



**ZIMTA**  
**PROVIDENT FUND**  
**ANNUAL GENERAL MEETING**  
**2021-2022**

**“We Care”**

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*WE ARE ZIMBABWE'S LEADING TEACHER'S  
PENSION FUND, SINCE 2021*

# ABOUT THIS REPORT

The main purpose of this report is to bring members to speed with regards to the transition of the Fund from Provincial Retirement and Bereavement funds to a registered ZIMTA Provident Fund and its performance thereof. The transitional process is covered in the Chairperson's Report and the detailed performance of the Fund is covered in the Audited Financials.

The Annual Financial Statements were audited by Grant Thornton Chartered Accountants (Zimbabwe), approved by the Board of Trustees as per the Fund Rules, and submitted to the regulator, the Commissioner of the insurance and Pensions Commission (IPEC).

## STRATEGIC UNDERPINNINGS

### Vision

- To ensure that all members achieve a secure and sustainable retirement and bereavement package.

### Mission Statement

We are committed to providing the best service delivery and retirement security for our members

### Our Values

- Professionalism
- Membership Focus
- Accountability
- Diversity
- Innovation



Grant Thornton

# **GENERAL INFORMATION**

The objective of the Fund is to provide benefits to its members upon retirement, death of a member or their beneficiaries upon death. The fund was provisionally registered on the 29th of June 2020 with the operation of the Fund and establishment of the Board of Trustees set on the 1st of November 2020. On the 19th of November 2021, it was fully registered with the Insurance and Pension Commission (IPEC) as a Self -Administered Fund.

Mr J. Mulilo	(Chairperson)
Mr P. Mazibuko	(Vice Chairperson)
Mr G. Taderera	(Member Trustee)
Mr I. Nheya	(Member Trustee)
Mr A. Maphosa	(Member Trustee)
Mr M. Hove	(Member Trustee)
Mrs E. Bhobho	(Sponsor Appointed Trustee)
Mrs E. Gunda	(Sponsor Appointed Trustee)
Mr L. Banda	(Sponsor Appointed Trustee)

Principal Officer : Mr M.B. Mageza

## REGISTERED OFFICE:

ZIMTA House  
190 Herbert Chitepo Avenue  
Harare

## PRINCIPAL BANKERS:

ZB Bank  
Corner First Street /George Silundika Avenue  
First Street  
Harare

# **GENERAL INFORMATION**

## **Auditors:**

Grant Thornton  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors  
Camelsa Business Park  
135 Enterprise Road  
Highlands Harare

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

Actuaries  
ZB Life Assurance Limited  
ZB Life Towers  
77 Jason Moyo Avenue  
Harare  
Zimbabwe

ZIMTA

# CHAIRPERSON'S REPORT

## Dear Member

It is a great honour and privilege to welcome you to the Inaugural Annual General Meeting since the formation and registration of the ZIMTA Provident Fund

## Preamble:

- The Genesis of the fund was founded on the desire of members and their beneficiaries to be accorded descent burials and complementary retirement packages hence the establishment of retirement and bereavement funds in the provinces. These Funds were operating independently from province to province hence the benefits accruing to the members varied from province to province.

As a result, some members were short changed when they were transferred from one province to the other. This disparity ushered the need to rationalize the operation of these funds

- Secondly the benefits were not scientifically derived resulting in some of the provincial funds being technically insolvent due to extravagant benefits payout designed to attract membership at the expenses of the going concern of the Fund and later requiring ZIMTA to bail them out

- Following the Audit observation made by Grant Thornton it was recommended that these Provincial Retirement and Bereavement Funds be amalgamated and registered as an entity with the regulatory authority IPEC (Insurance and Pensions Commission).



- In adherence to the Audit recommendation and the desire of ZIMTA to have standardized benefits throughout its membership, The National Executive which is proxy to National Conference which is the supreme governing body passed a resolution to establish the ZIMTA Provident Fund which was duly registered with IPEC on the 19th of November 2021 according to The pension and Provident Fund ACT Chapter 24.09 (see attached registration certificate)

## Strategic Intention of the Fund

- Value Preservation: -Investing in high yielding assets and in accordance to IPEC investment guidelines
- Enhancing member experience – by offering competitive Benefits payouts and efficient service delivery
- Long-term sustainability of the Fund -Ensure that the going concern of the Fund is not threatened through prudent selection of investments and actuarially determined benefit payout
- Access to Member Information- through the provision of digital platforms for members to access information anywhere, anytime.

# **CHAIRPERSON'S REPORT**



Certificate No: 5000002830

Insurance & Pensions Commission  
160 Rhodesville Avenue, Greendale  
P.O Box HR 6773, Harare  
Zimbabwe

## **CERTIFICATE OF REGISTRATION**

This is to certify that

**Zimbabwe Teachers Association Provident Fund**

was registered on 19 November 2021  
as a Self Administered Provident Fund in terms of  
Section 5 of the Pension and Provident Funds Act [Chapter 24:09].

**G. Muradzikwa**

Commissioner of Insurance, Pension and Provident Funds

# CHAIRPERSON'S REPORT

## Achievements

- The fund managed to acquire the following properties:
- 

Property Description	Date of Acquisition	Cost Price	Return on Investments	Comment
1)Stand No 21086 Kuwadzana Township of Fontainebleau 281m2 Harare	22, March 2022	ZWL13 million	USD400	Monthly Rentals
2)Stand 1752 lot 2 of Clipsham 1,344m2 Masvingo	21 December 2022	ZWL75 million	NIL	Property Still under construction

- The Fund now has USD Denominated Equities which are quoted on the Victoria Falls Stock Exchange (VFEX) with a nominal value of USD26,827.03.
- The Board of Trustees and Staff have all attained COP certification as per IPEC requirement
- The Financials of the ZIMTA Provident Fund have been Audited for period 2021 and 2022 (see detailed publication on ZIMTA website)
- The Fund acquired Furniture and Equipment for the ZIMTA Provident Fund Offices
- The Fund acquired umbrellas for all the provinces for use during member bereavements
- The benefits reviews are now actuarially determined

## Future Plans

- To acquire a membership management system as per IPEC prescription.
- To update membership information through the use of the Google Form platform.
- To acquire more 'turn key' properties and spread the property portfolio by identifying investment opportunities in all the other provinces.
- To offer more competitive services by acquiring Tents and lowering devices for our members in the short run and to consider acquiring funeral parlours in the long run in line with ZIMTA 's long term strategy
- To create more investment synergies by investing in the activities of ZIMTA Holdings and its subsidiaries.



## The operating environment overviews.

The operating environment has not been friendly to the fund as the benefits payouts are constantly eroded by inflation resulting in continuous review of the contributions and member benefits to match inflation. The onset of COVID19 also meant an increase in bereavement pay-outs.

## Strategy Implementation

- On the backdrop of the harsh economic conditions the Fund has not reneged the desire to implement its strategy on the following
- Enhanced Investment Yield -Investing in high yield assets that preserve value.
- Enhancing member experience -level of benefit and service delivery
- Ensuring the long-term sustainability of the fund by investing in the various asset classes to match future obligations.
- Digitalisation -members to access benefits and member information anywhere, anytime.
- Impacting investing – Consideration of Economic, Social and Governance issues

## Outlook

The fund continues to maintain a positive long-term view and will continue to seek opportunities to preserve and grow the Fund with an ultimate objective of improving member benefit payouts.

## Appreciation

Firstly, I would like to express my sincere gratitude to the Board, Management, and staff for their commitment to the welfare of the Fund and its contributing members despite the harsh economic environment. I also take the opportunity to thank our contributing members, retirees, service providers, the regulatory Authority (IPEC) and especially the sponsoring organization ZIMTA who facilitated the establishment of the Fund.

## Condolence Message

Last, but not least, I would like to express my sincere condolences to the bereaved members of ZIMTA Provident Fund. We lost 96 members in 2021 and 74 members in 2022. We ask the meeting the meeting to observe a moment of silence.

# BOARD OF TRUSTEES



*Mr J Mulilo*  
*(Chairperson)*  
*M.Ed in Teacher Education*  
*B.Ed in Agriculture (UZ)*  
*Diploma in Agricultural Education*  
*(Uni. Zambia)*  
*COP (IIZ, Zim)*  
*COC in Systemic Counselling*  
*(CONNECT)*



*Mr G Taderera*  
*(Trustee)*  
*BSc Counselling*  
*COP (IIZ, ZIM)*



*Mr I Nheya*  
*(Member Trustee)*  
*CE*  
*COP (IIZ, Zim)*



*Mrs E Gunda*  
*(Trustee)*  
*Cert. in Education (Mkoba)*  
*BSc Counselling ZOU*  
*COP (IIZ)*



*Mr A Maphosa*  
*(Member Trustee)*  
*B.Com HIR(ZOU,ZIM)*  
*D.E (UCE, ZIM)*  
*COP (IIZ,ZIM)*



*Mr M Hove*  
*(Trustee)*  
*MSc Peace Leadership & Conflict*  
*Resolution (ZOU,ZIM)*  
*BSc (Hons) Psychology (ZOU,ZIM)*  
*B.Tech Education (Pretoria,SA)*  
*Cert. in Education (MMTC,ZIM)*  
*COP (IIZ,ZIM)*  
*Sports Administration (SRC,ZIM)*



*Mrs E. Bhobho*  
*(Trustee)*  
*BA Hons (UZ)*  
*PGDE (GZU)*  
*COP (IIZ,ZIM)*  
*SHE Cert. (NASSA)*  
*Care and Counselling (UNISA)*



*Mr L Banda*  
*(Trustee)*  
*MBA Strategic Mgmt &*  
*Corporate Governance*  
*BRS Hons HRM*  
*Dip Labour Law (UZ)*  
*Dip in Education Maths Major*  
*(MTC)*  
*Cert. in Paralegal Course for*  
*Trade Unions*  
*COP (IIZ,ZIM)*

# THE SECRETARIAT



*Mr M.B. Mageza  
(Principal Officer)*

*MBA (Banking & Finance)  
University of Manchester (UK)  
ACIS  
AIOBZ  
COP(IIZ, ZIM)*



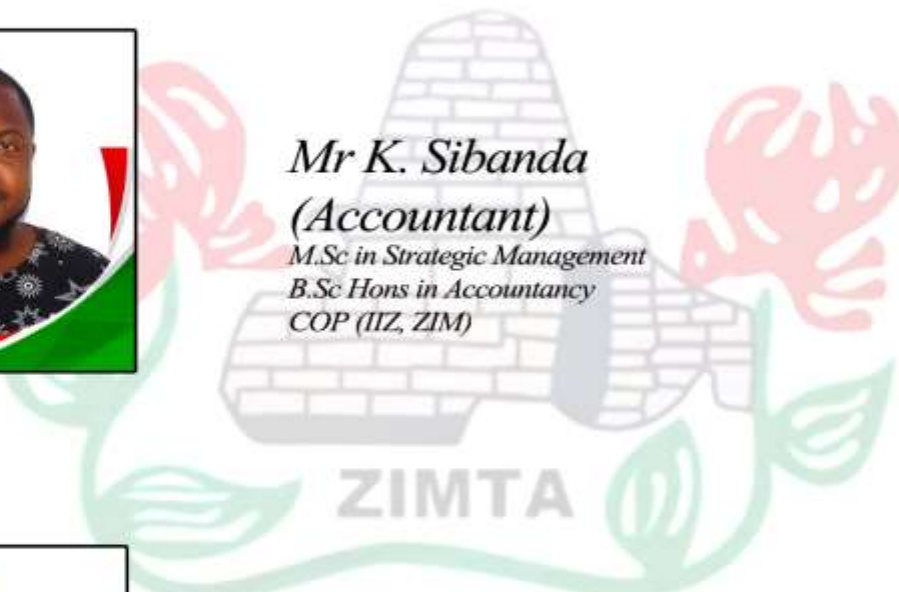
*Mr K. Sibanda  
(Accountant)*

*M.Sc in Strategic Management  
B.Sc Hons in Accountancy  
COP (IIZ, ZIM)*

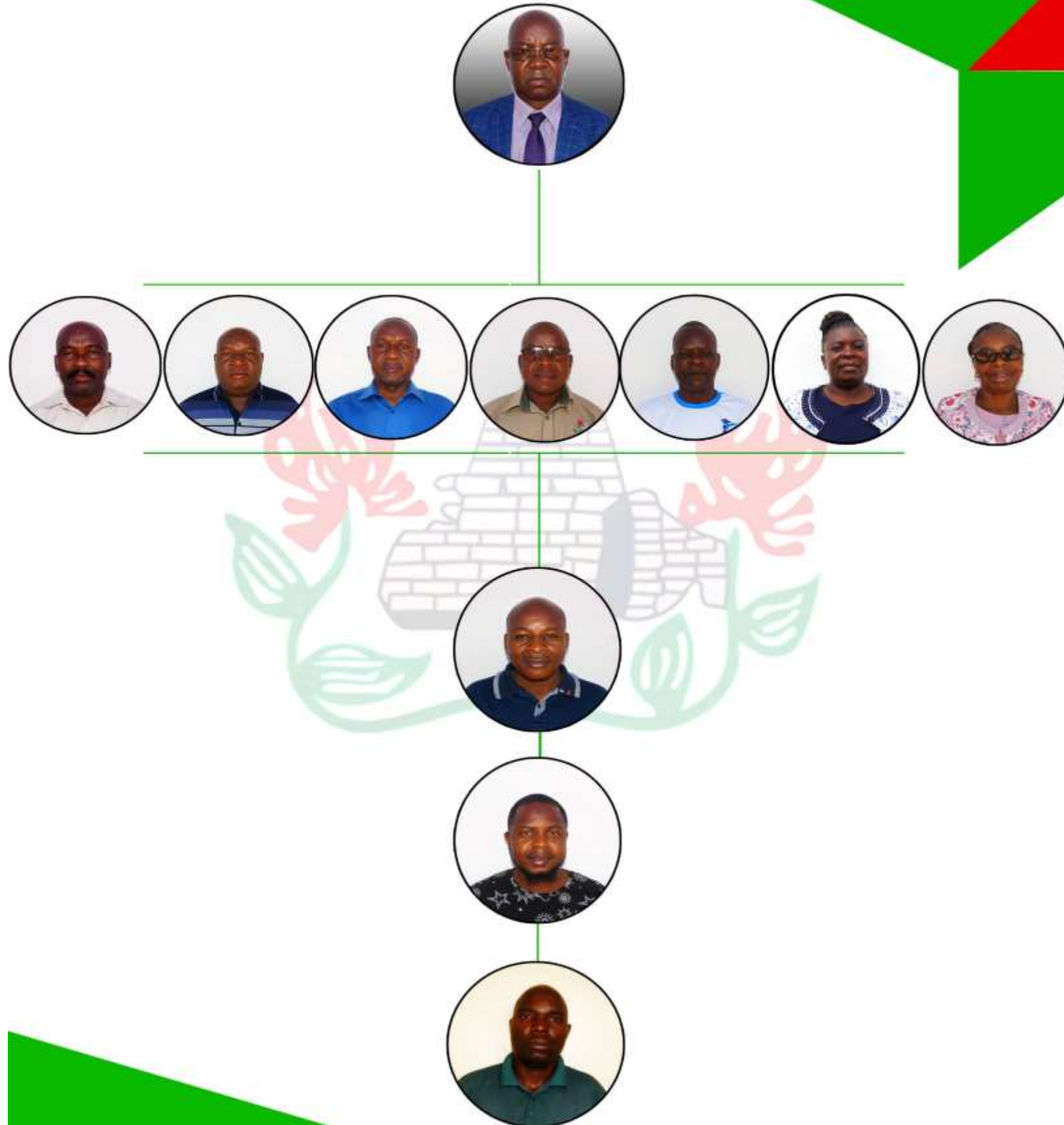


*Michael Musaombere  
Retirement &  
Bereavement Administrator*

*ACCA - CAT  
COP (IIZ)*



# **ORGANOGRAM**



## Strategic Planning Process

The board meets bi-annually to discuss and set strategic initiatives of the fund.

## Board Committees

The board has the following committees that assist in the discharge of responsibilities:

### i. Finance Investments and Procurement Committee (FIPC)

This Committee meets on a monthly basis to ratify monthly budgets.

- \* Considers management recommendations regarding investment opportunities in various asset classes
- \* Reviews the performance of the fund and the actuarial recommendations or member benefits.

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

### ii. Audit, Risk and Compliance Committee meets on a half yearly basis and is responsible for:

- \* The integrity of the funds financial statement and the effectiveness of the systems of governance, risk management and internal control and for monitoring the effectiveness and objectivity of the external auditors.
- \* Monitoring consistency of the fund's accounting policies.
- \* Assisting the board in fulfilling it's corporate governance oversight responsibility with regards to the identification, evaluation and mitigation of operational and strategic risks.

The board is satisfied with the level of experience and competence of it's committee members.

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

The Committee meets on a quarterly basis and considers:

- \* Fund staff remuneration issues, oversee the recruitment of high level positions and conditions of service.
- \* Handles any legal issues for the fund and the review of member benefits.

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

# EXECUTIVE REPORT

## Membership information and Statistics

### Membership Summary

	2021	2022	Totals
Principal Members at beginning	29,334	29,461	
New Entrants	1,270	734	2,004
Retirements	177	340	517
Deaths	120	98	218
Cessations	846	1,861	2,707
<b>Total Membership at Year End</b>	<b>29,461</b>	<b>27,896</b>	

N. B. There has been a net decline in membership of 1,438 members over the two-year period largely attributable to the cessation of members.



# EXECUTIVE REPORT

## BENEFITS DISBURSEMENTS

BENEFICIARY CLASS	COUNT	2021		2022	
		AMOUNT	COUNT	AMOUNT	COUNT
Normal Retirement	140	3,372,000	141	11,383,100	
Early Retirement			98	4,167,900	
Bereavement of Members	108	2,465,800	100	6,510,000	
Bereavement of Spouses	110	2,656,100	82	6,855,000	
Bereavement of Children	6	75,000	23	932,500	
<b>TOTAL</b>	<b>224</b>	<b>5,196,900</b>	<b>444</b>	<b>29,848,500</b>	

The fund has noted an upsurge in members who are opting for early retirement in order to join the diaspora and other private learning institutions which are sprouting. The development entails investing more in semi liquid or near-money instruments to cater for the contingency demand. There has also been an upsurge in child bereavements who otherwise are considered to be less risky in the insurance industry.

### Membership Expectations

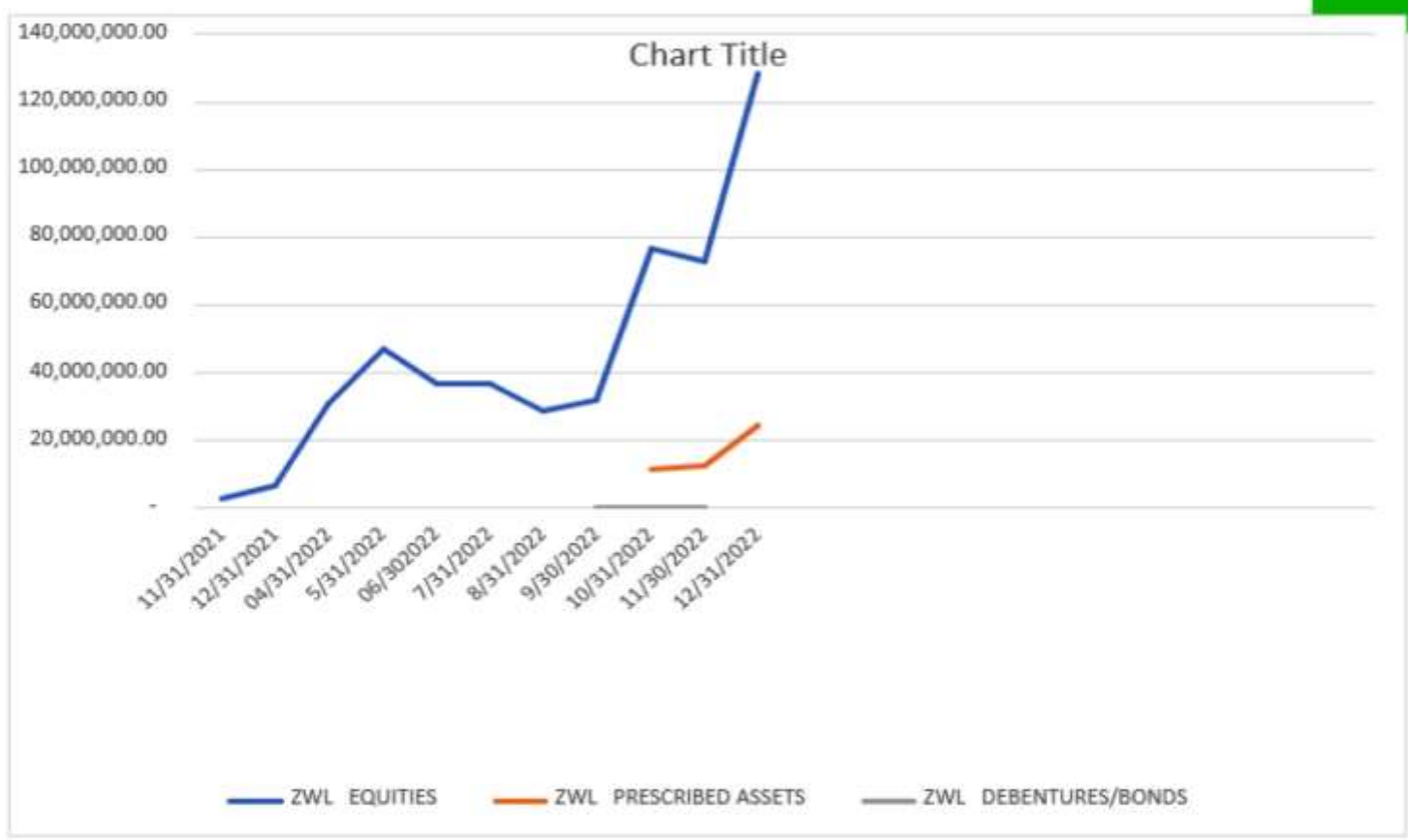
- Dissemination of ZIMTA Provident Fund product information to members
- Update of Member contribution Statements detailing beneficiary information
- Education on claim documents requirements and processing turn-around time

### Risk Factors & Mitigatory Strategies

- Amendment of rules to include policy on defaulting and readmission as per Audit recommendation in order to avoid members joining when approaching retirement or when diagnosed with life threatening diseases
- Amendment of rules to include age limit on voluntary admission.
- To insure all the acquired Property against fire and theft.
- Currency volatility and inflation through Inflation linked investments and reducing turnaround time on investment decisions.
- Minimising membership cessations and exodus by increasing visibility and product knowledge and diversity
- Competition from emerging Teachers Union by offering competitive products which cater for all age groups

# EXECUTIVE REPORT

## The ZWL investments



The counters that have been selected by our investment managers IMARA have exhibited a constant growth trajectory coupled with the excess funds being channelled to the equities market to comply with IPEC investment guidelines. The prescribed assets portfolio has also been exhibiting a positive correlation with the equities although in smaller margins. The fund has acquired shares in the following counters AXIA Corporation LTD, Delta , Ecocash Holdings, ECONET, INNSCOR, SEEDCO, and SIMBISA Brands LTD . The prescribed assets consist of ten Gold Coins that were acquired.



# EXECUTIVE REPORT

## ZIMTA PROVIDENT ASSET ALLOCATION FOR PERIOD 2021 & 2022

	TYPE OF INVESTMENT	31 DECEMBER 2021	31 DECEMBER 2022	IPEC MINIMUM %	IPEC MAXIMUM %
<b>A</b>	EQUITY(QUOTED SHARES	14.8%	43.4%	20%	60%
<b>B</b>	PROPERTY	3.4%	17.1%	20%	40%
<b>C</b>	PRESCRIBED ASSETS (TBS & BONDS)	0%	8.2%	20%	40%
<b>D</b>	Money Markets(Loans, FDs, NCDs)	25.5%	20%	15%	20%
<b>E</b>	CASH (BANK BALANCES	56.3%	9.1%	3%	20%

- A) The Fund's Asset Allocation on equities improved from 14.8% to in year 2021 to 43.4% in year 2022 thus meeting the IPEC threshold range
- B) There has been a significant improvement on the property percentage although falling short of the prescribed minimum of 20%
- C) A lot still needs to be done to increase allocation on prescribed assets as the market is not offering competitive products in that category
- D) The Money Market where above the prescribed limits in 2021 but have since been brought within the range in 2022
- E) As at December 2021 the fund exceeded its maximum liquidity levels by 36.3% as it was building its reserves in order to acquire its first property the following year.

ZIMTA

# EXECUTIVE REPORT

## Financial Performance of the Fund

### Historical Financials

#### Financial Summary

FINANCIAL ASPECT	DECEMBER 2021	DECEMBER 2022
Member Contributions	68,888,783	475,006,573
Benefit Pay-outs	8,568,900	29,848,500
Investment Income	7,587,448	51,606,864
Investment Property	NIL	50,500,000
Equity Investments	6,395,270	128,148,134
Prescribed Asset	NIL	24,326,197
Money Market Investments	35,236,463	85,992,804
Accumulated Fund	38,563,834	285,066,369

N.B :The detailed report of the Audited Financials are

As per the attachments

# AUDITED FINANCIALS

## NATURE OF BUSINESS:

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:

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

## PRINCIPAL OFFICER:

Mr. M. B. Mageza

## ACTUARIES:

ZB Life Assurance Limited  
ZB Life Towers  
77 Jason Moyo Avenue  
HARARE  
Zimbabwe

## REGISTERED OFFICE:

ZIMTA House  
190 Chitepo House Avenue  
HARARE

## PRINCIPAL BANKERS:

ZB Bank  
Corner First Street/George Silundika Avenue  
First Street  
HARARE

## AUDITORS:

Grant Thornton  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors  
Camelsa Business Park  
135 Enterprise Road  
Highlands  
HARARE

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Appendices: Supplementary schedules

These annual financial statements are expressed in Zimbabwe Dollars (ZWL).

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


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

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,

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

  
Dr. S. Ndlovu  
Chief Executive Officer (ZIMTA)

  
Mr. J. Mulilo  
Chairman (ZIMTA Provident Fund)

These financial statements were prepared under the supervision of:

  
Mr. M. B. Mageza  
Principal Officer (ZIMTA Provident Fund)

# AUDITED FINANCIALS 2021

## INDEPENDENT AUDITOR'S REPORT

To the members of Zimbabwe Teachers Association Provident Fund

### Report on the audit of the Financial Statements

#### Opinion

We have audited the financial statements of Zimbabwe Teachers Association Provident Fund set out on pages 7 to 25 which comprise of the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in funds and the statement of cash flows for the 14 months period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zimbabwe Teachers Association Provident Fund as at 31 December 2021, and its financial performance and cashflows for the 14 months period then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our responsibility in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to note 19 to the financial statements, which indicates that the Fund incurred a deficit for the year of ZWL 356 491 793. As at 31 December 2021, the Fund's total current liabilities exceeded current assets by USD 356 491 793. This indicates that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and Pension and Provident Funds Act (Chapter 24:09), and relevant Statutory Instruments (S.I. 323/91 the Pension and Provident Funds Regulation, 1991 and S.I. 91/20 the Pension and Provident Funds (Amendment) Regulation, 2020) and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 taken on the basis of these financial statements.

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

- ❖ Identify 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 Provident 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 management's 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 Provident 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 Provident 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.
- ❖ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Provident Fund to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Provident 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 in internal control that we identify during our audit.
- ❖ 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 relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- ❖ From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe

these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

##### Investments in prescribed assets

As at 31 December 2021, the Provident 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 Provident Fund did not hold any investments in prescribed assets.

##### Investments cash and cash equivalents

As at 31 December 2021, the Provident Fund was not compliant with the Insurance and Pensions Commission (IPEC) Circular 1 of 2013, regarding investments in cash and cash equivalents to a maximum of 50%. The provident fund held cash and cash equivalents amounting to 56.75% of the total assets at cost at year end.

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

Alice Mafanuke *Grant Thornton*  
**Partner** ..... 31 OCTOBER 2022  
 Registered Public Auditor (PAAB No: 0465)  
 Grant Thornton  
 Chartered Accountants (Zimbabwe)  
 Registered Public Auditors  
 HARARE

#### Statement of income and expenditure for the 14 months period ended 31 December 2021

		Inflation Adjusted	Historical Cost
	Notes	2021 ZWL	2021 ZWL
<b>Income</b>			
Membership contributions	5	84 480 238	68 888 783
Gain from fair value adjustment on listed securities	12	395 270	395 270
Other income	6	7 195 183	7 192 178
<b>Total income</b>		<b>92 070 691</b>	<b>76 476 231</b>
<b>Expenditure</b>			
Administration expenses	7	32 357 360	27 425 430
Member benefits payments	8	12 562 209	10 237 300
Member benefits provision	9	395 055 627	395 055 627
Other expenses	10	98 533	79 942
Depreciation of property and equipment	11	169 725	169 725
<b>Total expenditure</b>		<b>440 243 454</b>	<b>432 968 024</b>
Deficit for the year before net monetary loss		(348 172 763)	(356 491 793)
Net monetary loss		(7 862 639)	-
<b>Deficit for the year</b>		<b>(356 035 402)</b>	<b>(356 491 793)</b>

#### Statement of financial position as at 31 December 2021

	Notes	Inflation Adjusted 2021 ZWL	Historical Cost 2021 ZWL
<b>ASSETS</b>			
Non-current assets			
Property and equipment	11	1 928 492	1 472 101
Financial assets at fair value through profit or loss	12	6 395 270	6 395 270
		8 323 762	7 867 371
Current assets			
Related party receivable	14	30 000	30 000
Short term investments	16	10 981 401	10 981 401
Cash and cash equivalents	13	24 255 062	24 255 062
		35 266 463	35 266 463
<b>Total assets</b>		<b>43 590 225</b>	<b>43 133 834</b>
<b>FUNDS, RESERVES AND LIABILITIES</b>			
Funds and reserves			
Accumulated deficit		(356 035 402)	(356 491 793)
Current liabilities			
Member benefits liability	9	395 055 627	395 055 627
Trade and other payables	15	4 570 000	4 570 000
		399 625 627	399 625 627
<b>Total funds, reserves and liabilities</b>		<b>43 590 225</b>	<b>43 133 834</b>

  
 Dr. S. Ndlovu  
 Chief Executive Officer (ZIMTA)

  
 Mr. J. Mulilo  
 Chairman (ZIMTA Provident Fund)

#### Statement of changes in funds

	Inflation Adjusted	Historical Cost	
	2021 ZWL	2021 ZWL	ZWL
Opening balance	-	-	-
Deficit for the 14 months period	(356 035 402)	(356 491 793)	(356 491 793)
<b>Balance at 31 December 2021</b>	<b>(356 035 402)</b>	<b>(356 491 793)</b>	<b>(356 491 793)</b>

## Statement of cash flows

	Inflation Adjusted	Historical Cost
	2021 ZWL	2021 ZWL
Notes		
<b>Cash flows from operating activities</b>		
Deficit for the period	(356 035 402)	(356 491 793)
<b>Adjustments for:</b>		
Loss on monetary items	7 862 639	-
Member benefits provision	395 055 627	395 055 627
Unrealised gains on listed securities	(395 270)	(395 270)
Depreciation	11 169 725	169 725
<b>Operating cash flows before working capital changes</b>	<b>46 657 319</b>	<b>38 338 289</b>
<b>Changes in working capital</b>	<b>17 4 540 000</b>	<b>4 540 000</b>
Net cash flows utilised in operating activities	51 197 319	42 878 289
<b>Cash flows from investing activities</b>		
Financial assets listed securities	12 (6 000 000)	(6 000 000)
Purchase of property and equipment	11 (2 098 217)	(1 641 826)
Short term investments	16 (10 981 401)	(10 981 401)
Net cash flows utilised in investing activities	(19 079 618)	(18 623 227)
<b>Increase in cash and cash equivalents</b>	<b>32 117 701</b>	<b>24 255 062</b>
Effects of inflation	(7 862 639)	-
<b>Cash and cash equivalents at the beginning of the year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year</b>	<b>13 24 255 062</b>	<b>24 255 062</b>

Statement of accounting policies  
for the 14 months period ended 31 December 2021

## 1 General information

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 24:09). All members of Zimbabwe Teachers Association are allowed to voluntarily join the fund. The main activity of the Fund is to cater for members bereavement and retirement claims, to those who subscribe to the fund. The fund also invest members money on their behalf as a way of increasing the value of the fund.

## 1.1 Functional and presentation currency

These financial statements are presented in Zimbabwe Dollars (ZWL), which is the Fund's functional and presentation currency and are rounded to the nearest ZWL.

## 2 Significant accounting policies

## 2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and 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 Commission Circular 26 of 2020 and Circular 20 of 2021. For the period ended 31 December 2021, the Fund's financial statements were prepared under the historical cost convention as well

as in accordance with the Pensions and Provident Fund Act (Chapter 24:09) and statutory instrument 323 of 1991. For the purpose of fair presentation in accordance with International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies", this historical cost information has been restated for changes in purchasing power of the ZWL and appropriate adjustments and reclassifications has been made. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Fund. The historical costs financial statements have been provided by way of supplementary information.

## 2.2 Inflation adjustment

The Public Accountants and Auditors Board of Zimbabwe through circular 01/19 communicated that the factors and characteristics to apply International Accounting Standard ("IAS 29"), Financial Reporting in Hyper-inflationary Economies had been met in Zimbabwe. Entities reporting in Zimbabwe were required to effect IAS 29 from the 1st of July 2019. IAS 29 states that in a hyperinflationary economy, reporting of operational results and financial position in the local currency without restatement is not useful. Money loses purchasing power at such a rate that comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period is misleading. IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date and the corresponding figures for the previous periods be stated in the same terms to the latest balance sheet date.

The restatement has been calculated by means of conversion factors derived from month on month consumer price index (CPI) prepared by the Reserve Bank of Zimbabwe. The conversion factors used to restate the financial statements as at 31 December 2021 are as follows;

Month	Year	CPI Index	Factor
November	2020	2 374	1.68
December	2020	2 475	1.61
January	2021	2 609	1.52
February	2021	2 699	1.47
March	2021	2 760	1.44
April	2021	2 804	1.42
May	2021	2 875	1.38
June	2021	2 986	1.33
July	2021	3 063	1.30
August	2021	3 191	1.25
September	2021	3 342	1.19
October	2021	3 556	1.12
November	2021	3 761	1.06
December	2021	3 977	1

The main procedures applied in the above mentioned restatement of transactions and balances are as follows:

All corresponding figures as of, and for the period ended 31 December 2021 are restated by applying the change in the index for 31 December 2020 and 31 December 2021. Monetary assets and liabilities for the current year are not restated as they are already stated in terms of the measuring unit current at the balance sheet date. Income statement transactions are restated by applying the monthly index during the year. Gains and losses arising from the net monetary asset and liability positions are included in the income statement.

**2.3 New or revised standards or interpretations** At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Fund.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Fund's financial statements.

### 2.3.1 Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.



For a levy that would be within the scope of International Financial Reporting Interpretations Committee (“IFRIC”) 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

**Effective date**

January 1, 2022

**2.3.2 IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture.

**2.3.3 IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (continued)**

Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Trustees of the Fund anticipate that the application of these amendments may have an impact on the Fund’s financial statements in future periods should such transactions arise. The Fund does not at the moment have associates or joint venture arrangements.

**Effective date**

The effective date of the amendments has yet to be set by the IASB.

**2.3.4 Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.

For a levy that would be within the scope of International Financial Reporting Interpretations Committee (“IFRIC”) 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

**Effective date**

January 1, 2022

**2.3.5 Annual Improvements to IFRS 9, Financial Instrument**

The amendment clarifies that in applying the ‘10 percent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

**Effective date**

January 1, 2022

### 2.3.6 Amendments to IAS 16 - Property, Plant and Equipment— Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

#### Effective date

January 1, 2022

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

#### Effective date

January 1, 2022

### 2.3.8 Annual improvements to IFRS 16 Leases

The amendment clarifies that in applying the '10 percent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

### 2.4 Going concern

The Trustees have, at the time of approving the financial statements, a reasonable expectation that the Fund have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### 2.5 Income

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. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Pension Fund and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

#### (a) Contributions

Contributions are recognised on a receipt basis.

**(b) Interest**

Other income comprises of commission received, rental income, interest income and sundry income. This is recognised when they are due and receivable.

**(c) Dividends**

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date.

**2.6 Financial Instruments**

Financial assets and financial liabilities are recognised in the Fund's statement of financial position 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.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt Instruments that meet the following conditions are measured subsequently at amortised cost:

- ❖ the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ❖ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- ❖ the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- ❖ the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

**Financial assets designated as at FVTPL**

On initial recognition, the Fund may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTPL. Designation at FVTPL is permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### 4 Taxation

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 minimum threshold specified in the Value Added Tax Act.

#### 5 Financial review

The Trustees consult an Actuary to perform the 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 financial review of the Fund as at 31 December 2021 is in progress and its objectives are:

- (a) To assess the financial and solvency of the Fund
- (b) To recommend the rate of interest to be credited to members accumulation credits for 12 months to 31 December 2021.
- (c) To recommend an interim bonus rate to be used for the calculation of the benefits after 1 January 2022.
- (d) To recommend any amounts (if any) to be retained as reserves as at 31 December 2021.

#### 2 Statement of compliance

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements are based on statutory records that are maintained under the historical cost convention.

#### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 3.1 Basis of preparation

These financial statements are based on the historical cost convention and restated to take account of the effects of inflation in accordance with international accounting standard 29 "Financial reporting in hyperinflation Economies as described below. I.A.S.29 requires that the financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date, and the corresponding figures for previous period be restated in the same terms.

Figures for previous period be restated in the same terms. The restatement has been calculated by means of conversion factors derived from consumer price index prepared by Reserve bank of Zimbabwe. Indices used are attached to these statements.

##### 3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Board of Trustees.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Board of Trustees

Management anticipates that all of the pronouncements will be adopted in the Funds's accounting policies for the first period beginning after the effective date of the pronouncement.

##### 3.3 Reporting currency

The financial statements are expressed in ZWL. Transactions during the year are converted at the official rate of exchange ruling at the date of the transaction.

##### 3.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Fund's activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts.

Revenue is recognized when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the Fund. Revenue is recognized as follows:

###### 3.4.1 Subscription income

Income from subscription is recognised on a receipt basis.

### 3.4.2 Other income

Other income comprises of commission received, rental income, interest income and sundry income. This is recognised when they are due and receivable.

### 3.5 Property and equipment

All property and equipment is stated at valuation less accumulated depreciation and impairment losses. Revalued amounts are fair values based on appraisals prepared by external professional valuers once every two years or more frequently if market factors indicate a material change in fair value. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost can be measured reliably.

All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

The gain or loss arising on the disposal or retirement of equipment is determined as the difference between the sale proceeds and the carrying amounts of the asset and is recognized in the statement of income and expenditure.

#### 3.5.1 Depreciation

Depreciation is provided for using the straight line method at the following rates per annum, to allocate the historical cost or valuation of property and equipment over their estimated useful life.

<b>Rate</b>	
Land	Nil
Buildings	40 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	5 years
Computer equipment	3 years

The assets residual values and useful lives are reviewed annually, and adjusted if appropriate at each reporting date.

### 3.6 Accounts receivables

Accounts receivables are recognized initially at fair value and subsequently measured at cost adjusted for subsequent payments paid.

### 3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, bank overdrafts, and other short term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 3.8 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

### 3.9 Provisions

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

### 3.10 Taxation

No provision has been made for taxation as the Fund is exempt from income tax.

Notes to the financial statements  
for the 14 months ended 31 December 2021

	Inflation Adjusted	Historical Cost
	2021 ZWL	2021 ZWL
<b>5 Revenue</b>		
Membership contributions	84 480 238	68 888 783
<b>6 Other income</b>		
Interest received: Bank	17 561	14 556
Interest received from money markets: Investment	7 177 622	7 177 622
	<u>7 195 183</u>	<u>7 192 178</u>
<b>7 Administration expenses</b>		
Included in administration expenses are the following:		
Consultancy and audit fees	4 500 000	4 500 000
Tollgate expenses	4 410	11 000
Bank charges	122 786	100 401
Cleaning	18 738	15 770
Computer expenses	666 767	560 099
Travelling and subsistence	1 034 764	936 742
Printing and stationery	122 811	108 562
Equipment repairs	67 850	50 063
Telephone and internet	214 881	157 134
Legal fees	13 802	9 389
Administration fees	1 636 196	1 372 865
Staff welfare	27 483	23 710
Salaries and wages	3 535 919	3 038 776
Accommodation and catering	1 600 472	1 231 185
Training	475 392	447 306
20% Administration fees	16 007 862	13 132 209
Meetings:	1 861 199	1 375 819
Quarterly allowances	406 720	328 000
Communication	39 308	26 400
	<u>32 357 360</u>	<u>27 425 430</u>
<b>8 Member benefits payments</b>		
Retirements	4 922 683	4 047 700
Member bereavement	3 706 545	2 921 500
Spouse bereavement	3 725 476	3 104 100
Child bereavement	207 505	164 000
	<u>12 562 209</u>	<u>10 237 300</u>

## 9 Member benefits liabilities

Provisions comprise amounts set aside from contributions received to provide for future benefit payment claims.

Opening balance	-	-
Provision made during the current year	395 055 627	395 055 627
<b>Balance at 31 December</b>	<b>395 055 627</b>	<b>395 055 627</b>

## 10 Other Expenses

Zimbabwe Association of Pension Funds	13 780	13 000
General expenses	62	62
Subscriptions	13 940	11 000
Staff development and training	70 751	55 880
	<b>98 533</b>	<b>79 942</b>

### Historical Cost

## 11 Property and equipment

	Software Equipment ZWL	Computer equipment ZWL	Furniture fittings ZWL	Office equipment ZWL	Total ZWL
<b>Fourteen months ended 31 December 2021</b>					
Opening carrying amount	-	-	-	-	-
Additions	266 442	619 214	461 092	295 078	1 641 826
Depreciation for the fourteen months	-	(113 473)	(46 109)	(10 143)	(169 725)
<b>Closing carrying amount</b>	<b>266 442</b>	<b>505 741</b>	<b>414 983</b>	<b>284 935</b>	<b>1 472 101</b>
<b>As at 31 December 2021</b>					
Cost	266 442	619 214	461 092	295 078	1 641 826
Accumulated depreciation	-	(113 473)	(46 109)	(10 143)	(169 725)
<b>Carrying amount as at 31 December 2021</b>	<b>266 442</b>	<b>505 741</b>	<b>414 983</b>	<b>284 935</b>	<b>1 472 101</b>

### Inflation Adjusted

	Software Equipment ZWL	Computer equipment ZWL	Furniture fittings ZWL	Office equipment ZWL	Total ZWL
<b>Fourteen months ended 31 December 2021</b>					
Opening carrying amount	-	-	-	-	-
Additions	346 374	810 918	613 252	327 673	2 098 217
Depreciation for the fourteen months	-	(113 473)	(46 109)	(10 143)	(169 725)
<b>Closing carrying amount</b>	<b>346 374</b>	<b>697 445</b>	<b>567 143</b>	<b>317 530</b>	<b>1 928 492</b>
<b>As at 31 December 2021</b>					
Cost	346 374	810 918	613 252	327 673	2 098 217
Accumulated depreciation	-	(113 473)	(46 109)	(10 143)	(169 725)
<b>Carrying amount as at 31 December 2021</b>	<b>346 374</b>	<b>697 445</b>	<b>567 143</b>	<b>317 530</b>	<b>1 928 4</b>

<b>Inflation Adjusted</b>	<b>Historical Cost</b>
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<b>2021 ZWL</b>	<b>2021 ZWL</b>
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## 12 Financial Assets at fair value through profit or loss

### Year ended 31 December 2021

Opening carrying amount	-	-
Additions of shares	6 000 000	6 000 000
Gains from fair value adjustment of shares	395 270	395 270
<b>Closing carrying amount</b>	<b>6 395 270</b>	<b>6 395 270</b>

### 13 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	Inflation Adjusted	Historical Cost
	2021 ZWL	2021 ZWL
Cash on hand	6 766	6 766
Cash at bank	24 248 296	24 248 296
	<b>24 255 062</b>	<b>24 255 062</b>

### 14 Related party receivable

Related party	Nature of transactions	Relationship
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Zimbabwe Micro Finance Advances, short term investments Common control

Transaction with Zimbabwe Micro Finance (ZIMTA Investment Fund)	30 000	30 000
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Zimbabwe Micro Finance (ZIMTA Investment Fund) owed the Provident Fund ZWL 30 000 relating to intercompany balance.

### 15 Trade and other payables

Trade payables	70 000	70 000
Other payables	4 500 000	4 500 000
	<b>4 570 000</b>	<b>4 570 000</b>

Other payables was made up of audit fee provision set as at year end.

### 16 Short term investments

Money market placements	10 981 401	10 981 401
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Short term investments are mostly money market placements made for cash flow management and compliance with IPEC regulations.

### 17 Changes in working capital:

Increase in related party receivables	ZWL (30 000)	ZWL (30 000)
Increase in trade and other payables	4 570 000	4 570 000
<b>Net movement in working capital</b>	<b>4 540 000</b>	<b>4 540 000</b>

### 18 Risk management policies and procedures

The Fund's principal financial liabilities, comprise trade and other payables. The Fund has various financial assets such as accounts receivables and cash arising directly from its operations. Exposure to credit risk arises in the normal course of operations and this is the main risk arising from the fund's financial instruments. The Board of trustees reviews and agrees policies for managing this risk and this is summarised below:

#### 18.1 Credit risk

Financial assets which potentially subject the Fund to credit risk consist mainly of accounts receivables, bank and cash balances. The Fund's receivables are presented net of allowance for credit losses, where this is considered necessary. Credit risk in respect of accounts receivable is limited because of the nature of the receivables.



**18.2 Liquidity risk**

Liquidity risk is addressed through the Board of trustees comprising of the Chairman, Vice Chairman and trustees. At its annual general meeting the Board of trustees deals with strategic and policy issue on liquidity and assesses the position and mismatch levels within which the activities of the next period are conducted. It is the responsibility of the Board of trustees to ensure that the Fund has sufficient levels of liquidity at any given point in time.

**18.3 Interest rate risk**

The Fund's exposure to interest rate fluctuations is limited to the overdraft amount.

**19 Going Concern**

The Fund incurred a deficit for the year of ZWL 356 491 793 resulting in accumulated deficit of ZWL 356 491 793. As at 31 December 2021 the Fund's total current liabilities exceeded current assets by ZWL 356 491 793.

The deficit has been caused by recognition of the present value of provision for member benefits. These conditions may indicate the existence of a material uncertainty about the ability of the Fund to continue operating as a going concern.

Management have put in place aggressive cost management strategy and diversified investment portfolios in order to ensure that the Fund will continue operating as a going concern. It is on the basis of these strategies that the financial statements are prepared on the basis of accounting policies applicable to a going concern.

**20 Actuarial valuation**

The Trustees found it prudent to carry out an actuarial valuation of the Fund to:

- a) Assess the Funds' financial position.
- b) Assess the Funds' financial soundness.
- c) Recommend the maximum retirement benefit supported by the scheme.

The most recent draft actuarial valuation report was carried out as at 31 December 2021. As at the date of report the liabilities totalled ZWL 395 055 627, value of future contributions amounted to ZWL 487 956 707 giving us a total reserve of ZWL (92 901 080). The value of assets at the date of report amounted to ZWL 43 520 225. This resulted in the fund having a surplus of ZWL 136 421 305. These results showed that the fund is currently in a sound financial position with a funding level of 135%.

In preparing the report it was assumed that death benefits will be insured, and no additional liability will be incurred. Having a surplus of ZWL 136 421 305. These results showed that the fund is currently in a sound financial position with a funding level of 135%. In preparing the report it was assumed that death benefits will be insured, and so no additional liability will be incurred. The provisional amounts from the draft actuary report were adopted in preparation of the financial statements.

**21 Events after the reporting period****Russian invasion of Ukraine**

Subsequent to year end, and at the time of finalising the financial statements, the Russian invasion of Ukraine has had significant impact on commodity prices, including increased oil, gas, other commodity (ammonia nitrate, copper, steel and other commodities) and gold prices. The oil price is a driver for a number of operating costs of the Fund.

Management considered the impact of the high inflationary environment in the business planning process used to determine the 2022 operational plan and guidance. However, further significant increases in oil, gas and other operating costs, further increased the operating costs of the Fund and could have an adverse effect on the Fund's business, operating results and financial condition.

**Detailed Analysis of Market Values of Assets Form P.P.F.R.7**

Inflation Adjusted		Historical Cost	
Total Amount ZWL	2021 Percentage of total Value of assets %	Total Amount ZWL	2020 Percentage of total Value of assets %

**Section A**

Assets, at Market Value held in terms of section 18(2) of the Act:


## I. Local registered securities issued by:

Prescribed assets	-	0.0%	-	0.0%
Money market	10 981 401	25.5%	10 981 401	25.5%

**Section B**

Other assets at Market Value

II Ordinary and deferred quoted shares	6 395 270	14.8%	6 395 270	14.8%
III Property and equipment	1 472 101	3.4%	1 472 101	3.4%
IV Cash on hand and at bank	24 255 062	56.3%	24 255 062	56.3%
	<u>43 103 834</u>		<u>43 103 834</u>	


  
 .....  
 PRINCIPAL OFFICER (ZIMTA Provident Fund)

## Membership Statistics for the year ended 31 December 2021

		2021
1	Number of principal members at beginning of year	29 334
	Number of beneficiaries at beginning of the year	-
	Reinstatements	473
	<b>Total</b>	<u>29 807</u>
2	<b>Membership as at end of year</b>	
	(a) New entrants for the year	1 270
	(b) Active members	29 461
	(c) Cessation	2 005
	(d) Members with unclaimed benefits	72
	<b>Total</b>	<u>32 808</u>
4	<b>Exists as at end of year</b>	
	(a) Retirement	177
	(b) Death	120
	(c) Cessation	2 005
	<b>Total</b>	<u>2 302</u>

The membership statistics are based on information received from member local authorities at the time of preparing the financial statements.


  
 .....  
 PRINCIPAL OFFICER (ZIMTA Provident Fund)

# AUDITED FINANCIALS 2022

## NATURE OF BUSINESS:

The objective of the Fund is 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:

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

## PRINCIPAL OFFICER:

Mr. M. B. Mageza

## ACTUARIES:

ZB Life Assurance Limited

ZB Life Towers

77 Jason Moyo Avenue

HARARE

Zimbabwe

## REGISTERED OFFICE:

ZIMTA House

190 Chitepo House Avenue

HARARE

## PRINCIPAL BANKERS:

ZB Bank

Corner First Street/George Silundika Avenue

First Street

HARARE

## AUDITORS:

Grant Thornton

Chartered Accountants (Zimbabwe)

Registered Public Auditors

Camelsa Business Park

135 Enterprise Road

Highlands

HARARE

## Contents

Responsibilities of Trustees for the annual financial statements

Independent Auditor's Report

Statement of net assets available for benefits

Statement of changes in net assets available for benefits

Statement of cash flows

Statement of accounting policies

Notes to the financial statements

Appendices: Supplementary schedules

These annual financial statements are expressed in Zimbabwe Dollars (ZWL).

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

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

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,

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

  
.....  
Dr. S. Ndlovu  
Chief Executive Officer (ZIMTA)

  
.....  
Mr. J. Mulilo  
Chairman (ZIMTA Provident Fund)

These financial statements were prepared under the supervision of:

  
.....  
Mr. M. B. Mageza  
Principal Officer (ZIMTA Provident Fund)



# AUDITED FINANCIALS 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of Zimbabwe Teachers Association Provident Fund

Report on the audit of the Annual Financial Statements

### Qualified Opinion

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 in valuing similar items of investment properties in ZWL.

#### Key Audit Matters

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, whether due to fraud or error.

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.

The Trustees are responsible for overseeing the Provident Fund 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 taken on the basis of these financial statements.

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

- ❖ Identify 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 management's 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 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 in internal control that we identify during our audit.

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 relationships 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.

##### Investments in quoted shares

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.

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

Alice Mafanuke

Partner

*Grant Thornton*

18 JULY 2023

Registered Public Auditor (PAAB No: 0465)

Grant Thornton  
Chartered Accountants (Zimbabwe)  
Registered Public Auditors  
HARARE

# AUDITED FINANCIALS 2022

Statement of net assets available for benefits  
for the year ended 31 December 2022

Notes	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
<b>Membership Activities</b>								
Contributions								
by members:								
	(a)Normal	-	-	-	-	-	-	-
7	(b)Voluntary	475 006 573	-	475 006 573	-	68 888 783	-	68 888 783
by employers								
	Total Contributions	475 006 573	-	475 006 573	-	68 888 783	-	68 888 783
Other membership income								
	Total other membership income	-	-	-	-	-	-	-
<b>Benefits and Payments</b>								
Lump sum awards on death								
14	Lump sum awards on retirement and retrenchment	10 321 700	-	10 321 700	-	6 189 600	-	6 189 600
13		16 717 700	-	16 717 700	-	4 047 700	-	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
<b>NON-MEMBERSHIP ACTIVITIES</b>								
<b>Investment Income</b>								
Financial Assets								
8	Interest income	3 346 321	-	3 346 321	-	7 177 622	-	7 177 622
8	Dividends	1 588 657	-	1 588 657	-	-	-	-
	Unrealised fair value gains	-	-	-	-	-	-	-
21	Realised fair value gains	46 357 063	-	46 357 063	-	395 270	-	395 270
8	Realised profit on sale of equities	153 771	-	153 771	-	-	-	-
8	Interest from bank	161 052	-	161 052	-	14 556	-	14 556
	Total Investment Income	51 606 864	-	51 606 864	-	7 587 448	-	7 587 448
<b>Investment Expenses</b>								
Financial Assets								
9	Asset management fees	1 197 665	-	1 197 665	-	-	-	-
	Total Investment Expenses	1 197 665	-	1 197 665	-	-	-	-
	Net Investment Income	50 409 199	-	50 409 199	-	7 587 448	-	7 587 448
<b>Other Activities</b>								
9	Bank charges	415 000	-	415 000	-	100 401	-	100 401
9	Staff costs	20 595 554	-	20 595 554	-	3 038 776	-	3 038 776
9	Administration fees	11 875 894	-	11 875 894	-	1 372 865	-	1 372 865
	Actuarial fees	-	-	-	-	-	-	-
9	Audit fees	5 000 000	-	5 000 000	-	4 500 000	-	4 500 000
9	Board expenses	246 000	-	246 000	-	328 000	-	328 000
11	IPEC levies	-	-	-	11 000	-	11 000	-
10	Other administration expenses	207 760 209	-	207 760 209	-	18 144 941	-	18 144 941
9	Asset management fees	565 476	-	565 476	-	9 389	-	9 389
	Fines and Penalties	-	-	-	-	-	-	-
6	Amortisation, depreciation and impairment of operating assets	375 712	-	375 712	-	169 725	-	169 725
	Tax	-	-	-	-	-	-	-
	Provisions (specify):	-	-	-	-	-	-	-
15	Member benefit	5 494 505 212	-	5 494 505 212	-	395 055 627	-	395 055 627
12	Unclaimed benefit	5 040 000	-	5 040 000	-	-	-	-
	Total Other expenses	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 Membership Activities	(5 695 969 858)	-	(5 695 969 858)	-	(415 143 276)	-	(415 143 276)
	Net increase/(decrease) in net assets	(5 248 002 685)	-	(5 248 002 685)	-	(356 491 793)	-	(356 491 793)
	Net assets available for benefits at beginning of year	(356 491 793)	-	(356 491 793)	-	-	-	-
	Net Assets available for benefits at end of year	(5 604 494 478)	-	(5 604 494 478)	-	(356 491 793)	-	(356 491 793)

# AUDITED FINANCIALS 2022

## Assets A

<b>Operating Assets</b>									
Furniture and equipment	6	-	322 765	-	322 765	-	414 983	-	414 983
Computer systems and hardware	6	-	565 799	-	565 799	-	772 183	-	772 183
Other (specify):		-	-	-	-	-	-	-	-
Office equipment	6	-	750 665	-	750 665	-	284 935	-	284 935
<b>Total Operating assets</b>		-	<b>1 639 229</b>	-	<b>1 639 229</b>	-	<b>1 472 101</b>	-	<b>1 472 101</b>

## B

<b>Non-Current Investments</b>									
Investment property	22	-	50 500 000	-	50 500 000	-	-	-	-
<b>Equities</b>									
quoted:	21	-	128 148 134	-	128 148 134	-	6 395 270	-	6 395 270
unquoted:		-	-	-	-	-	-	-	-
<b>Prescribed assets</b>									
government bonds		-	-	-	-	-	-	-	-
other prescribed assets		-	24 326 197	-	24 326 197	-	-	-	-
<b>Bonds</b>									
Loans and mortgages on property		-	-	-	-	-	-	-	-
Staff loans and mortgages		-	-	-	-	-	-	-	-
Long term deposits		-	-	-	-	-	-	-	-
<b>Total Non-current investment assets</b>		-	<b>202 974 331</b>	-	<b>202 974 331</b>	-	<b>6 395 270</b>	-	<b>6 395 270</b>

## Assets

<b>Other prescribed assets</b>									
Staff loans and mortgages		-	-	-	-	-	-	-	-
Money market investments	19	-	59 000 000	-	59 000 000	-	10 981 401	-	10 981 401
Cash on hand and at bank	16	-	26 992 804	-	26 992 804	-	24 255 062	-	24 255 062
<b>Total current investment assets</b>		-	<b>85 992 804</b>	-	<b>85 992 804</b>	-	<b>35 236 463</b>	-	<b>35 236 463</b>

## D

<b>Sundry Debtors</b>									
Contribution arrears		-	-	-	-	-	-	-	-
Rental arrears		-	-	-	-	-	-	-	-
Dividend receivable		-	-	-	-	-	-	-	-
Interest receivable		-	-	-	-	-	-	-	-
Other (specify):		-	-	-	-	-	-	-	-
Related party receivable	17	-	4 725 000	-	4 725 000	-	30 000	-	30 000
<b>Total sundry debtors</b>		-	<b>4 725 000</b>	-	<b>4 725 000</b>	-	<b>30 000</b>	-	<b>30 000</b>

## Total assets

		-	<b>295 331 364</b>	-	<b>295 331 364</b>	-	<b>43 133 834</b>	-	<b>43 133 834</b>
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## E

<b>Non-Actuarial Liabilities</b>									
<b>Other non-actuarial liabilities (specify):</b>									
Unclaimed benefits	12	-	5 040 000	-	-	-	-	-	-
Arrears retirement benefit	18	-	25 000	-	-	-	70 000	-	-
Provision for audit fees	18	-	5 000 000	-	-	-	4 500 000	-	-
Member benefit liability	15	-	5 889 560 842	-	-	-	395 055 627	-	-
Related party liability	18	-	200 000	-	-	-	-	-	-
<b>Total non-actuarial liabilities</b>		-	<b>5 899 825 842</b>	-	<b>5 899 825 842</b>	-	<b>399 625 627</b>	-	<b>399 625 627</b>

## Net Assets available for benefits at end of year

		-	<b>(5 604 494 478)</b>	-	<b>(5 604 494 478)</b>	-	<b>(356 491 793)</b>	-	<b>(356 491 793)</b>
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## F

<b>Actuarial Liabilities</b>									
<b>Members' Liabilities</b>									
Reserves		-	-	-	-	-	-	-	-
Accumulated deficit		-	(5 604 494 478)	-	(5 604 494 478)	-	(356 491 793)	-	(356 491 793)
Other reserves(specify):		-	-	-	-	-	-	-	-
<b>Total Actuarial Liabilities</b>		-	<b>(5 604 494 478)</b>	-	<b>(5 604 494 478)</b>	-	<b>(356 491 793)</b>	-	<b>(356 491 793)</b>

## Surplus/ Deficit

		-	-	-	-	-	-	-	-
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# AUDITED FINANCIALS 2022

Statement of cash flow  
for the year ended 31 December 2022

Cashflow 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)
<b>Net cash flows from membership activities</b>		<b>447 967 173</b>	<b>58 651 483</b>
<b>Cashflows Collected from Other operating Activities</b>			
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)	-
Changes in working capital	20	5 500 045 212	4 540 000
<b>Net cashflow from other operating activities</b>		<b>(240 918 133)</b>	<b>(22 965 372)</b>
<b>Cashflow from Investing Activities</b>			
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)
<b>Net cash outflows from investing activities</b>		<b>(204 311 298)</b>	<b>(11 431 049)</b>
<b>Net cash inflow / (outflow) for the year</b>		<b>2 737 742</b>	<b>24 255 062</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>24 255 062</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>26 992 804</b>	<b>24 255 062</b>

Statement of accounting policies  
for the year ended 31 December 2022

## 1. General information

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.

## 2. Significant accounting policies

### 2.1 Basis of preparation

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

### 2.2 Sub accounts

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.

#### Sub account 1

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).

#### Sub account 2

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).

### 2.3 Going concern

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 doubt 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.

# AUDITED FINANCIALS 2022

## 2.4 Income

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.

### 2.4.1 Contributions

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 changes in credit risk since initial recognition of other sundry debtors.

## 2.6 Investments

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.

## 2.7 Financial liabilities

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

Financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

## 2.8 Investment property

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 are included in profit or loss in the period in which they arise.

## 2.9 Provisions

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 benefits 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.

## 2.10 Foreign currencies

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 otherwise indicated.

- 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.
- Prorogated 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 effect 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.

## 2.11 Taxation

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 minimum threshold specified in the Value Added Tax Act.

## 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.

## 3. 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 Wash 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:

### 3.1 Return objectives

- 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.

### 3.2 Risk tolerance

- 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.

### 3.3 Risk analysis

- 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.

### 3.4 Liquidity needs

- Ensuring investment returns are not prejudiced by divestment 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.

### 3.5 Investment Strategy

- 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



# AUDITED FINANCIALS 2022

- 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.
- 3.6 Regulation**
- ❖ 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.
- 3.7 Investment constraints**
- ❖ 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.
- 3.9 Review**
- ❖ 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.
  - ❖ The 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:
1. A change in the structure or operations of the pension scheme;
  2. A change in the rules of the pension fund in as far as it affects the investments of the Fund;
  3. 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.
- 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 compliance issues.
  - (ii) The fund has an Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) framework in place.
  - (iii) Quarterly and annual returns are done to the Insurance and Pensions Commission (IPEC).
  - (iv) 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.
  - (v) 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% (2021:14.3%).
  - (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 determination 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 these liabilities.
- 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.
- (b) Credit risk**
- 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 tenants and has a Debtor Management Policy that is operational through a Debtor Management Committee.
- (c) Market risk**
- 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 Statement is monitored by the Finance and Investment Committee and the Board of Trustees.
- (d) Concentration 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 diversifying into other investment classes such as equities and alternative investments like solar energy.
- (e) Liquidity risk**
- 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 bill.

# AUDITED FINANCIALS 2022

Notes to the financial statements  
for the year ended 31 December 2022 (continued)

6

## Operating Assets

Year ended 31 December 2021

Opening carrying amount

Additions

Depreciation for the year

Closing carrying amount

As at 31 December 2021

Cost

Accumulated depreciation

Carrying amount as at 31 December 2021

Year ended 31 December 2022

Opening carrying amount

Additions

Depreciation for the year

Closing carrying amount

As at 31 December 2022

Cost

Accumulated depreciation

Carrying amount as at 31 December 2022

	Historical Cost					Total ZWL
	Software Equipment ZWL	Computer equipment ZWL	Furniture fittings ZWL	Office equipment ZWL	Land & Buildings ZWL	
Year ended 31 December 2021						
Opening carrying amount	-	-	-	-	-	-
Additions	266 442	619 214	461 092	295 078	-	1 641 826
Depreciation for the year	-	(113 473)	(46 109)	(10 143)	-	(169 725)
Closing carrying amount	266 442	505 741	414 983	284 935	-	1 472 101
As at 31 December 2021						
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						
Opening carrying amount	266 442	505 741	414 983	284 935	-	1 472 101
Additions	-	-	-	542 840	-	542 840
Depreciation for the year	-	(206 384)	(92 218)	(77 110)	-	(375 712)
Closing 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)	-	(545 437)
Carrying amount as at 31 December 2022	266 442	299 357	322 765	750 665	-	1 639 229

	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
<b>7. Contributions</b>								
(a) By members								
(i) voluntary	-	475 006 573	-	475 006 573	-	68 888 783	-	68 888 783
(ii) voluntary	-	-	-	-	-	-	-	-
(iii) special contributions	-	-	-	-	-	-	-	-
(i) Current	-	-	-	-	-	-	-	-
(ii) Voluntary	-	-	-	-	-	-	-	-
(b) By employers								
(i) Normal	-	475 006 573	-	475 006 573	-	68 888 783	-	68 888 783
<b>8. Investment income</b>								
Dividends received	-	1 588 657	-	1 588 657	-	-	-	-
Interest received: Bank	-	161 052	-	161 052	-	14 556	-	14 556
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
<b>9. Other expenses</b>								
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
<b>10. Other administration expenses</b>								
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	-	-	-	-
Electricity 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	-	207 760 209	-	18 144 941	-	18 144 941

# AUDITED FINANCIALS 2022

	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
<b>11. Ipec levies</b>							
Subscriptions	-	-	-	-	-	11 000	-
<b>12. Unclaimed benefits</b>							
Unclaimed benefits	-	5 040 000	-	5 040 000	-	-	-
	-	5 040 000	-	5 040 000	-	-	-
<b>13. Lumpsum awards on retirements</b>							
Retirements	-	16 717 700	-	16 717 700	-	4 047 700	-
	-		-		-		-
<b>14. Lumpsum awards on death</b>							
Member bereavement	-	1 248 200	-	1 248 200	-	2 921 500	-
Spouse bereavement	-	8 153 500	-	8 153 500	-	3 104 100	-
Child bereavement	-	920 000	-	920 000	-	164 000	-
	-	10 321 700	-	10 321 700	-	6 189 600	-
	-		-		-		-
<b>15. Member benefits liabilities</b>							
Provisions comprise amounts set aside from contributions Opening balance	-	395 055 627	-	395 055 627	-	-	-
Provision made during the current year	-	5 494 505 215	-	5 494 505 215	-	395 055 627	395 055 627
Balance at 31 December	-	5 889 560 842	-	5 889 560 842	-	395 055 627	395 055 627
	-		-		-		
<b>16. Cash and cash equivalents</b>							
Cash on hand	-	54 038	-	54 038	-	6 766	6 766
Cash at bank	-	15 656 650	-	15 656 650	-	24 248 296	24 248 296
Imara	-	1 282 116	-	1 282 116	-	-	-
Uncleared deposit:imara	-	10 000 000	-	10 000 000	-	-	-
	-	26 992 804	-	26 992 804	-	24 255 062	24 255 062
	-		-		-		
<b>17. Related party receivable</b>							
Related party							
Zimta micro finance	-	-	-	-	30 000	-	30 000
ZB LIFE	-	4 725 000	4 725 000	-	-	-	-
ZB LIFE owed the Provident Fund ZWL 4 725 000 relating	-	-	-	-	-	-	-
Intercompany balance.	-	4 725 000	4 725 000	-	30 000	-	30 000
	-			-			
<b>18. Trade and other payables</b>							
Trade payables	-	25 000	-	25 000	70 000	-	70 000
Related party liability	-	200 000	200 000	-	-	-	-
Provision for audit fees	-	5 000 000	-	5 000 000	4 500 000	-	4 500 000
Provision for unclaimed benefits	-	5 040 000	-	5 040 000	-	-	-
	-	10 265 000	-	10 265 000	4 570 000	-	4 570 000
	-		-				
<b>19. Current investment assets</b>							
Money market placements	-	59 000 000	59 000 000	-	10 981 401	-	10 981 401
Short term investments are mostly money market placements made for cash flow management and compliance with IPEC regulations.	-	-	-	-	-	-	-
	-	59 000 000	59 000 000	-	10 981 401	-	10 981 430
	-			-			
<b>20. Changes in working capital:</b>							
Related party receivables	-	(4 725 000)	-	(4 725 000)	-	(30 000)	(30 000)
Trade and other payables	-	5 504 770 212	-	5 504 770 212	-	4 570 000	4 570 000
Net movement in working capital	-	5 500 045 212	-	5 500 045 212	-	4 540 000	4 540 000
	-			-			
<b>21. Financial Assets at fair value through profit or loss</b>							
Opening carrying amount	-	6 395 270	-	6 395 270	-	-	-
Additions of shares	-	98 320 594	-	98 320 594	-	6 000 000	6 000 000
Fair value gains	-	47 758 467	-	47 758 467	-	395 270	395 270
Closing carrying amount	-	152 474 331	-	152 474 331	-	6 395 270	6 395 270
	-			-			
<b>22. Investment property</b>							
At beginning of period	-	-	-	-	-	-	-
Additions	-	50 500 000	-	50 500 000	-	-	-
Disposals	-	-	-	-	-	-	-
Fair value adjustments	-	-	-	-	-	-	-
	-	50 500 000	-	50 500 000	-	-	-
	-			-			
<b>Non-Current Investments</b>							
Total Non current investment assets	-	-	-	-	-	-	-
Current Investment Assets	-	-	-	-	-	-	-
Total current investment assets	-	-	-	-	-	-	-
Sundry debtors	-	-	-	-	-	-	-
Total sundry debtors	-	-	-	-	-	-	-
Total Assets	-	-	-	-	-	-	-

# AUDITED FINANCIALS 2022

## Membership Statistics for the year ended 31 December 2022

Total ZWL							
-	11 000						
-							
4 047 700							
-							
2 921 500							
3 104 100							
164 000							
<u>6 189 600</u>							
Total Membership as at end of year				28 651	30 803	-	-
3. Beneficiaries as at end of year							
(a) Pensioners:							
Surviving Spouse							
Children							
Other dependants							
(b) Suspended pensioners:							
Surviving Spouse							
Children							
Other dependants							
Total Beneficiaries as at end of year							
4. Exits as at end of year <sup>1</sup>							
(a) Transfers out <sup>2</sup>				340	177	-	-
(b) Full commutations				98	120	-	-
c) Death				3732	2005	-	-
(d) Other				<u>4170</u>	<u>2302</u>	-	-

### NOTES

1. This figure excludes new entrants for the year<sup>1</sup>
2. This figure excludes suspended pensioners and beneficiaries<sup>3</sup>
3. This figure excludes suspended beneficiaries<sup>4</sup>
4. This figure includes all members of the fund who left employment and in terms of the rules are entitled to receive a benefit from the fund but has not claimed the benefit<sup>5</sup>
5. This figure is made up of transfers in from other funds<sup>6</sup>
6. exits refers to members who have no residual assets on the fund<sup>7</sup>
7. This figure is made up of transfers out to other funds<sup>8</sup>



Head of provident fund  
Mr. J. Mulilo



Principal officer  
Mr. M. B. Mageza

### Prescribed Assets as at 31 December 2022

Account	Asset Manager	Name of Issuer	Date of Issue	Date of Purchase	Maturity Date	Purchase Price	Face Value of Investment
Non - Current Assets							
Sub Account 1	Imara	AFC	12/6/2022	12/6/2022	9/4/2023	10 000 000	10 821 918
Sub Account 2	Imara	MOSI	19/10/2022	19/10/2022		11 431 711	13 504 279
<b>Total</b>						<b>21 431 711</b>	<b>24 326 197</b>

### Sponsoring Employers' contribution arrears as at 31 December 2022

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	
-	-	-	-	-	-	-
-	-	-	-	-	-	-

# ZPF PROPERTIES



## *KUWADZANA, FOUNTAINBLEU*



## *MASVINGO, CLIPSHAM*

ZIMTA



## *ZVISHAVANE, MAGLAS DUPLEX FLATS*

# **AGENDA**

## **ZIMTA PROVIDENT FUND 2021 & 2022 INAUGURAL ANNUAL GENERAL MEETING**

### **PURPOSE:**

To receive and adopt the following reports and resolutions

- 1) Chairperson's Report
- 2) Executive Report
- 3) Audited Financial Reports for the years 2021 & 2022
- 4) ZIMTA Provident Fund Resolutions

### **PROGRAM**

- |                                   |              |                   |
|-----------------------------------|--------------|-------------------|
| 1) OPENING                        | 15:00- 15:10 | Akuneni Maphosa   |
| 1.1 Calling the house to order    |              |                   |
| 1.2 Opening Prayer                |              |                   |
| 1.3 Roll Call                     |              |                   |
| 2) OPENING REMARKS                | 15:10-15:15  | John Mulilo       |
| 3) INTRODUCTIONS                  | 15:15-15:30  | Akuneni Maphosa   |
| 4) CHAIRPERSON'S REPORT           | 15:30 -15:45 | John Mulilo       |
| 5) EXECUTIVE REPORT               | 15:45-16:00  | Mutsigiri Hove    |
| 6) AUDITED FINANCIALS (2021&2022) | 16:00-16:15  | Lewis Banda/PO    |
| 7) ZPF – RESOLUTIONS              | 16:15-16:30  | Goodwill Taderera |
| 8) CLOSING REMARKS                | 16:30-16:45  | John Mulilo       |
| 9) CLOSING PRAYER                 | 16:45-17:00  | Mutsigiri Hove    |

# **RESOLUTION**

## **ZIMTA Provident Fund Annual General Meeting Resolutions**

### **1) Resolution on regularization and Registration of the ZIMTA Provident Fund**

Whereas the retirement and bereavement funds were operating disparately and unlawfully and whereas, ZIMTA acted in a non-compliant manner to the law, whereas the fund had no hedging against uncertainties and the funds performed poorly risking ZIMTA's going concern, cognizant of the foregoing the ZIMTA 's 38<sup>th</sup> Conference of 2019 resolved that all the schemes be harmonized and registered with the respective regulatory Authorities.

Therefore, ZIMTA moves that the ZIMTA Provident Fund Annual General ratifies the registration of Fund with IPEC

### **2.) Resolution on Selection of Auditors**

Committing to meeting audit deadlines by IPEC of 31 March of the preceding financial year, aware of the possibility of delay of tier 1 Auditors used by ZIMTA Main. Now, therefore the board resolves that ZIMTA at this Annual General Meeting allows for the engagement of Tier 2 Auditors to satisfy IPEC deadline and prevent penalties that may arise therefrom.

### **3) Resolution on the harmonisation of ZIMTA Deductions**

Aware that members are complaining of a clutter of ZIMTA deductions, cognizant of the impression created by these multiple deductions, and committed to the harmonization of the fund. The Board resolves that ZIMTA subscriptions be harmonized at source. Aware that several deduction codes give room for nefarious activities.

Cognizant of the challenges stated hereinbefore, the ZIMTA PROVIDENT FUND Annual General Meeting ratifies the harmonization of deductions.

### **4) Resolution to ratify the Audited Financial Statement for 2021 and 2022**

The ZIMTA Provident Fund Annual General Meeting has hereinafter resolved to adopt the ZIMTA PROVIDENT FUND Audited Financial Statement for years ending 31 December 2021 and 2022 respectively.