ZIMBABWE TEACHERS ASSOCIATION PROVIDENT FUND

Annual Financial Statements

31 December 2022

NAT	URE	OF	BU	SINI	ESS:	
-				-1	_	

The objective of the Fund to provide benefits to its members upon retirement, death of member or bereavement to their beneficiaries upon death. The Fund was provisionally registered on the 29th of June 2020 with operations of the Fund and establishment of the board of trustees set on the 1st of November 2020. On 19th of November 2022, it was fully registered as a Self-Administered defined benefit fund.

BOARD OF TRUSTEES:

(Chairman) (Vice Chairman) Mr. J. Mulilo Mr. P. Mazibuko Mr. G. Taderera (Member Trustee) Mr. I. Nheya (Member Trustee Mr. A. Maphosa (Member Trustee) Mr. M. Hove (Member Trustee (Employee Trustee) Mrs. E. Gunda (Employee Trustee)

PRINCIPAL OFFICER: Mr. M. B. Mageza ACTUARIES:

ZB Life Assurance Limited ZB Life Towers 77 Jason Moyo Avenue HARARE 7 imbabwe

REGISTERED OFFICE: ZIMTA House 190 Chitepo House Avenue HARARE PRINCIPAL BANKERS:

ZB Bank Corner First Street/George Silundika Avenue HARARE

AUDITORS: Chartered Accountants (Zimbabwe Registered Public Auditors 135 Enterprise Road

Statement of cash flows Notes to the financial statements

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Statement of changes in net assets available for benefits

Appendices: Supplementary schedules These annual financial statements are expressed in 7imbabwe Dollars (7WL)

Responsibilities of Trustees for the annual financial statements for the year ended 31 December 2022

accounting policies which are supported by reasonable and prudent judgements and estimates.

It is the Trustees' responsibility to ensure that the financial statements fairly present the state of affairs of the Pension Fund. The external auditors are responsible for independently reviewing and reporting on the financial statements.

The annual financial statements set out in this report have been prepared by management in accordance with the Pension and Provident Funds Act (Chapter 24:32). They are based on appropriate

The Provident Fund's accounting and internal control systems are designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements and to adequately safeguard, verify and maintain accountability of its assets. Such controls are based on the established written policies and procedures which are monitored throughout the Provident Fund and all employees are required to maintain the highest ethical standards in ensuring that the Provident Fund's practices are conducted in a manner which in all reasonable circumstances is above reproach. Issues that come to the attention of the Trustees have been addressed and the Trustees confirm that the system of accounting and internal controls is operating in a satisfactory manner

The Pension Fund's annual financial statements which are set out on pages 7 to 28 were, in accordance with their responsibilities

Mr. J. Mulilo

Chairman (ZIMTA Provident Fund)

approved by the Trustees on.. ... 2023 and are signed on its behalf by:

Chief Executive Officer (ZIMTA)

These financial statements were prepared under the supervision of

Mr. M. B. Mageza

Principle Officer (ZIMTA Provident Fund INDEPENDENT AUDITOR'S REPORT

To the members of Zimbabwe Teachers Association Provident Fund

Report on the audit of the Annual Financial Statements

We have audited the annual financial statements of Zimbabwe Teachers Association Provident Fund set out on pages 7 to 28 which comprise of the statement of net assets available for benefits as at 31 December 2022, the statement of changes in net assets available for benefits, the membership statistics and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Teachers Association Provident Fund as at 31 December 2022, and its financial performance and cash flow for the year then ended in accordance with the basis of preparation applicable to pension funds in Zimbabwe and in the manner required by the Pension and Provident Funds Act (Chapter 24:32).

Basis for Qualified Opinion

Valuation of investment properties

The determination of fair values for investment properties presented in the annual financial statements is affected by the prevailing economic environment. These financial statements include investment property that was revalued by the independent professional valuers as at 31 December 2022. The valuations were determined in USD and then translated to ZWL at the foreign currency auction rate prevailing as at 31 December 2022.

Although the determined USD values reflected the fair value of the investment properties in USD, the converted ZWL fair values may not reflect the assumptions that market participants would apply

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no key audit matters to communicate in our report

Responsibilities of Trustees and Those Charged with Governance for the financial statements Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Pension and Provident Funds Act (Chapter 24:32), and relevant acceptable Insurance and Pensions Commission guidelines, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement,

In preparing the financial statements, the trustees are responsible for assessing the Provident 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Provident Fund's financial reporting process.

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 to issue an auditor's 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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- dentify and assess the risks 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 control.
- 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 Pension Fund's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of accounting pointeries 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 Pension 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 auditor's 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 auditor's report. However, future events or conditions may cause the Pension 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 Evaluate the overlax presentation, structure, and content of the limitation statements, including the discussives, and whether the limitation statements represent the underlying distributions and events in a manner that achieves fair presentation.

 Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Pension Fund to express an opinion on the financial statements. We

are responsible for the direction, supervision, and performance of the Pension Fund's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship: and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

Investments in prescribed assets

As at 31 December 2022, the Pension Fund was not compliant with the Insurance and Pensions Commission (IPEC) Circular 3 of 2019, regarding the holding of prescribed assets to a minimum of 20%. The Pension Fund held prescribed assets amounting to 8.4% of the total assets at cost at year end

As at 31 December 2022, the Pension Fund was not compliant with the Insurance and Pensions Commission (IPEC) Circular 1 of 2013, regarding the investments in quoted shares to a maximum of 50%. The Pension Fund held quoted shares amounting to 44.1% of the total assets at cost at year end

.18 JULY 2023

The engagement partner on the audit resulting in this Independent Auditor's Report is Alice Mafanuke

Grant Terntan Registered Public Auditor (PAAB No: 0465)

Grant Thornton Chartered Accountants (Zimbabwe) Registered Public Auditors

HARARF

for the year ended 31 December 202	or benefits 22								
			2022			2021			
		Sub		Sub					
	Notes	Account 1 ZWL	Sub Account 2 ZWL	Account 3 ZWL	Total ZWL	Sub Account 1 ZWL	Sub Account 2 ZWL	Sub Account 3 ZWL	Total ZWL
Membership Activities Contributions by members:									
a)Normal b)Voluntary y employers	7		475 006 573 -		475 006 573		68 888 783		68 888 783 -
Total Contributions		-	475 006 573	-	475 006 573	-	68 888 783	-	68 888 783
Other membership income Fotal other membership income					-	-			
Benefits and Payments			-		-	-	-	-	
Lump sum awards on death Lump sum awards on retirement and retrenchment	14 13	-	10 321 700 16 717 700		10 321 700 16 717 700	-	6 189 600 4 047 700	-	6 189 600 4 047 700
Total Benefits and Payments		-	27 039 400		27 039 400		10 237 300		10 237 300
Net Membership Activities Income		-	447 967 173	-	447 967 173		58 651 483		58 651 483
NON-MEMBERSHIP ACTIVITIES									
Financial Assets nterest income	8		3 346 321		3 346 321		7 177 622		7 177 622
Dividends Unrealised fair value gains	8 21		1 588 657 - 46 357 063		1 588 657	:	- - 305 270	-	- - 305 270
Realised fair value gains Realised profit on sale of equities Interest from bank	8 8		46 357 063 153 771 161 052		46 357 063 153 771 161 052	:	395 270 - 14 556		395 270 14 556
Total Investment income			51 606 864		51 606 864		7 587 448		<u>7 587 448</u>
nvestment Expenses					-	-	-		
Financial Assets		-			-	-	-	-	
Asset management fees	9	1 197 665		1 197 665		-		·	
Total Investment Expenses Net Investment Income			50 409 199	· ·	1 197 665 50 409 199	· ·	7 587 448	·	7 587 448
Other Activities			-		-		-		
Bank charges Staff costs	9		415 000 20 595 554		415 000 20 595 554		100 401 3 038 776		100 401 3 038 776
Administration fees Actuarial fees	9		11 875 894		11 875 894		1 372 865		1 372 865
Audit fees Board expenses	9	:	5 000 000 246 000		5 000 000 246 000		4 500 000 328 000		4 500 000 328 000
IPEC levies Other administration expenses Asset management fees	11 10 9		207 760 209 565 476		207 760 209 565 476	11 000	- 18 144 941 9 389	11 000	18 144 941 9 389
Fines and Penalties Amortisation, depreciation and mpairment of operating assets	- 6	:	375 712	:	375 712		169 725		169 725
Fax Provisions (specify): Member benefit	- 15	:	5 494 505 212	-	5 494 505 212		395 055 627		395 055 627
Inclaimed benefit Fotal Other expenses	12	· ·	5 746 379 057		5 746 379 057		422 730 724	·	422 730 724
Net Other Income			(5 746 379 057)		(5 746 379 057)		(422 730 724)		(422 730 724)
Change in Net Assets excluding			(5 605 060 959)		(5 605 060 959)		(415 143 276)		(415 142 276)
Membership Activities Net increase/(decrease) in net assets			(5 695 969 858) 		(5 695 969 858) 	·	(356 491 793)	·	(415 143 276) ————————————————————————————————————
Net assets available for benefits at									_`
beginning of year Net Assets available for benefits at end of year			(5 604 494 478)		(5 604 494 478)	·	(356 491 793)	·	(356 491 793)
Assats A	,						_		
Assets A Operating Assets									
Furniture and equipment Computer systems and hardware	6 6	:	322 765 565 799		322 765 565 799		414 983 772 183		414 983 772 183
Other (specify): Office equipment Total Operating assets	6		750 665 1 639 229		750 665 1 639 229		284 935 1 472 101		<u>284 935</u> 1 472 101
В									
Non-Current Investments Investment property Equities	22		50 500 000		50 500 000				
quoted: unquoted	21		128 148 134		128 148 134	:	6 395 270	-	6 395 270
Prescribed assets government bonds				-	0.400.11				
other prescribed assets Bonds Loans and mortgages on property		-	24 326 197 - -	-	24 326 197 - -				
Staff loans and mortgages Long term deposits			-					:	:
Total Non-current investment assets			202 974 331	-	202 974 331		6 395 270	·	6 395 270
Assets Other prescribed assets									
Staff loans and mortgages Money market investments Cash on hand and at bank	19		59 000 000 36 003 804		59 000 000 36 993 804		10 981 401	-	10 981 401
Cash on hand and at bank Total current investment assets	16	-	26 992 804 	-	26 992 804 	-	24 255 062 		24 255 062
D	,								
Sundry Debtors Contribution arrears Rental arrears			:						
Dividend receivable Interest receivable				-		:			
Other (specify): Related party receivable	17		4 725 000		4 725 000	:	30 000	-	30 000
Total sundry debtors		-	4 725 0		4 725 000	•	30 000		30 000
Total assets		-	295 331 364	-	295 331 364	-	43 133 834		43 133 834
E Non-Actuarial Liabilities Other non-actuarial liabilities (specify	·):								
Unclaimed benefits Arreas retirement benefit	12 18	:	5 040 000 25 000	-	:		70 000	-	
Provision for audit fees Member benefit liability Related party liability	18 15		5 000 000 5 889 560 842	-	-		4 500 000 395 055 627	-	
Related party liability Total non-actuarial liabilities	18		200 000 5 899 825 842	-	5 899 825 842		399 625 627	- <u> </u>	<u>399 625 627</u>
Net Assets available for benefits at	end	_				_	_		
of year F		-	(5 604 494 478)	-	(5 604 494 478)	•	(356 491 793)	· ·	(356 491 793)
r Actuarial Liabilities Members' Liabilities		-	-	-	-				
Reserves Accumulated deficit			- (5 604 494 478)		(5 604 494 478)		(356 491 793)	-	(356 491 793)
Other reserves(specify): Total Actuarial Liabiities		-	(5 604 494 478)	-	(5 604 494 478)		(356 404 703)		(356 404 703)
TOTAL ACTUACIAL CLASSICIAN			(2 227 777 4/0)		(5 507 774 4/0)		(356 491 793)		(356 491 793)

Mr. M. B. Mageza PRINCIPAL OFFICER

Surplus/ Deficit

ZIMBABWE TEACHERS ASSOCIATION PROVIDENT FUND

Annual Financial Statements

31 December 2022

Statement of cash flow for the year ended 31 December 2022

Cashflow from Membership Activities

Cashilow from Membership Activities			
	Notes	2022 ZWL	2021 ZWL
Cash received from contributions	7	475 006 573	68 888 783
Benefits paid	13&14	(27 039 400)	10 237 300)
Net cash flows from membership activities	_	447 967 173	58 651 483
Cashflows Collected from Other operating Activities			
Administration expenses	9	(11 875 894)	(1 372 865)
Audit fees	9	(5 000 000)	(4 500 000)
Legal fees	9	(565 476)	(9 389)
Levies & subscriptions paid	•	((11 000)
Staff expenses	9	(20 595 554)	(3 038 776)
Board expenses	9	(246 000)	(328 000)
Bank charges	9	(415 000)	(100 401)
Other administration expenses	10	(207 760 209)	(18 144 941)
Member benefits provision	15	(5 494 505 212)	(10 111 711)
Changes in working capital	20	5 500 045 212	4 540 000
Net cashflow from other operating activities		(240 918 133)	(22 965 372)
Cashflow from Investing Activities			
Purchase of operating assets	6	(542 840)	(1 641 826)
Purchase of investment property	21	(50 500 000)	
Purchase of financial assets	21	(98 320 594)	(6 000 000)
Investment expenses paid	9	(1 197 665)	
Interest received	8	3 507 373	7 192 178
Dividends received	8	1 588 657	
Profit on sale of equities	8	153 771	
Money market	19	(59 000 000)	(10 981 401)
Net cash outflows from investing activities		(204 311 298)	(11 431 049)
Net cash inflow / (outflow) for the year		2 737 742	24 255 062
Cash and cash equivalents at the beginning of the year		24 255 062	
Cash and cash equivalents at the end of the year	16	26 992 804	24 255 062

Statement of accounting policies for the year ended 31 December 2022

Zimbabwe Teachers Association Provident Fund ("The Fund") is registered in Zimbabwe and is a self-administered defined benefit fund, set up for the purpose of providing bereavement and retirement benefits to the members of the Fund. The Fund is registered in terms of the Pensions and Provident Funds Act (Chapter 24:32). All members of Zimbabwe Teachers Association are allowed to voluntarily join the fund.

Significant accounting policies

The financial statements have been prepared on the going-concern basis in accordance with and in

The financial statements have been presented in terms of sub account 1, 2 and 3 according to the IPEC Financial Reporting Guidance Circular 34 of 2022 and Currency Reform Guidance paper for the Insurance and Pensions Industry on currency reforms of 2020 issued in terms of Section 3 (1) (a) of Statutory Instrument 69 of 2020 which empowers the Insurance and Pensions Commission to issue guidelines and standards following currency conversions of February 2019.

This refers to the balance of income, expenditure, assets and liabilities resulting from the USD pension contributions on or before 31 December 2018 (Determination date).

This refers to the balance of income, expenditure, assets and liabilities resulting from the ZWL pension contributions after 31 December 2018 (Determination date)

Sub account 3 This refers to the balance of income, expenditure, assets and liabilities resulting from the USD pension contributions after 31 December 2018 (Determination date).

The Trustees have assessed the ability of the Fund to continue operating as a going concern and believe that despite the deficit position as at 31 December 2022 which may cast doub on the Fund's ability to meet its liabilities when they arise, the preparation of these financial statements on a going concern basis is still appropriate

Revenue is recognised at an amount that reflects the consideration to which the Fund expects to be entitled in exchange for transferring goods or services to a customer. The following specific recognition criteria must also be met before income is recognised.

Membership is voluntary for all eligible members. Each member shall contribute 50% of the ZIMTA union subscriptions every month.

2.4.2 Investment income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established

2.4.3 Rental income Rental income is recorded monthly on an accrual's basis based on the contractual amount 2.5 Financial instruments

Financial assets and financial liabilities are recognised in the Fund's statement of changes in assets available for benefits when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for other receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss

Impairment of financial assets

The Fund recognises a loss allowance for expected credit losses on other sundry debtors. The amount of expected credit losses is updated at each reporting date to reflect change in credit risk since initial recognition of other sundry debtors.

Ordinary shares quoted on the Zimbabwe Stock Exchange, unit trusts and fixed property in Zimbabwe are stated at fair value. The fair value of ordinary shares is determined by reference to quoted prices in an active market, the Zimbabwe Stock Exchange, whilst the fair value of property linked units is determined by reference to the prices quoted by the Investment Manager and the fair value of fixed property in Zimbabwe is determined by independent and qualified professional valuers.

Debt instruments are recognised in accordance with the substance of the contractual arrangements of the instruments.

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost

including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property is are included in profit or loss in the period in which they arise.

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic nefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the amount that will be required to settle the present obligation at the end of the period.

The Fund's financial statements are presented in Zimbabwean Dollars which was the Fund's functional currency. All amounts have been rounded off to the nearest dollar unless

- Denomination of real time gross settlement (RTGS) balances, bond notes and coins collectively as ZWL/RTGS dollars. RTGS dollars became part of the multi-currency system. Promulgated that RTGS dollars were to be used by all entities (including the Government) and individuals in Zimbabwe for purposes of pricing of goods and services, record debts, accounting and settlement of domestic transactions.
- Establishment of an inter-bank foreign exchange market where the exchange rate would be determined on a willing buyer willing seller basis Demonetization of foreign currency with effect from 24 June 2019.

Statutory instrument (SI) 142 gave effects to the demonetization of foreign currency and effectively establishing ZWL as the sole currency. The Fund adopted the RTGS dollar as the new functional and reporting currency with effect from 28 February 2019.

In terms of the Third Schedule to the Income Tax Act (Chapter 23:06) pension funds are exempt from income tax and residents tax on interest from financial institutions until such date as the Minister may specify by notice in the Gazette. No such notice was gazetted in respect of the year covered by these financial statements and no tax liabilities have been recognized. In instances where the Fund owns commercial property to earn rental income, the Fund is subject to Value Added Tax provided that the annual rental income exceeds the

2.12 Actuarial valuation

The Trustees consult the Actuary to perform a financial review of the Fund and the Actuary credits Members allocation (accumulation) accounts at least once a year with interest at a rate generally reflecting the return earned on the assets of the Fund. The last signed financial review of the Fund was done as at 31 December 2021. For the year ended 31 December 2022, the Financial review report utilised in the financial statements was not yet signed.

Investments policy statement
The Fund has an Investment Policy Statement (IPS) which sets out the principles, beliefs and policies adopted by the Board of Trustees of the Fund in establishing an appropriate investment policy for the Fund as well as to record the investment strategy that the Fund has decided to implement in accordance with this policy. This investment policy apply to all the investment activities of the Marsh Pension Fund. The investment policy statement is reviewed yearly for each adequacy and conformity to regulatory requirements. The Fund's investment is outsourced to asset managers and they are mandated to ensure they deliver value to policyholders.

The Insurance and Pension Commission set new investments limits through Circular 2 of 2022-Issuance of investments guidelines for the pensions industry as per table below.

Asset class	New upper limit	Previous upper limit
Prescribed assets	40%	40%
Bonds	40%	40%
Property	40%	50%
Local listed equity	60%	50%
Foreign investments	15%	Nil
Unquoted shares/alternative Investments	15%	10%
Money market	20%	45%
Other	5%	10%

The fund's investment policy statement as guided by the regulatory framework and is summarized below

The Fund shall pursue a total return approach with a view to both capital appreciation and income return from the investment assets. Capital preservation shall be given priority in all investment decisions whilst seeking to achieve appropriate levels of diversification. To achieve real growth whilst maintaining sufficient liquidity to meet Fund expenses and pay-outs to retiring members or those withdrawing in accordance with the Fund rules. Trustees consider real growth to be the growth above inflation as measured by the Consumer Price Index.

Reviewing the Fund's investment strategy (including the investment objectives with reference to the relevant risk profile in order to determine the appropriate asset class

The Trustees to identify the relevant risks affecting the Fund (for instance liquidity, market, operational, and regulatory risks), quantify them and suggesting ways of mitigating them. The risk tolerance of the Fund is a function of Trustees' willingness to assume risks as well as the Fund's ability to take the risks.

Changes in prevailing conditions on the investment markets as well as being consistent with similar Funds

Trustees' willingness to assume risks as well as the Fund's ability to take the risks.

Ensuring investment returns are not prejudiced by disinvestment due to liquidity needs for exits or retirees

Relatively low liquidity requirements from the Fund

Only 1% of the liabilities represent Members due to retire within the next 10 years.

allocation having regard to financial security and investment growth) and to motivate any proposed changes for consideration by the full Board of Trustees:

Making recommendations to the Trustees regarding the appointment and/or replacement of asset managers, and allocating the Fund assets to the asset managers; Making recommendations to the full Board of Trustees regarding the mandates, benchmarks and performance targets for the Fund's asset managers, and agree written contracts and amendments thereto.

To ensure adherence to new legislation or regulations governing pension funds being promulgated; or The occurrence of significant developments on the financial markets that impact significantly on investment values, structure, and prospects.

IPEC may set asset class and counterparty exposure guidelines from time to time, for instance IPEC Circular No. 1 of 2013.

Investment constrains

The Fund to ensure compliance with all statutory regulations relating to investment matters. To appropriate recommendations to the full Board of Trustees.

Monitoring the overall investment performance of the Fund as well as the investment performance of the individual asset managers relative to agreed benchmarks and compliance to agreed mandates, and recommending such steps as may be necessary to address any shortcomings.

3.8 Unique circumstances

Investment prohibitions and restrictions set by Trustees. The Board of Trustees may from time to time prohibit certain investments for ethical or environmental considerations.

Investments deemed illegal or specifically prohibited by the Regulator.

The Trustees may, at every sitting, review both the strategic (long-term) and the tactical (short-term) asset allocation of the Fund to ensure it is within the allowable ranges set and a plan of action adopted for any deviations in line with any rebalancing mechanism the Trustees may agree on from time to time

strategic asset allocation may also be reviewed in the event of a fundamental change in Fund objectives, risk tolerance, constraints or capital market expectations. The Trustees shall review this policy at least once every year, or in the event of any of the following occurring;

A change in the structure or operations of the pension scheme; A change in the rules of the pension fund in as far as it affects the investments of the Fund;

New legislation or regulations governing pension funds being promulgated; or the occurrence of significant developments on the financial markets that impact significantly on

4. Compliance issues

4.1 Regulatory compliance

(i) The fund has an internal Risk and Compliance Officer at senior management level who is in charge of the Risk and Compliance Framework of the Fund and is responsible for all

(ii) The fund has an Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) framework in place.

(iii) Ouarterly and annual returns are done to the Insurance and Pensions Commission (IPEC). The Fund was in compliance with the aggregate expense ratios at 0.6% of total assets against a regulatory requirement of a combined 0.61% of total assets

No penalties were levied against the Fund in the period under review.

(vi) The Fund was not compliant with the minimum prescribed asset ratio of 20% as it had 8.4% (2021:nil).

(vii) The Fund was not compliant with the 20% minimum prescribed asset ratio on properties investments of total assets as it achieved 17.9% (2021:3.4%).

(ix) The Fund was compliant with the 60% maximum on equity listed investments of total assets as it had 44.1% (2021:14.%). (x) The Fund Trustees and Administrator track compliance ratios frequently and make quarterly updates to Insurance and Pensions Commission (IPEC) on the roadmap to compliance

on investment ratios if not in compliance. 4.2 Unrealised gains Insurance and Pensions Commission issued a guidance paper on currency reforms in May 2021 which allows pension funds to report their assets at fair value which is a departure

from the requirements of the Pensions and Provident Fund Act (Chapter 24.09). Unrealised Gains arise as a result of the revaluation of the Fund's assets to ZWL as at the determ date (31 December 2018) and subsequent revaluations to fair value of underlying assets. 5 Risk and risk management

(a) Insurance risk

The major risk the Fund faces is that the actual claims and benefit payment or the timing differ from expectations. This is influenced by severity of claims, frequency of claims, actual benefit paid, pressure of pension increases and subsequent development of long-term claims. Therefore the objective of the Fund is to ensure sufficient reserves are available to cover

The risk is mitigated by diversifying across a wide range of portfolios and asset liability matching ensuring that tenure of investments coincides with expected payment periods.

tenants and has a Debtor Management Policy that is operational through a Debtor Management Committee.

Statement is monitored by the Finance and Investment Committee and the Board of Trustees.

Market risk is the risk that fair value of future cash flows of a financial instrument will fluctuate as a result of market factors which include currency risk, interest rate risk and equity risk. The Fund has got an Investment Policy statement that is guided by the Insurance and Provident Act and several IPEC guidelines as pronounced from time to time. The Investment Policy

Credit risk is the risk of financial loss of a debtor fails to honour obligation. Major credit risk is on rentals and premium contributions. The Fund makes a rigorous check on all prospective

Concerntration risk Concentration risk is the risk of financial losses emanating from too much exposure in one asset class. The Fund has a significant exposure in properties. The risk is mitigated by

Notes to the financial statements

Carrying amount as at 31 December 2022

Liquidity risk is the risk that the Fund will not be able to meet its cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash inflow actives and expected outflows. The Fund's investment policy ensures that sufficient portion of the Fund's assets should be kept in cash and cash equivalents to pay critical obligations like monthly pension

299 357

322 765

750 665

1 639 229

for the year ended 31 December 2022 (continued)						
6				Historical Cost		
	Software Equipment ZWL	Computer equipment ZWL	Furniture fittings ZWL	Office equipment ZWL	Land & Buildings ZWL	Total ZWL
Operating Assets						
Year ended 31 December 2021						
Opening carrying amount Additions	266 442	619 214	461 092	295 078		1 641 826
Depreciation for the year	200 442	(113 473)	(46 109)	(10 143)		
Closing carrying amount	266 442	505 741	414 983	284 935		
As at 31 December 2021			<u> </u>			
Cost	266 442	619 214	461 092	295 078	-	1 641 826
Accumulated depreciation		(113 473)	(46 109)	(10 143)	-	(169 725)
Carrying amount as at 31 December 2021	266 442	505 741	414 983	284 935	-	1 472 101
Year ended 31 December 2022	2// 442	EOE 744	44.4.002	204025		4 472 404
Opening carrying amount	266 442	505 741	414 983	284 935	-	1 472 101
Additions Depreciation for the year		(206 384)	(92 218)	542 840 (77 110)		542 840 (375 712)
Closing carrying amount		(200 304)	(92 210)	(// 110)		(3/3 / 12)
etosing carrying amount	266 442	299 357	322 765	750 665		1 639 229
As at 31 December 2022						
Cost	266 442	619 214	461 092	837 918	-	2 184 666
Accumulated depreciation		(319 857)	(138 327)	(87 253)		<u>(545_437)</u>

, ,								
			2022				2021	
_	Sub account 1 ZWL	Sub account 2 ZWL	Sub account 3 ZWL	Total ZWL	Sub account 1 ZWL	Sub account 2 ZWL	Sub account 3 ZWL	Total ZWL
7. Contributions								
a) By members								
ii) voluntary	-	475 006 573	-	475 006 573	-	68 888 783	-	68 888 783
ii) voluntary		-		-				
ii) special contributions i) Current	-	-						-
(ii) Voluntary								
b) By employers	-							
i) Normal		475 006 573		475 006 573		68 888 783		68 888 783
3. Investment income								
Dividends received		1 588 657		1 588 657				
nterest received: Bank	-	161 052	-	161 052	-	14 556	-	14 556
nterest received from money markets: Investme	ent -	3 346 321	-	3 346 321		7 177 622	-	7 177 622
Profit/Loss on sale of equity	-	153 771		153 771				-
		5 249 801		5 249 801	-	7 192 178		7 192 178
O. Other expenses								
Bank charges		415 000		415 000		100 401		100 401
alaries and wages	-	20 595 554	-	20 595 554		3 038 776	-	3 038 776
Administration fees	-	11 875 894	-	11 875 894		1 372 865	-	1 372 865
Consultancy and audit fees		5 000 000		5 000 000		4 500 000		4 500 000
Quarterly allowances	-	246 000		246 000		328 000		328 000
Accot management foor	_	565 476		565 476	_	0.380	_	0.380

Interest received from money markets: Investment	-	3 346 321	-	3 346 321	-	7 177 622	-	7 177 622
Profit/Loss on sale of equity		153 771		153 771		-	-	
_	-	5 249 801		5 249 801		7 192 178		7 192 178
9. Other expenses								
Bank charges	-	415 000		415 000		100 401		100 401
Salaries and wages		20 595 554		20 595 554		3 038 776		3 038 776
Administration fees		11 875 894		11 875 894		1 372 865		1 372 865
Consultancy and audit fees		5 000 000	-	5 000 000	-	4 500 000	-	4 500 000
Quarterly allowances		246 000	-	246 000	-	328 000	-	328 000
Asset management fees	-	565 476	-	565 476	-	9 389	-	9 389
Investment management fees		1 197 665		1 197 665				
_	-	39 895 589		39 895 589		9 349 431		9 349 431
10. Other administration expenses								
Tollgate expenses	-	70 000		70 000		11 000		11 000
Cleaning		28 735	_	28 735		15 770		15 770
Computer expenses		5 817 458	-	5 817 458		560 099		560 099
Travelling and subsistence	-	14 545 546	-	14 545 546		936 742		936 742
Printing and stationery	-	223 670	-	223 670		108 562	-	108 562
Equipment repairs	-		-		-	50 063		50 063
Telephone and internet	-	1 966 770	-	1 966 770		157 134	-	157 134
Staff welfare	-	434 563	-	434 563	-	23 710	-	23 710
Accommodation and catering	-	7 891 467	-	7 891 467	-	1 231 185	-	1 231 185
Training	-	11 740 579	-	11 740 579	-	447 306	-	447 306
20% Administration fee	-	97 589 210	-	97 589 210	-	13 132 209	-	13 132 209
Meetings:	-	12 960 859	-	12 960 859	-	1 375 819	-	1 375 819
Communication	-	120 960	-	120 960	-	26 400	-	26 400
Consulting fees	-	3 857 677	-	3 857 677	-		-	-
Electricty and water	-	20 000	-	20 000	-	20 000	-	20 000
Freight and delivery	-	41 699	-	41 699	-		-	-
Sage evolution	-	176 044	-	176 044	-		-	-
Professional fees	-	86 255	-	86 255	-		-	-
Death benefit insurance	-	43 212 809	-	43 212 809	-		-	-
Zimbabwe Association of Pension F	-	813 240	-	813 240	-	13 000	-	13 000
General expenses	-	-	-	-	-	62	-	62
Staff development and training	-	6 162 668	-	6 162 668	-	55 880	-	55 880

207 760 209

18 144 941

18 144 941

207 760 209

ZIMBABWE TEACHERS ASSOCIATION PROVIDENT FUND Annual Financial Statements

31 December 2022

			2022						2021	1	Membership Statistics							
S	ub account 1 ZWL	Sub account 2 ZWL	Sub account 3 ZWL		Total S ZWL	ub account ZV	:1 S WL	oub account 2 ZWL	Sub account 3		for the year ended 31 December 2022							
11. lpec levies																		
Subscriptions	-			-	-	-	-	11 00	00		11 000							at beginning of year ginning of the year
12. Unclaimed benefits Unclaimed benefits		5 040 000	-	5 040 000			-	-	-		Total			-				
13. Lumpsum awards on retirements	-	5 040 000	-	5 040 000			-	=		-	Principal Membership as at end of year (a) new entrants for the year							
Retirements	-	16 717 700		16 717 700	_			4 047 700		4 047 700	(b) active members ¹ (c) deferred pensioners							
14. Lumpsum awards on death Member bereavement	-	1 248 200	· -	1 248 200			-	2 921 500		2 921 500	(d) pensioners²(e) suspended pensioners³							
Spouse bereavement Child bereavement	-	8 153 500 920 000	-	8 153 500 920 000			- 164 00			3 104 100 164 000	(f) members with unclaimed benefits ⁴ (g) transfers in ⁵							
	-	10 321 700	<u> </u>	10 321 700			- 6 189 60	0_			o as at end of year			=	28 651	30 803		
15. Member benefits liabilities Provisions comprise amounts		205 055 427		205.055.427						3. Beneficiaries as	at end of year			-				
set aside from contributions Opening balance Provision made during the current year		395 055 627 5 494 505 215		395 055 627 5 494 505 215			95 055 627		<u>395 055 627</u>						-		-	
Balance at 31 December 16. Cash and cash equivalents		5 889 560 842	<u> </u>	5 889 560 842		- 3	95 055 627		<u>395 055 62</u>	Other dependants					-	-	-	
Cash on hand Cash at bank	-	54 038 15 656 650	-	54 038 15 656 650		-	6 766 24 248 296	-	6 766 24 248 296	(b) Suspended per Surviving Spouse Children	isioners:				-	-	-	
Imara Uncleared deposit:imara	-	1 282 116 10 000 000	-	1 282 116 10 000 000		-	-		-	Other dependants					-	-	-	-
oncteared deposit.iiilara	-	26 992 804		26 992 804		-	24 255 062		24 255 062	Total Beneficiarie	s as at end of year				-	-	-	-
17. Related party receivable Related party										4. Exits as at end (a) Transfers out ⁷	of year ⁶							
Zimta micro finance ZB LIFE	-	4 725 000	4 725 000	-		-	30 000	-	30 000	(b) Full commutat	ions				340 98	177 120	-	-
ZB LIFE owed the Provident Fund ZWL 4 725 000 relating										(d) Other				-	3732 4170	2005 2302	-	· · ·
intercompany balance.	-	4 725 000	4 725 000	-		-	30 000		<u>30 000</u>	NOTES				=				
18. Trade and other payables Trade payables	-	25 000	-	25 000		-	70 000	-	70 000		udes new entrants for the year ¹ udes suspended pensioners and beneficiaries ²							
Related party liability Provision for audit fees	-	200 000 5 000 000	200 000	5 000 000		-	4 500 000	-	4 500 000	4. This figure inclu	udes suspended beneficiaries ³ des all members of the fund who left employme	nt and in terms of	the rules are entitle	d to receive a bene	it from the fund bu	t has not claimed t	he benefit ⁴	
Provision for unclaimed benefits	-	5 040 000 10 265 000	<u> </u>	5 040 000 10 265 000		-	4 570 000	-	4 570 000	6. exits refers to r	ade up of transfers in from other funds ⁵ nembers who have no residual assets on the fu	nd ⁶						
19. Current investment assets		50 000 000		50,000,000			10.001.101		10.001.101	7. This figure is m	ade up of transfers out to other funds ⁷							
Money market placements Short term investments are mostly money		59 000 000	-	59 000 000		-	10 981 401	-	10 981 401					n				
placements made for cash flow management compliance with IPEC regulations.	and -	-	-	-		-	-	-	-	of the way	No			h				
20. Changes in working capital:	-	59 000 000	-	59 000 000		-	10 981 401	-	10 981 430	Head of provident Mr.J. Mulilo	fund		 N	Principal officer Ar. M. B. Mageza	••••••			
Related party receivables Trade and other payables	-	(4 725 000) 5504 770 212	-	(4 725 000) 5504 770 212		-	(30 000) 4 570 000	<u>-</u>	(30 000) 4 570 000	Prescribed Assets	3			ii. M. D. Mageza				
Net movement in working capital	-	5 500 045 212	-	5 500 045 212		-	4 540 000		4 540 000	as at 31 December								
21. Financial Assets at fair value through profit Opening carrying amount	or loss	6 395 270	-	6 395 270		_	-		-	Account Non - Current Ass	ets	Asset Manager	Name of Issuer	Date of Issue	Date of Purchase	Maturity Date	Purchase Price	Face Value of Investment
Additions of shares Fair value gains	-	98 320 594 47 758 467	-	98 320 594 47 758 467		-	6 000 000 395 270		6 000 000 395 270	Sub Account 1		Imara	AFC	12/6/2022	12/6/2022	9/4/2023	10 000 000	10 821 918
Closing carrying amount	-	152 474 331	-	152 474 331		-	6 395 270		<u>6 395 270</u>	Sub Account 2		Imara	MOSI	19/10/2022	19/10/2022	=	11 431 711	13 504 279
22. Investment property At beginning of period	-	-	-			-		-	-	Total							21 431 711	24 326 197
Additions Disposals	-	50 500 000	-	50 500 000		-	-	-	-	Sponsoring Emplo as at 31 December	yers' contribution arrears r 2022							
Fair value adjustments		50 500 000	<u> </u>	50 500 000			-	-	<u>-</u>							Cont	ribution Arrears	
New Coursest Investment												Caracinata	Availability of Certified	20 4 3	between 31	between 91	404 4	
Non-Current Investments Total Non current investment assets		_	-	-		-	-	_				Sponsoring Employer A	Repayment greement (Y/N)	30 days and below	days and 90 days	days and 180 days	181 days and above	Total
Current Investment Assets Total current investment assets		-	-				-					-	-	-	-	-	-	-
Sundry debtors Total sundry debtors	-	-		-		-		-		.		-	-	-	-	-	-	-
Total Assets	-							-		· [