 1.42. We have assessed the impact of the Zimbabwe Mortality Tables on the Zimbabwe Electricity Industry Pension Fund Pensioners.
- 1.43. Our assessment shows that the Zimbabwe mortality is lower than the current basis.
- 1.44. Since the Zimbabwe mortality is lower than the current basis (PA 90) this means that on the average our pensioners are living longer than what is being assumed, hence to continue paying the same pension this means we need to set aside more monies (reserves) so as to pay the pension for the now longer life.
- 1.45. This is illustrated in the Pensioners' financial position below;

31 December 2024	Before Pension	After Pension	After affordable
	Increase	Increase	Increase
Assets	72 235 535	72 235 535	72 235 535
Liabilities	67 492 216	77 324 610	72 218 920
Pensioners	61 612 281	70 588 075	65 927 195
Pensioner's reserve	5 879 934	6 736 534	6 291 725
Surplus	4 743 319	-5 089 075	16 615
Funding Level	107%	93%	100%

Table 9: Pensioners' financial position -Zim tables

- 1.46. As the Zimbabwe mortality is lower, we cannot afford a 15% increase as this will put the Fund into deficit as shown in the third column. If we are to move to Zimbabwe Mortality Tables then the Fund can only afford to award an additional pension increase of 7% as shown in the last column.
- 1.47. We that being said, we are not very comfortable in using the Zimbabwe Mortality Tables as we believe they do not correctly match the Fund's experience.

ZEIPF Compensation Framework

- 1.48. In line with the Statutory Instrument 162 of 2023 Pensions and Provident Funds (2009 Compensation) Regulations 2023 from IPEC we have quantified the compensation of the Fund.
- 1.49. The table below shows the total prejudice for the Fund;

	Total prejudice
31-Dec-2014	USD2 696 462
31-Dec-2024	USD3 623 820
Total	ZWG93 458 322

Table 10: Total prejudice as at 31 Dec 2024

- 1.50. Members of the Fund during the period 1 January 2004 to 28 February 2009 are entitled to a compensation of USD2 696 462 as at 31 December 2014 for the loss on their fund credits during the hyperinflation period between 2004 and 2008 which has been adjusted for time value of money to ZWG 93 458 322 as at 31 December 2024.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

1.51. The table below shows our proposed financing of the Compensation;

	31-Dec-2024 (USD)	31-Dec-2024 (ZWG)
Fund Portion (outstanding benefits)	114 596	2 955 424
Employer portion (Outstanding contributions)	818 020	21 096 731
Compensation Fund	2 691 205	69 406 167
	3 623 820	93 458 322

Table 11: Financing the prejudice.

1.52. After financing the prejudice from the Employer and the Fund, we recommend that the Fund set up a Compensation Fund amounting to ZWG 69.4 million (USD2 691 205) to be financed by one per centum annual levy on the total value of the Fund assets as per Section 9 of the Statutory Instrument 162 of 2023.

1.53. We understand that the Board Members are waiting for regulatory approvals of the Fund's Compensation Scheme, please refer to the Compensation Scheme of the Fund for further details.

Sub Fund B (USD)

1.54. The review period is from 1 January 2024 to 31 December 2024, as the Sub Fund was not affected by the currency conversion exercise as at 05 April 2024.

1.55. The total USD assets of the Fund as per the Financial Statements provided amounted to USD14 892 981 as at 31 December 2024.

1.56. The net assets backing liabilities after deducting non-pension related liabilities are USD14 892 981 split USD14 105 074 in Sub Fund B and USD787 907 in the Stabilization Account.

1.57. Based on the average assets held over the period from 1 January 2024 to 31 December 2024, and the total net investment income of the Fund the return earned on the assets amounted to an average of 9.3%.

1.58. Note the return is largely driven by the unsecured bank overdraft rate charge (10% per annum). There is a huge concentration in outstanding contributions (91% of the total USD assets), we therefore recommend that a plan be established on how these arrears may be collected.

1.59. This technically means that on a funded basis the Fund has a very small USD account of USD1 385 726 which Members need to note.

1.60. The total liabilities before bonus allocation as at this review date amounts to USD13 780 321 split USD12 992 414 in Sub Fund B and USD787 907 in the Stabilization Account.

1.61. The results show an excess of assets over liabilities of USD1 112 659. This surplus translates to a Funding Level (Assets over Liabilities) of 108%.

1.62. This Funding Level shows that the Fund is financially sound as at 31 December 2024.

1.63. Based on the investment returns earned and the bonuses already credited, and considerations stated above, we recommend that Board members award the following cumulative bonuses over the review period 1 January 2024 to 31 December 2024:

	Bonus	Comment
Sub Fund B	9.3%	Cumulative

Table 12: Recommended bonus as at 31 December 2024

1.64. Our bonus recommendations are therefore affordable. However, care must be taken to protect the Fund against future adverse market movements.

ACTUARIAL VALUATION (CONTINUED)

As of 31 December 2024

1.65. Should our recommendations be adopted by the Fund Board members, then the financial position of the Fund would be as shown below:

After bonus	ZEIPF			
	Sub Fund B	Stabilization account	Total USD	Total ZWG
Assets	14 105 074	787 907	14 892 981	384 216 544
Liabilities	14 090 275	787 907	14 878 182	383 834 758
Actives Account	14 090 275		14 090 275	363 507 936
Stabilization account		787 907	787 907	20 326 822
Surplus	14 799	-	14 799	381 785
Funding Level	100%	100%	100%	100%

Table 13: Financial position after bonus as at 31 December 2024

1.66. Should the bonus recommendations be adopted and implemented by the Board members, this will leave the Fund with a surplus of USD14 799, thus leaving the Fund in a sound financial position.

Conclusion

1.68. We have carried out an Actuarial Valuation of the Zimbabwe Electricity Industry Pension Fund ('the Fund') as at 31 December 2024.

Final Bonus

1.69. The final bonus recommendations as at 31 December 2024 are shown in the table below:

	Bonus	Comments
Sub Fund A		
Sub Fund 1	169.0%	Cumulative
Sub Fund 2	79.4%	Cumulative
Preserved	169.0%	Cumulative
Pension increase	15.0%	Additional
Sub Fund B	9.3%	Cumulative

Table 14: Recommended bonus as at 31 December 2024

1.70. We recommend that monthly returns be calculated for paying exits as well as for basing pension lumpsums on earned and realised returns.

1.71. In our view, the Fund will be financially sound at the next review date should our recommendations be adopted and implemented by Board members.

1.72. We will be happy to discuss all the issues raised in this report.

For and on behalf of MAOS

David T. Mureriwa
Fellow of the Actuarial Society of South Africa Fellow of the Faculty of Actuaries (UK)
(In my capacity as the Fund Actuary)
23 July 2025

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Zimbabwe Electricity Industry Pension Fund (ZEIPF) 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 0900hrs.

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 Board fees for the year ending 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 Eng. G. Tsumbalagwa, Mr. E. Vudzijena, Eng. E. Ncube, Mr. D. N. Chiradza and Mr. S. Chikwasha with effect from 31 May 2024.

3.2.2 To note the appointment of Dr. H. Murerwa, Mr. S. Mkanganwi, Mr. B Ndlovu, Ms P. Mbuta and Eng Y. Mufambi with effect from 1 June 2024.

4. External Auditors

To ratify the auditors' fees 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 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 or mdumba@zesapf.co.zw.

By order of the Board

Bright Kondo Secretary/Principal Officer

[illegible]

