LOCAL AUTHORITIES PENSION FUND

ANNUAL GENERAL MEETING (AGM) NOTICE

Notice to Members and Beneficiaries

Notice is hereby given that the Annual General Meeting of the members and beneficiaries of the **Local Authorities Pension Fund (LAPF)** will be held on the 30 July 2026 at 1000 hours at Kadoma Hotel and Conference Centre, Kadoma.

Agenda

1. Chairman`s Welcome and Opening Remarks.
2. Adoption of Notice Convening the Meeting.
3. Confirmation of Minutes of the Meeting held on 29 May 2025.
4. To receive, consider and adopt the Board Chairman’s Report for the year ended 31 December 2025.
5. To receive, consider and adopt the Audited Financial Statements for the year ended 31 December 2025.
6. Presentation of highlights of the Fund`s Actuarial Valuation as at 31 December 2025.
7. Fund`s Current Key Updates.
8. To ratify Management Committee (Board Members/ Trustees) Remuneration for the year ended 31 December 2025.
9. Any other business: To transact such other business as may be transacted at a General Meeting.

By Order of the Management Committee (Board)

STRICTLY PRIVATE & CONFIDENTIAL – NOT FOR PUBLICATION

LOCAL AUTHORITIES PENSION FUND (LAPF)

MINUTES OF THE FUND'S GENERAL MEETING HELD ON 29 MAY 2025 AT THE KING SOLOMON HOTEL, KWEKWE

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1. ATTENDEES

1.1 LAPF BOARD

Chidzurira A	-	Board Chairperson
Mugano A R	-	Vice Board Chairperson
Mandiziba E	-	Board Member
Tembo V	-	Board Member
Takavingofa M	-	Board Member
Dr Matupire P M	-	Board Member

1.2 LAPF MEMBERS (Contributors, Pensioners & Beneficiaries Representatives)

Duve J	-	City of Harare
Dube C	-	Bulawayo City Council
Churu L	-	Gweru City Council
Chikwanda W M	-	Karoi Town Council
Moyo D	-	Ingwebu Breweries
Matanda S	-	Pungwe Breweries
Katoto Josephat	-	Kwekwe City Council
Gomba N	-	Redcliff Municipality
Chitsuro B	-	Zibagwe RDC
Gumbo H	-	Zibagwe RDC
Ntini M	-	Municipality of Gwanda
Kunze R	-	HMMAS
Mudzudza N	-	Municipality of Kariba
Rukato A	-	Pensioner
Ruzive F	-	MWUZ
Konde S	-	MWUZ
Dr Gwini T	-	MWUZ
Matongera G	-	MWUZ
Mpofu R	-	Pensioner
Murimba P	-	Harare Pensioners Representative
Munenga B	-	Harare Pensioners Representative
Gombarume T	-	Harare Pensioners Representative

Rukato A	-	Harare Pensioners Representative
Murandu R	-	Municipality of Chinhoyi
Sibanda I	-	Kwekwe City Council
Nyamandi T K	-	Mutare City Council
Muzavazi W	-	CMWUZ
Gondo T	-	CMWUZ
Majecha B	-	CMWUZ
Mwenda T	-	Pensioner
Qonja R	-	Pensioner
Kandororo P W	-	Harare Pensioners Representative
Mudyiwa J	-	Pensioner
Tembo B	-	Municipality of Chegutu
Masore J	-	Pensioner
Katsande R T	-	ZESA Pension Fund
Chirwa A	-	Pensioner
Guvheya K	-	Pensioner
Zindimu C	-	ZURCWU
Mupotaringa P	-	ZURCWU
Makaya A	-	ZURCWU
Tsingano T	-	Mutare Pensioners Representative
Derera C	-	Mutare Pensioners Representative
Charumwanu M	-	Karoi Town Council
Maguchu G	-	Pensioner
Mukandapi I	-	Pensioner
Gwanzura S	-	Pensioner
Mashoko P	-	Pensioner
Bvira J	-	Pensioner
Tavengahama H T	-	Masvingo City Council
Dabvu L	-	Harare Central Works Council
Mutemachimwe B	-	Harare Central Works Council
Gwasira M	-	Harare Central Works Council
Besa P	-	Harare Central Works Council
Nyamundero C	-	Harare Central Works Council
Chaleka G	-	UCWUZ
Kakono D	-	UCWUZ
Kaparamula E	-	UCWUZ
Matsika C	-	ZUCWU
Phiri B K	-	ZUCWU
Nyengera I	-	ZUCWU
Usingarawe D	-	ZUCWU
Chitambo A	-	Bulawayo Pensioners' Association
Ndlovu J	-	Bulawayo Pensioners' Association
Dube L	-	Bulawayo Pensioners' Association
Zvoutete A	-	Municipality of Marondera
Musarurwa T K	-	WAWUZ
Murenje T	-	WAWUZ
Choto T G	-	WAWUZ

Chokuda W	-	ZAMWU
Mabika C	-	ZAMWU
Mureriwa F	-	ZAMWU
Chigede T	-	Pensioner
Chimba M	-	Pensioner
Vova P	-	Pensioner
Hari I	-	Pensioner
Nheredza F H	-	Pensioner
Muchingami E	-	Pensioner
Katoto J	-	Pensioner
Mabhena L	-	Pensioner
Murandu R	-	Pensioner

1.3 **MEMBERS BY PROXY**

As per **Appendix A** attached to the minute book

1.4 **BY INVITATION - IN ATTENDANCE**

Pazvakawambwa O	-	LAPF Management (Principal Officer)
Chaza C	-	LAPF Management
Gazi T	-	LAPF Management
Mukumbiri J	-	LAPF Management
Musuwo S	-	LAPF Management
Vengesai F	-	LAPF Management (Board Secretary)
Machaka S	-	LAPF Management
Dauya T	-	LAPF Management
Kabade M	-	Crowe Chartered Accountants (Fund's External Auditors Representative)
Kuwaza S	-	Quantum Actuaries (Fund's Actuaries Representative)
Mukodzongi F	-	IPEC Representative – Online
Mukuhwa M	-	IPEC Representative - Online

1.5 **KWEKWE CITY COUNCIL LEADERSHIP**

His Worship, The Mayor of Kwekwe, Councillor, Albert Musungwa Zinhanga

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Abbreviations

WAWUZ	-	Water & Allied Workers Union of Zimbabwe
ZUCWU	-	Zimbabwe Urban Councils Workers Union
MWUZ	-	Municipal Workers Union of Zimbabwe
ZAMWU	-	Zimbabwe Allied Municipal Workers Union
ZURCWU	-	Zimbabwe Urban & Rural Councils Workers Union
UCWUZ	-	Urban Councils Workers Union of Zimbabwe
HMMAS	-	Harare Municipal Medical Aid Society
CMWUZ	-	Combined Municipal Workers Union of Zimbabwe

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2. Welcome Remarks by the Board Chairman

The Board Chairperson welcomed all the members and stakeholders' representatives who were present at the meeting, gave special recognition to the Kwekwe City Council leadership. He recognised, in absentia, the Kwekwe City Council Town Clerk. The Board Chairperson then invited the Fund's Principal Officer (Chief Executive Officer (CEO)) to introduce the Fund's Board Members as well as the LAPF Management team.

The Principal Officer then gave a brief background of the composition of the Board as highlighted in the LAPF Act, which was in line with pensions legislation.

Introductions were conducted for Town Clerks/Chief Executive Officers or their representatives of the various member Local Authorities, who were representing contributors (Management), Workers' Unions leaders or their representatives who were representing contributors (employees), Pensioners Association Leaders & their members 'representatives, Fund's External & the Internal Auditors representatives.

3. Apologies

No apologies were recorded.

4. Quorum

The meeting was duly constituted as per the contributors, pensioners & beneficiaries who attended the meeting physically representing members with proxies.

5. Adoption of Notice Convening the Meeting

On a proposal from Mr T G Choto, seconded by Mr L Churu, it was unanimously **RESOLVED**:

That the Notice convening the General Meeting, having been taken as read, be **adopted**.

6. Confirmation of the Minutes of the General Meeting held on 19 February 2024

The minutes of the General Meeting held on 19 February 2024 were confirmed as a correct record of the proceedings subject to the following amendments;

6.1 Page 3, to correct WAWUZ to read, "MWUZ" being the correct Union that was represented by Mr S Konde.

6.2 To substitute "Mlambo T" with "Mr A K Kwangware", being the member representative for Bulawayo Pensioners Association as indicated on page 3.

6.3 To delete the repetition on Takadii G, on page 3.

6.4 On page 3, to replace the wrong abbreviation, "URWUZ" with "UCWUZ", being the Workers' Union for Mr D Kakono.

Proposed by Mr C Zindimu and
Seconded by Mr C Dube

7. Matters Arising

At the invitation of the Board Chairperson, the CEO led the discussion on matters arising from the previous minutes.

7.1 Request for Fund to pay the pensioners and beneficiaries 50% USD and 50% local currency

The CEO advised that this was a function of rental income derived from the Fund's properties. In light of the substantial number of pensioners and beneficiaries (approximately 13,000), the Fund was only able to make USD payments quarterly, as it required time to accumulate sufficient funds based on the current rental inflows.

7.2 Meeting Attendance by the Fund's External Auditor, Actuary and IPEC Representatives

The CEO advised that the Fund had notified the Insurance and Pensions Commission (IPEC) of the General Meeting and they had acknowledged receipt of the communication. IPEC's representatives were attending the meeting virtually. The Fund's Actuary and External Auditors representatives were physically present at the meeting.

7.3 The Fund's initiatives to communicate or engage with stakeholders

It was highlighted that the Fund would continue to place importance on communication with stakeholders using the various communication methods & channels.

In the ensuing discussion, members wanted an update on the progress of the matter from IPEC's representatives. In response the IPEC's representatives indicated that they were not in a position to provide a specific response on the matter. The Regulator was going to communicate on feedback on the matter in due course.

7.4 **Compensation Exercise following Issuance of SI 162/2022**

The Fund awaited further communication from the Regulator on the matter.

8. Board Chairperson's Report for the Year ended 31 December 2024

The Board Chairperson presented the report for the year ended 31 December 2024 as well as the 2025 updates with the following salient features.

8.1 **Membership Base**

Total membership was approximately 33 140 (19 758 active contributors and 13 382 pensioners and beneficiaries) as at 31 December 2024.

8.2 **Fund's Actuarial Valuation as at 31 December 2023**

The Fund's Actuarial Funding Level improved (ratio of assets to liabilities) from 16.9% as at 31 December 2017 to 42% (after distribution of revaluation gains) as at 31 December 2023 which was the latest IPEC approved report..

8.3 **Asset Base (Balance Sheet Size)**

The total assets based on the Fund's Balance Sheets as at 31 December 2023 and 31 December 2024 were ZWL 386, 61 million and ZIG 3,451 billion respectively.

8.4 **Strategic Focus and Governance Issues**

In line with the best practices and governance trends, the Local Authorities Pension Fund formulated its 5-Year Strategic Plan in 2019 covering period 2020 to 2024, which was attended by key stakeholders. Yearly strategic reviews were being conducted to keep track of progress and strategic direction.

8.5 **Key Achievements (2020 -2024)**

8.5.1 Significant monthly rental income growth

8.5.2 Improvement in Funding Level

8.5.3 Improved Fund's visibility through increased stakeholder engagement

8.5.4 Awarding of regular pension increases (NB: Last pension increase had been awarded in 2010 – 10%)

8.5.5 Improved liquidity thereby allowing the Fund to pay current pension benefits obligations

8.5.6 Restoration of some properties through repairs & maintenance programs

8.5.7 Improved Internal Controls & Procedures (ICPs)

8.5.8 Improved Corporate Governance

8.6 **Board Committees & Composition**

During the period under review, the Board managed to meet and function through its Sub-Committees namely; Finance & Investment, Human Resources & General Purpose and Audit & Risk Committee.

The Fund had 6 members and the filling of vacancies under Bulawayo (2) and Harare (1 – Employer representative) was receiving attention.

On a proposal by Mr T K Musarurwa seconded by Mr I Nyengera it was **RESOLVED**

that the Board Chairman's report for the year ended 31 December 2024 be and is hereby **ADOPTED.**

9. Adoption of the Audited Financial Statements for the Years Ended 31 December 2023 and 31 December 2024

The Fund's Abridged Financial Statements for the years 2023 and 2024 had been circulated to all members prior to the conducting of the General Meeting.

The CEO invited the Fund's External Auditors representative from Crowe Chartered Accountants, Ms M Kabade who indicated that the Auditors had issued a clean opinion of the Fund's financial statements for periods ending 31 December 2023 and 31 December 2024. During her presentation she also highlighted the key audit matters relating to change in functional currency for the years 2023 and 2024 as well as the valuation of investments.

At the invitation of the Board Chairman, the Fund's CEO & Principal Officer, (Mr O Pazvakawambwa), presented the Audited Financial Statements for the year ended 31 December 2024. The key highlights were as follows;

9.1 Contributions income increased by 1 126% between the period 31 December 2023 and 31 December 2024.

9.2 Income from investments (properties and equities) increased to ZWG109 billion.

9.3 Pension benefits expenses increased by 1 412% between the years 2023 and 2024. For 2024 cumulative pension increases of 1 682% had been awarded.

9.4 The Fund managed to pay a once-off 50% bonus to pensioners and beneficiaries in December 2024. In December 2023, 100% once-off bonus was awarded.

9.5 Fund's total assets increased by 793% for the 12 months period ended 31 December 2024.

9.6 The Fund recorded a deficit of ZWG4,422 billion as at 31 December 2023.

On a proposal by Mr T Murenje seconded by Mrs F Ruzive, it was

RESOLVED that the Audited Financial Statements for the year ended 31 December 2023

be and are hereby **ADOPTED**.

On a proposal by Mr J Mukandapi seconded by Mr G Matongera, it was **RESOLVED** that the Audited Financial Statements for the year ended 31 December 2024

be and are hereby **ADOPTED.**

10. Fund's Key Updates by the Principal Officer (CEO)

The CEO presented the key updates as highlighted below.

10.1 Key Achievements – Investments

10.1.1 Balance sheet growth:-

-December 2024 (ZWG3,451 billion)-March 2025 (3,72billion)- 7.79%

10.1.2 Internalisation of the Fund's property management (the Board decided to set up an internal property management unit which took all properties from managing agents)

10.1.3 Occupancy improvement from 65% (2019) to 96% (2024)

10.1.4 Rental collection improved from 56% (2019) to an average of 92% (2024)

10.1.5 Yield improved from an average of 1.81% (2019) to 5.5% (2024)

10.1.6 Rental collection in USD-this is helping to pay pensioners in USD every quarter

10.1.7 Acquired land for Boutique hotel and Commercial Center in Victoria Falls and Industrial stand in Harare – acquisition was in progress

10.1.8 Mutare Commercial Stand

10.2 Key Achievements – Pension Improvement Initiatives

Some of the initiatives effected to date included;

- 10.2.1 Cumulative pension increases awarded from 1 January 2020 to 1 January 2025 (approximately 2.5 million%).
- 10.2.2 Awarded once off cushioning bonus in Z I G equivalent to 50% one's monthly pension in December 2024.
- 10.2.3 Continued paying USD monthly pensions on a quarterly basis.
- 10.2.4 Achieved the set minimum monthly pension target of US$50 by 31 December 2024.
- 10.2.5 Change of Average Pensionable Emolument (salary) from last 12 months to last 3 months' salaries. The change was intended to increase pension payouts, as benefits would be calculated based on a higher average of pensionable emoluments.
- 10.2.6 Highest monthly pension –equivalent to USD2,950
- 10.2.7 Lowest monthly pension –equivalent to USD58

10.3 Fund's Strategic Plan

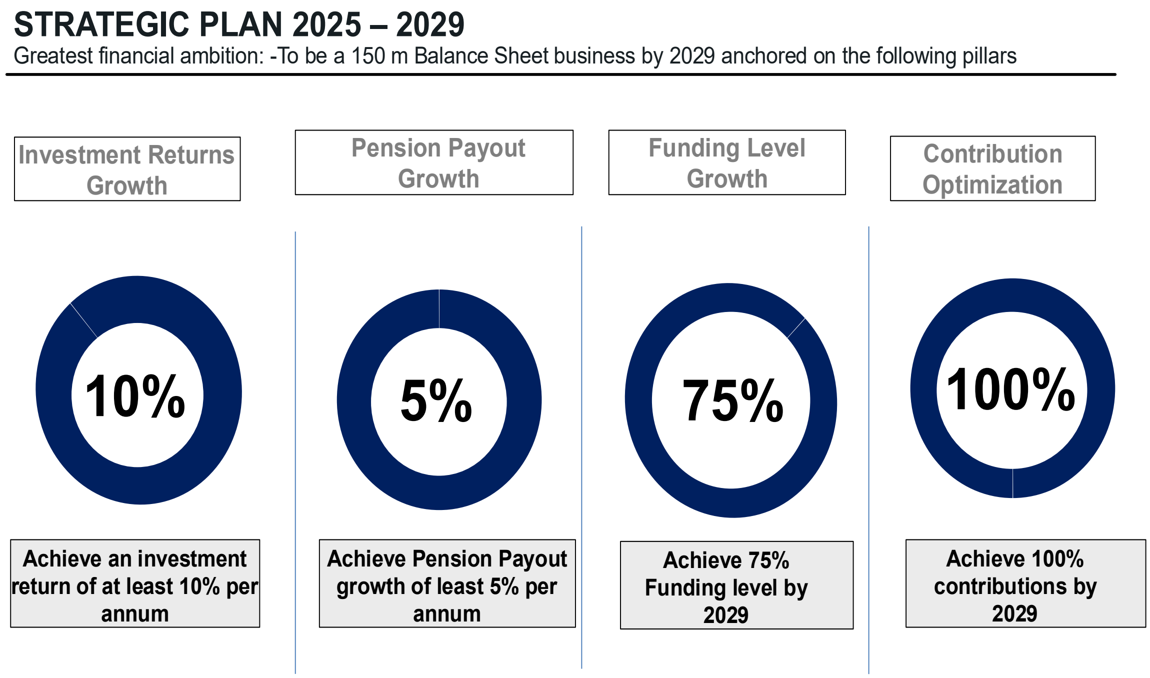
10.3.1 The Fund formulated a corporate strategic plan in 2019, covering a five-year period from 2020 – 2024.

10.3.2 The corporate strategic plan had seven pillars which included the following:

- Contributions
- Benefits
- Investment Properties
- Customer Service Delivery
- Corporate Governance
- Human Capital
- Technology

10.3.3 Guided by the discipline of focus principle, out of the initial seven strategic pillars the Fund resolved to focus on three strategic pillars for the forecast two-year period. At its strategy plan review in 2024, the Fund undertook a revision of its strategic pillars as indicated below.

LAPF STRATEGIC PILLARS



10.4 Major Challenges

10.4.1 Contributions remittances by member Local Authorities (as at 31 October 2024 the debtors book amounted to ZIG108million).

10.4.2 Actuary funding level 43.6% as at 31 December 2024.

10.4.3 High number of suspended pensioners 5 353 (40% of total number of pensioners and beneficiaries) as at 31 December 2024.

10.4.4 Currency reforms and inflation.

10.4.5 Pension Benefits being affected by non- pensionable allowances.

10.5 Upcoming Strategic Initiatives

10.5.1 Resuscitation of the Contributors Mortgage Loan Scheme.

10.5.2 Assessing the feasibility of introducing ancillary benefits.

10.5.3 Stakeholder reengagement on the proposed Hybrid scheme.

10.5.4 Increased marketing communication budget (2025) to enhance stakeholder communication

10.5.5 Work in Progress projects - Kwekwe stand (Shopping Mall), Fairways Shopping Mall).

11. Fund's Actuary Presentation

The Fund's Actuary representative (Mr S Kuwaza) presented the highlights of the Fund's Actuarial Valuation as at 31 December 2023 with the following key areas as covered in the report.

11.1 Progression of Fund's Funding Level since 2016

11.2 Membership Data used in the valuation process (32,809)

11.3 Fund's Assets and Financial position

11.4 Recommended future Service Contribution Rates (Employees - 6%) (Employer – 17.3%)

12. Management Committee (Board Members/Trustees) Remuneration for the year ended 31 December 2023 and 31 December 2024

On a proposal by Mr A Chitambo and seconded by Mr T Musarurwa, it was **RESOLVED,**

That the Management Committee (Board Members) remuneration for the year ended 31 December 2023 amounting to ZWL 232,424.00 be and is hereby **approved**.

Board Fees for 2024

On a proposal by Mr N Gomba and seconded by Mr T Gwinhi, it was **RESOLVED,**

That the Management Committee (Board Members) remuneration for the years ended 31 December 2024 amounting to ZWG 3,374,381.00 be and is hereby **approved.**

13. Key Issues Discussed

Below are some of the key issues raised and responses by Management & Board.

13.1 LAPF had highlighted its intention to live by the expectations of its stakeholders, however the main stakeholders' (pensioners and beneficiaries) expectation was that they could be paid in US$ which the Fund seemed not to be undertaking

Response

It was highlighted that the funding of pensions was mainly from the incoming pension contributions, which were currently being remitted fully in local currency (ZWG). The member Local Authorities were not remitting US$ contributions. It was again highlighted that the quarterly US$ pension payouts were therefore being financed by rental income. However, due to the large number of pensioners and beneficiaries, the Fund was able to pay US$ pensions quarterly as it would need time to accumulate the US$ funds.

On the issue that some member Local Authorities were receiving allowances in US$ whilst the contributions remittances were in local currency, Management responded that the allowances were largely not part of pensionable income and only served as a cushion for the employees.

13.2 Why would the Fund always have to first engage its Actuaries before effecting a pension increase or any changes?

Response

Management responded that the Fund was a Defined Benefit scheme and hence before they could propose to make any changes, the Fund would have to consult the Actuary for advice, basing on performance of the Fund's assets and investment performance, thereafter the Regulator after the Board's consideration.

13.3 The Fund had only availed to the members the Actuarial Valuation report for 2023, members wanted to be appraised on the report for 2024

Response

In terms of Pensions and Provident Funds Act (Cap 24:32), actuarial valuations were to be conducted annually. The valuation was to be carried out within the 3 months of the preceding year. Members were advised that the 2024 actuarial valuation had been conducted and had been submitted to the Regulator (IPEC). The Fund awaited feedback from the Regulator first before distribution to members, pensioners & beneficiaries.

13.4 The Fund's initiatives to communicate or engage with stakeholders

Response

The Fund had been engaging its stakeholders, who included the member Local Authorities, pensioners & beneficiaries and Workers' Unions Leadership through meetings and several interfaces. The General Meeting was the second to be held and the Fund would continue with the various engagements in future.

13.5 Pensioners incorporation to the LAPF Board and Board Composition

Response

This was not explicitly provided in the Pensions and Provident Funds legislation. However, Management and Board could engage IPEC on the matter. The composition of the Board was given and it was highlighted that the Employer representative for Harare City Council was yet to be appointed as it was work in progress. Two (2) vacant positions were for Bulawayo City Council, for both the Employer and Employee representatives respectively.

13.6 Relatively High Number of Suspended Pensioners

It was noted that the number of suspended pensioners was very high. Management informed that the Fund had engaged the Registrar of Births and Deaths, which had resulted in a 30% decline on the suspended pensioners book.

14. Closing Remarks

The Vice Board Chairperson thanked all the present members and invited delegates for their participation which had made the General Meeting a success. He urged member Local Authorities to improve the pensionable income of its workers so that they would in turn get reasonable pensions.

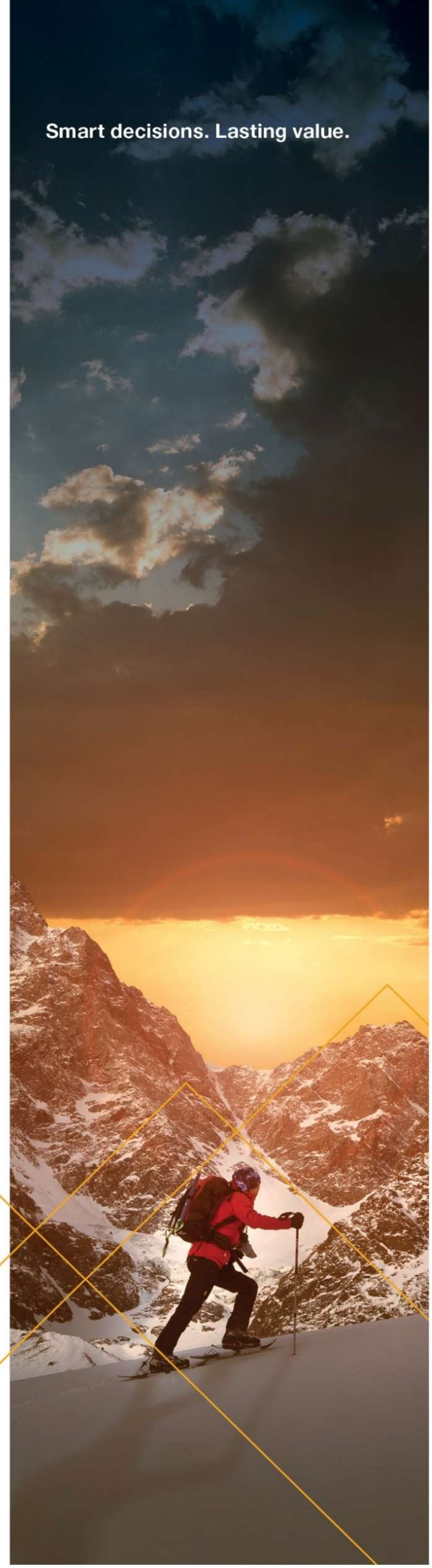
15. Closure

There being no other business to discuss, the meeting ended at 1255 hours

SIGNED AS A CORRECT RECORD OF PROCEEDINGS.

BOARD CHAIRPERSON …………………………………………………….. Date ……………………
Chidzurira Athanas

Crowe



LAPF LOCAL AUTHORITIES PENSION FUND

LOCAL AUTHORITIES PENSION FUND

FINANCIAL STATEMENTS
31 DECEMBER 2025

Audit / Tax / Advisory

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31 December 2025

CONTENTS **PAGE**

GENERAL INFORMATION
31 December 2025

NATURE OF BUSINESS:	Local Authorities Pension Fund (LAPF) ("the Pension Fund") is a self-administered defined benefit scheme and registered in terms of the Pension and Provident Funds Act (Chapter 24.32) operating in Zimbabwe. The Pension Fund's core business is to provide pension administration services to employees and beneficiaries of member Local Authorities.

PRINCIPAL OFFICER: Mr. O. Pazvakawambwa

REGISTERED OFFICE:
10th Floor, Throgmorton House
Samora Machel Avenue
Harare

MAIN BANKERS:
Stanbic Bank Limited Zimbabwe
5 Sheffield Terrace
Second Street Extension
Belgravia
Harare

AUDITORS:
Crowe Chartered Accountants (Zimbabwe)
7 Avon Rise
Avondale
Harare

LAWYERS:
MawereSibanda Commercial Lawyers Trust
10th Floor, Chiedza House
Corner First Street & Kwame Nkrumah Avenue
Harare

LOCAL AUTHORITIES PENSION FUND

TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
31 December 2025

The Trustees of Local Authorities Pension Fund ("the Pension Fund" / " LAPF") are responsible for the maintenance of adequate accounting records and the preparation of the financial statements comprising:

- Statement of changes net assets available for benefits, and statement of changes in funds for the year ended 31 December 2025;
- Statement of net assets available for benefits as at 31 December 2025;
- Membership statistics as at 31 December 2025;
- A summary of significant accounting policies applied by the Pension Fund during the financial year ended 31 December and
- Notes (including all schedules) to the financial statements.

These have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the Pension and Provident Funds Act (Chapter 24:32). The Pension Fund's independent external auditors, Crowe Chartered Accountants ("Crowe") have audited the financial statements, and their report appears on pages **4** to **7**.

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Pension Fund and of the Pension Fund's net assets in accordance with the Pension and Provident Funds Act (Chapter 24:32).

The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to safeguard, verify and maintain accountability of assets, and prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Trustees to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review except those reported by the auditor.

The financial statements are presented on a going concern basis. There is no information that has come to the attention of the Trustees to indicate that the Pension Fund will not remain a going concern for the foreseeable future.

These financial statements were prepared under the supervision of:

NOLANDS - HARARE
CHARTERED ACCOUNTANTS
NO. 7 GLENARA AVE EASTLEA, HARARE
PHONE: +263 242 481037 - 9

....
Nesbert Fiyanda (PAAB Certificate Number: 0651)

Approval of the annual financial statements

The financial statements set out on pages **8** to **31** were approved by the Trustees on

30/03/2026 and were signed on their behalf by:

....
Principal Officer

....
Chairperson

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF LOCAL AUTHORITIES PENSION FUND

Opinion

We have audited the financial statements of Local Authorities Pension Fund ("the Fund / "Pension Fund"), set out on pages **8** to **31** and comprising:

- Statement of changes net assets available for benefits, and statement of changes in funds for the year ended 31 December 2025;
- Statement of net assets available for benefits as at 31 December 2025;
- Membership statistics as at 31 December 2025;
- A summary of significant accounting policies applied by the Pension Fund during the financial year ended 31 December and
- Notes (including all schedules) to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the Pension Fund as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with the basis of preparation applicable to pension funds in Zimbabwe and in a manner required by the Pension and Provident Funds Act (Chapter 24:32).

Compliance with International Standards on Auditing

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 Pension Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Zimbabwe, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

Key audit matters

We summarise below the matters that had the greatest effect on our audit, our key audit procedures, and our findings from those procedures in order that the Pension Fund's key stakeholders may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertaken in the context of and solely for the purpose of our audit opinion on the Pension Fund's financial statements.

Key Audit Matter	**How the matter was addressed during the audit**
Valuation of investment property	
The Pension Fund had investments valued using Fair value model. The Pension Fund revalued their investments using an independent expert. Valuations by their nature involve use of judgement and estimates which involve significant unobservable inputs such as risk yields. The complexity and subjectivity of these estimates may result in material misstatement. The current economic environment is extremely	We assessed the competence, capabilities, experience and objectivity of the independent property valuer and assessed their qualifications. We made enquiries to obtain an understanding of the valuation techniques and judgements adopted. We assessed the work performed by the independent expert in valuing non-monetary assets by performing the following.

volatile given the valuation in the Zimbabwean market.	• We reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements. • We performed physical verification of a sample of investments to determine whether the conclusion reached by the independent expert was consistent with the actual physical condition and; Based on the audit evidence obtained, we concluded that valuation of investments were disclosed in accordance with IAS 26 - Accounting and Reporting by Retirement Benefit Plans.
Significant aged contributions and rental receivables	
The Pension Fund has significant aged contributions and rental arrears amounting to **ZWG 250 150 530** (**2024: ZWG 38 565 724)** for all balances above 90 days. The existence of these arrears raises significant concerns about the recoverability of these amounts and the potential overstatement of assets. The determination of whether these arrears are recoverable requires significant judgement and estimation increasing risk of material misstatement in the financial statements.	Our principal audit procedures in this area involved: • We obtained management’s explanation for the aged contributions receivables and requested supporting documentation including contribution schedules, bank statements and correspondence with the Pension Fund; and • We evaluated the assumptions used by management in their assessment of recoverability of the contributions. We were satisfied with the evidence obtained regarding the valuation, completeness, accuracy, and rights of contributions receivables.

Trustees’ responsibility for the financial statements

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

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

In preparing the financial statements, the Trustees are responsible for assessing the Pension Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Pension Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 controls.

- Obtain an understanding of internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.

- Conclude on the appropriateness of the Trustees' 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 auditors' 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.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence and 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 the Trustees, 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 legal and regulatory requirements

Investment in prescribed assets

As at 31 December 2025, 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 4.02% of the total assets at market value as at year end.

The Engagement Partner on the audit resulting in this independent auditor's report is Jabulani Mavimba.

CROWE CHARTERED ACCOUNTANTS

Jabulani Mavimba
Engagement Partner
Registered Public Auditor
PAAB Practice Certificate Number: 0450

30 March 2026

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2025

	2025				**2024**			
	Inflation adjusted				**Inflation adjusted**			
	Sub Account 1 ZWG	**Sub Account 2 ZWG**	**Sub Account 3 ZWG**	**Total ZWG**	**Sub Account 1 ZWG**	**Sub Account 2 ZWG**	**Sub Account 3 ZWG**	**Total ZWG**
MEMBERSHIP ACTIVITIES								
Contributions								
by members:								
(a) Normal	159 079 400	-	-	159 079 400	78 479 682	-	-	78 479 682
(b) Voluntary	50 000	-	-	50 000	29 425	-	-	29 425
by employers:					-			
(a) Normal	457 965 048	-	-	457 965 048	226 054 373	-	-	226 054 373
Interest on contribution arears	66 019 297	-	-	66 019 297	8 647 646	-	-	8 647 646
Total contributions (A)	**683 113 746**	**-**	**-**	**683 113 746**	**313 211 126**	**-**	**-**	**313 211 126**
Benefits and payments								
a) Pensions								
i) to members	270 256 860	-	-	270 256 860	134 413 389	-	-	134 413 389
c) Lump sum awards on death	6 435 563	-	-	6 435 563	350 851	-	-	350 851
d)Lump sum awards on withdrawal/resignation	10 010 006	-	-	10 010 006	1 880 930	-	-	1 880 930
e) Lump sum awards on retirement and retrenchment	68 577 566	-	-	68 577 566	17 115 733	-	-	17 115 733
	-		-	-		-		-
Total benefits and payments (C)	**355 279 995**	**-**	**-**	**355 279 995**	**153 760 903**	**-**	**-**	**153 760 903**
Net membership activities income / (loss) (A+B-C) =D	**327 833 751**	**-**	**-**	**327 833 751**	**159 450 223**	**-**	**-**	**159 450 223**
NON-MEMBERSHIP ACTIVITIES								
Investment income								
Financial assets								
Interest income	5 279 406	-	-	5 279 406	3 371 535	-	-	3 371 535
Dividends	30 660 160	-	-	30 660 160	25 556 527	-	-	25 556 527
Unrealised fair value gains on financial assets	315 530 237	-	-	315 530 237	676 123 834	-	-	676 123 834
Realised fair value gains on financial assets	66 543 760	-	-	66 543 760	10 100 471	-	-	10 100 471
					-			
Non financial assets					-			
Rental income	155 761 990	-	-	155 761 990	98 987 631	-	-	98 987 631
Revaluation loss on property	(31 486 895)		-	(31 486 895)	2 631 543 482	-	-	2 631 543 482
Profit (Loss) on disposal of non financial assets	88 787	-	-	88 787	(1 163)	-	-	(1 163)
Sundry income	201 177	-	-	201 177	9 335	-	-	9 335
Exchange gain on foreign currency translations	1 640 419	-	-	1 640 419	1 815 109	-	-	1 815 109
Total investment income (E)	**544 219 041**	**-**	**-**	**544 219 041**	**3 447 506 762**	**-**	**-**	**3 447 506 762**

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2025 (Continued)

	2025 Inflation adjusted Sub Account 1 ZWG	2025 Sub Account 2 ZWG	2025 Sub Account 3 ZWG	2025 Total ZWG	2024 Inflation adjusted Sub Account 1 ZWG	2024 Sub Account 2 ZWG	2024 Sub Account 3 ZWG	2024 Total ZWG
Investment expenses								
Non financial assets								
Property maintenance costs **(F)**	3 497 244	-	-	3 497 244	2 406 679	-	-	2 406 679
Net investment income (E-F) = (G)	**540 721 797**	-	-	**540 721 797**	**3 445 100 083**	-	-	**3 445 100 083**
OTHER ACTIVITIES								
Other Income								
Revaluation losses on operating assets	(7 896 294)	-	-	(7 896 294)	12 400 454	-	-	12 400 454
Net Monetary Gain or (Loss)	(523 182 758)			(523 182 758)	11 222 502			11 222 502
Total other income (H)	**(531 079 052)**	-	-	**(531 079 052)**	**23 622 957**	-	-	**23 622 957**
Other expenses								
Bank charges	7 615 454	-	-	7 615 454	3 273 898	-	-	3 273 898
Staff costs	51 735 490	-	-	51 735 490	34 387 978	-	-	34 387 978
Administration fees	14 568 682	-	-	14 568 682	9 975 013	-	-	9 975 013
Actuarial fees	228 885	-	-	228 885	1 403 958	-	-	1 403 958
Audit fees	284 851	-	-	284 851	576 540	-	-	576 540
Board expenses	5 679 123	-	-	5 679 123	3 951 620	-	-	3 951 620
Insurance and Pensions Commison (IPEC) levies	2 800 398	-	-	2 800 398	1 432 436	-	-	1 432 436
Subscription fees	348 353	-	-	348 353	170 364	-	-	170 364
Legal fees	358 892	-	-	358 892	226 978	-	-	226 978
Amortisation, depreciation and impairement	790 260	-	-	790 260	400 154	-	-	400 154
Other fees Payable - Consultancy Fees	1 024 116	-	-	1 024 116	1 144 714	-	-	1 144 714
Other Late Payment Interest on Benefits	21 280 807	-	-	21 280 807	3 860 182	-	-	3 860 182
Total other expenses (I)	**106 715 312**	-	-	**106 715 312**	**60 803 836**	-	-	**60 803 836**
Net other loss (H - I) = (J)	**(637 794 363)**	-	-	**(637 794 363)**	**(37 180 879)**	-	-	**(37 180 879)**
Change in net assets excluding membership activities (G + J) = (K)	**(97 072 567)**	-	-	**(97 072 567)**	**3 407 919 204**	-	-	**3 407 919 204**
Net increase/decrease in net assets during the year (D + K) = L	**230 761 184**	-	-	**230 761 184**	**3 567 369 427**	-	-	**3 567 369 427**
Net assets available for benefits at beginning of year (M)	**3 932 932 246**	-	-	**3 932 932 246**	**384 755 141**	-	-	**384 755 141**
Adjustment of Actuarial liability	-	-	-	-	**(19 192 322)**			**(19 192 322)**
Net assets available for benefits at end of period (L + M)	**4 163 693 430**	-	-	**4 163 693 430**	**3 932 932 246**	-	-	**3 932 932 246**

Preparer's Name: Nesbert Fiyanda (PAAB Certificate # : 0651)

Principal Officer: Ostern Pazvakawambwa Signature .... Date 30/03/2026

Chairman of Trustees: Athanas Chidzurira Signature .... Date 30/03/26

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2025

		2025				2024			
		Inflation adjusted				Inflation adjusted			
		Sub Account 1	Sub Account 2	Sub Account 3	Total	Sub Account 1	Sub Account 2	Sub Account 3	Total
	Note	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
ASSETS									
A Operating assets									
Motor vehicles		7 092 731	-	-	7 092 731	10 769 841	-	-	10 769 841
Furniture and equipment		444 114	-	-	444 114	1 140 484	-	-	1 140 484
Computer systems and hardware		417 510	-	-	417 510	228 254	-	-	228 254
Total operating assets (N)	**6**	**7 954 355**	**-**	**-**	**7 954 355**	**12 138 579**	**-**	**-**	**12 138 579**
B Non-current investments									
Investment property	**7**	2 648 092 643	-	-	2 648 092 643	2 987 512 428	-	-	2 987 512 428
Equities						-			
a) quoted	**9**	574 955 281	-	-	574 955 281	474 112 289	-	-	474 112 289
b) unquoted		308 379 320	-	-	308 379 320	115 656 060	-	-	115 656 060
Prescribed assets - bonds	**4**	74 150 994	-	-	74 150 994	74 143 943	-	-	74 143 943
Other prescribed assets	**4**	70 636 293	-	-	70 636 293	83 138 552	-	-	83 138 552
Total non-current investment assets (O)		**3 676 214 531**	**-**	**-**	**3 676 214 531**	**3 734 563 272**	**-**	**-**	**3 734 563 272**
C Current investment assets									
Staff loans and mortgages		10 588 511	-	-	10 588 511	6 868 156	-	-	6 868 156
Prescribed assets - money market investments		24 447 431	-	-	24 447 431	41 055 454	-	-	41 055 454
Cash on hand and at bank	**4**	29 638 017	-	-	29 638 017	11 144 219	-	-	11 144 219
Prepayments		2 861 932			2 861 932	2 577 358			2 577 358
Inventory		716 226	-	-	716 226	514 366	-	-	514 366
Total current investment assets (P)		**68 252 117**	**-**	**-**	**68 252 117**	**62 159 552**	**-**	**-**	**62 159 552**
D Sundry debtors									
Contribution arrears		389 380 780	-	-	389 380 780	124 868 006	-	-	124 868 006
Rental arrears		74 795 670	-	-	74 795 670	29 462 524	-	-	29 462 524
Dividend receivable		3 916 075	-	-	3 916 075	5 434 641	-	-	5 434 641
Interest receivable		96 438	-	-	96 438	1 896 074	-	-	1 896 074
Total sundry debtors (Q)		**468 188 963**	**-**	**-**	**468 188 963**	**161 661 245**	**-**	**-**	**161 661 245**
Total assets (N+O+P+Q) = R		**4 220 609 965**	**-**	**-**	**4 220 609 965**	**3 970 522 648**	**-**	**-**	**3 970 522 648**

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2023 (continued)

	2025 Inflation adjusted				2024 Inflation adjusted			
	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG
LIABILITIES								
E Non-actuarial liabilities								
Arrear pension benefits	31 217 401	-	-	31 217 401	10 926 348	-	-	10 926 348
Tenants deposits	617 700	-	-	617 700	350 300	-	-	350 300
Rental arrears	122 434	-	-	122 434	140 843	-	-	140 843
Equities dimunition in value	297	-	-	297	342	-	-	342
Audit fees	33 607			33 607	258 831			258 831
Actuarial fees	151 400	-	-	151 400	1 147 483	-	-	1 147 483
Leave pay and bonus	5 360 389	-	-	5 360 389	6 595 030	-	-	6 595 030
Trade creditors	14 979 704	-	-	14 979 704	5 990 032	-	-	5 990 032
Revaluation Reserve	4 433 603	-	-	4 433 603	12 181 193	-	-	12 181 193
Total non-actuarial liabilities (S)	**56 916 535**	**-**	**-**	**56 916 535**	**37 590 402**	**-**	**-**	**37 590 402**
Net assets available for benefits at end of year (R-S) = T	**4 163 693 431**	**-**	**-**	**4 163 693 431**	**3 932 932 246**	**-**	**-**	**3 932 932 246**
F Actuarial liabilities								
Members' liabilities								
Active members	7 191 652 381	-	-	7 191 652 381	5 635 563 960	-	-	5 635 563 960
Pensioners	2 499 988 103	-	-	2,499,988,103	2 296 769 527	-	-	2 296 769 527
Deferred pensioners	460 867	-	-	460,867	3 496 365	-	-	3 496 365
Suspended pensioners	203 036 157	-	-	203,036,157	519 725 967	-	-	519 725 967
Revaluation reserve for exits	517 397 735	-	-	517,397,735	517 740 851	-	-	517 740 851
Re-alignment reserve	31 768 415	-	-	31,768,415	31 789 482	-	-	31 789 482
Data reserve	15 679 735	-	-	15,679,735	15 690 133	-	-	15 690 133
Suspended pensioners reserve	15 338 780			15,338,780				
Total actuarial liabiities (U)	**10 475 322 173**	**-**	**-**	**10 475 322 173**	**9 020 776 285**	**-**	**-**	**9 020 776 285**
Surplus / (Deficit) (T-U)	**(6 311 628 742)**	**-**	**-**	**(6 311 628 742)**	**(5 087 844 039)**	**-**	**-**	**(5 087 844 039)**

Preparer's Name: Nesbert Fiyanda (PAAB Certificate # : 0651)

Principal Officer: Ostern Pazvakawambwa **Signature** .... **Date:** 30/03/2026

Chairman of Trustees: Athanas Chidzurira **Signature** .... **Date:** 30/03/26

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF CASHFLOWS
for the year ended 31 December 2025

	2025	2024
	Inflation adjusted	
	ZWG	ZWG
CASHFLOWS FROM MEMBERSHIP ACTIVITIES		
Cash received from contributions	391 579 016	201 344 468
Benefits paid	(327 995 347)	(143 356 967)
Net cash flows from membership activities (V)	**63 583 669**	**57 987 501**
CASHFLOWS COLLECTED FROM / (PAID TO) OTHER OPERATING ACTIVITIES		
Other operating income	198 026	9 335
Cash paid to suppliers:		
Audit fees	(471 782)	(326 583)
Actuarial fees	(1 071 400)	(263 559)
Administration expenses	(14 340 464)	(9 975 013)
Legal fees	(353 270)	(222 965)
Levies and subscriptions paid	(3 099 426)	(1 602 801)
Cash paid to employees:		-
Staff expenses	(51 297 686)	(28 286 376)
Board expenses	(5 590 160)	(3 951 620)
Bank fees	(7 496 158)	(3 273 898)
Net cashflows generated from other operating activities (W)	**(83 522 320)**	**(47 893 479)**
CASHFLOW RECEIVED FROM / (PAID TO) INVESTING ACTIVITIES		
Purchase of operating assets	(2 835 192)	(534 215)
Purchase of investment property	(97 197 436)	(100 041 196)
Purchase of financial assets	(33 092 629)	(70 124 894)
Proceeds from sale of financial assets	34 582 266	79 951 004
Property expenses paid	(3 442 460)	(2 406 679)
Rent received	104 137 908	71 388 627
Interest received	6 748 512	1 710 214
Dividends received	30 988 095	20 212 675
Net cash utilised in investing activities (X)	**39 889 064**	**155 537**
Net cash inflow for the year (V+W+X) =Y	**19 950 413**	**10 249 558**
Cash and cash equivalents at the beginning of the year	**11 144 219**	**4 957 864**
Effect of inflation on cash and cash equivalents	**(1 456 616)**	**(4 063 204)**
Cash and cash equivalents at the end of the year	**29 638 017**	**11 144 219**

LOCAL AUTHORITIES PENSION FUND

MEMBERSHIP STATISTICS
for the year ended 31 December 2025

		In Zimbabwe		Outside Zimbabwe	
		2025	2024	2025	2024
1.	Number of principal members at beginning of year	25 918	25 466	174	174
	Number of beneficiaries at the beginning of the year	6 697	6 701	133	130
	Total	**32 615**	**32 167**	**307**	**304**
2.	**Principal membership as at end of year**				
	(a) New entrants for the year	611	1 323	-	-
	(b) Reinstatements	84	144	-	-
	(c) Active members[1]	18 737	18 068	-	-
	(d) Pensioners[2]	5 332	4 951	1	1
	(e) Suspended pensioners[3]	559	1 432	86	173
	Total membership as at end of year	**25 323**	**25 918**	**87**	**174**
3.	**Beneficiaries as at end of year**				
	(a) Pensioners:				
	Surviving Spouse	3 632	3 244	-	-
	Children	694	750	-	-
	Other dependants	55	48	-	-
	Surviving Spouse	868	2 503	49	130
	Reinstatements		-	-	3
	Children	164	121	-	-
	Other dependants	26	31	-	-
	Total beneficiaries as at end of year	**5 439**	**6 697**	**49**	**133**
4.	**Exits as at end of year**[6]				
	(a) Transfers out[7]	-	-	-	-
	(c) Death	62	39	-	-
	(d) Other	736	909	-	-
	Total	**798**	**948**	-	-

NOTES

1. This figure excludes new entrants for the year[1]
2. This figure excludes suspended pensioners and beneficiaries[2]
3. This figure excludes suspended beneficiaries[3]
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[4]
5. This figure is made up of transfers in from other funds[5]
6. exits refers to members who have no residual assets on the fund[6]
7. This figure is made up of transfers out to other funds[7]

Preparer's Name: Nesbert Fiyanda (PAAB Certificate # : 0651)

Principal Officer: Ostern Pazvakavambwa **Signature** .... **Date** 30/03/2026

Chairman of Trustees: Athanas Chidzurira **Signature** .... **Date** 30/03/26

1 GENERAL INFORMATION

Local Authorities Pension Fund ("The Fund") is registered in Zimbabwe in terms of the Pensions and Provident Funds Act (Chapter 24:32) and is a self administered defined benefit scheme. It was set up for the purpose of providing pension benefits to the employees of Local Authorities as required by the Local Authorities Employees (Pension Schemes) Act (Chapter 29:32). The registered address of the Pension Fund is 10th Floor, Throgmorton House, Corner Samora Machel Avenue and Julius Nyerere Way, Harare, Zimbabwe.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Pensions and Provident Funds Act (Chapter 24:09) of Zimbabwe, and regulatory guidance issued by the Insurance and Pensions Commission (IPEC). They have been prepared on the historical cost basis except for financial instruments and investment properties, which are measured at fair value. As Zimbabwe is a hyperinflationary economy, the financial statements have been adjusted and presented in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies, using the general price index published by ZIMSTATS to restate non-monetary items, income and expenses. The financial statements incorporate accrual accounting principles and are prepared on a going-concern basis, assuming the Fund will continue to meet its obligations as they fall due.

2.2 Currency

The annual financial statements are presented in Zimbabwean Gold (ZWG), which is the functional and reporting currency of the primary economic environment in which the Fund operates.
The Fund assessed its functional currency in accordance with the requirements of International Accounting Standard 21 “The Effects of Changes in Foreign Exchange Rates” (IAS 21). In assessing the functional currency, we considered the following primary and secondary factors:
(a) The currency that mainly influences sales prices for goods and services.
(b) The currency of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
(c) The currency that mainly influences labour, material, and other costs of providing goods or services.
(d) The currency in which funds from financing activities are generated.
(e) The currency in which receipts from operating activities are usually retained.
Based on the above factors, the Fund concluded that the functional currency is the Zimbabwean Gold (ZWG).

2.3 IAS 29 Financial Reporting in Hyper -Inflationary Economies

The Fund adopted IAS 29 – “Financial Reporting in Hyper -Inflationary Economies” effective 1 January 2019 as proclaimed by the local accounting regulatory board, Public Accountants and Auditors Board “PAAB”. IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. The financial statements and the corresponding figures for the previous year have been restated to take account of the changes in the general purchasing power of the Zimbabwe dollar. The restatement is based on conversion factors derived from the Zimbabwe Consumer Price Index (CPI) compiled by the Reserve Bank of Zimbabwe from the figures provided by ZIMSTATS

The indices and conversion factors used are as follows:

Period	**Index**
31-Dec-25	166.3
30-Apr-24	100
ZWL Indices	
5-Apr-24	429,219.62
31-Dec-24	65,703.44

2.4 Going concern

The Fund assesses its going concern at each reporting date. Going concern assessment is an area involving management judgement requiring assessment as to whether the carrying amount of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

2.5 Income

2.5.1 Contributions

Current contributions are recognized on an accrual basis in line with the Fund rules for when they become due. The contribution rates are as follows:

Employer Contribution rate	17.30%
Employee Contribution rate	6.00%

2.5.2 Interest

Interest income is recognised as it accrues over time.

2.5.3 Dividends

Dividends on quoted shares are recognized when the right to receive the amounts is established, which ordinarily is at the date of declaration, taking into account the last day of registration in respect of listed shares. Dividends on unquoted shares are recognized when actually received.

2.4 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 are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

2.5 Investments

The Pensions and Provident Funds Act (Chapter 24:32) requires all assets to be measured at fair value. Gains or losses in the market value of the investments are not taken into account except where Trustees are of the opinion that a permanent diminution in value of the investment has taken place.

2.6 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.

The Fund always recognises lifetime expected credit losses (ECL) for other sundry debtors. The expected credit losses on other sundry debtors are estimated using a provision matrix based on the Fund's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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 fair value .

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.

2.11 Fair value measurement

The Fund takes into account the characteristics of the assets or liabilities of market participants. The characteristics include: (a) the condition and location of the asset; and (b) restrictions, if any, on the sale or use of the asset.

The Fund uses the fair value hierarchy levels 1 to 3 which are based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3 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.

4 PRESCRIBED ASSETS

At 31 December 2025, the Fund was not compliant with the prescribed asset levels as stated in section 18 (2) (a) of the Zimbabwe Pension and Provident Funds Act (Chapter 24:32) as amended by Circular Number 3 of 2019 issued on 12 March 2019 by the Insurance and Pensions Commission. The Fund held 4.02 % of prescribed assets in local registered securities which are issued by a statutory body or local authority. Section 18 (2) (a) of the Zimbabwe Pension and Provident Funds Act (Chapter 24:32) as amended by Circular Number 3 of 2019, stipulates that at least 20% of the Fund's aggregate cost value of assets should be invested in prescribed assets in Zimbabwe.

5 COMPLIANCE WITH STATUTORY INSTRUMENT 69 OF 2020

The Fund is in compliance with Statutory Instrument 69 of 2020.

6 PROPERTY AND EQUIPMENT

	Computer Equipment ZWG	Motor Vehicles ZWG	Office Furniture and Equipment ZWG	Total ZWG
6.1 Cost/Valuation				
Balance as at 31 December 2023	98 379	1 205 077	49 971	1 353 428
Additions	265 895	66 231	132 263	464 390
Disposals	(4 498)	-	-	(4 498)
Transfer from Capital Work In Progress	-	-	-	-
Revaluation	(161 357)	8 090 852	809 181	8 738 676
Balance as at 31 December 2024	**198 419**	**9 362 160**	**991 415**	**10 551 995**
Additions	772 144	1 529 394	533 654	2 835 192
Disposals	-	(654 165)		(654 165)
Revaluation adjustment	(553 054)	(3 144 658)	(1 080 956)	(4 778 667)
Balance as at 31 December 2025	**417 509**	**7 092 732**	**444 114**	**7 954 355**
6.2 Depreciation				
Balance as at 31 December 2023				
Depreciation charge for the year	50 785	244 589	21 736	317 110
Accumulated depreciation on disposals	(526)	-	-	(526)
Write back depreciation on revaluation	-	-	-	-
	(50 259)	(244 589)	(21 736)	(316 584)
Balance as at 31 December 2024			-	
Depreciation for the year	312 871	280 249	77 458	670 578
Write back of Depreciation on Revaluation	(312 871)	(280 249)	(77 458)	(670 578)
Balance as at 31 December 2025	0	0	-	0
6.3 Net book amount				
Carrying amount as at 31 December 2025	**417 509**	**7 092 732**	**444 114**	**7 954 355**
Carrying amount as at 31 December 2024	**198 419**	**9 362 160**	**991 415**	**10 551 995**

	2025			2024		
	Sub Account 1	**Sub Account 2**	**TOTAL**	**Sub Account 1**	**Sub Account 2**	**TOTAL**
7 INVESTMENT PROPERTY	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Balance as at 1 January 2025	2 597 026 888	-	2 597 026 888	310,268,608	-	310 268 608
Additions	97 197 436	-	97 197 436	86,965,220	-	86 965 220
Disposals	-	-	-	-	-	-
Fair value loss	(46 131 681)	-	(46 131 681)	2,199,793,060	-	2 199 793 060
Balance at end of period 2025	**2 648 092 643**	**-**	**2 648 092 643**	**2 597 026 888**	**-**	**2 597 026 888**
	-			-		

8 INVESTMENTS COMPLIANCE

Following consultations with the market, the Insurance and Pensions Commission ("IPEC") issued a circular, Circular No.1 of 2013 which had a full compliance deadline of 1 April 2016. This circular sets upper limits for each class of investments as detailed below. New guidelines were issued in Circular 2 of 2022 with deadline of January 2023.

Type of investment	**Reconciliation to Form PPFR 9**	**Current status of the fund %**	**Old Upper limit %**	**New Upper limit %**	**Compliance Status as at 31 December**
(a) Prescribed assets	Prescribed assets	4.02%	40.00%	40.00%	Not Compliant
(b) Quoted shares	Quoted shares	13.18%	50.00%	60.00%	Compliant
(c) Unquoted shares	Unquoted shares	7.32%	10.00%	15.00%	Compliant
(d) Money market	Money market	0.00%	45.00%	20.00%	Compliant
(e) Properties	Properties	62.86%	50.00%	40.00%	Not Compliant
(f) Cash at short notice - Call account	Cash at short notice - Call account	0.70%	10.00%	20.00%	Compliant
(g) Other Investments	Other Investments	11.45%	10.00%	5.00%	Compliant
	Foreign Investments	0.47%	0.00%	15.00%	Compliant

Additional requirements include the following:

• The cash in one bank should not exceed 5% of total investments	Compliant
• Bonds and Properties should not exceed 70% of total investments	Compliant
• Investment in associate company should not exceed 10%	Compliant
• Not more than 15% of a fund should be invested with a single bank	Compliant
• Not more than 15% of a fund should be invested with a single listed equity counter	Compliant

	2025			2024		
	Sub Account 1	**Sub Account 2**	**TOTAL**	**Sub Account 1**	**Sub Account 2**	**TOTAL**
9 QUOTED EQUITY INSTRUMENTS	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
Balance as at 1 January 2025	412 143 009	-	412 143 009	43,721,248	-	43 721 248
Additions	19 309 809	-	19 309 809	35,959,155	-	35 959 155
Disposals	(558 412)	-	(558 412)	(25,624,000)	-	(25 624 000)
Fair value gain	144 060 875	-	144 060 875	358,086,606	-	358 086 606
Balance at end of period 2025	**574 955 281**	**-**	**574 955 281**	**412 143 009**	**-**	**412 143 009**

10 ASSET MANAGERS

The Pension Fund has funds that are being managed by different asset managers and below is the breakdown of the funds under management of each asset manager.

	Funds under management		Investment Income		Investment fees	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	ZWG	**ZWG**	**ZWG**	**ZWG**	**ZWG**	**ZWG**
ABC Asset Managers	20 173 649	13 918 132	262 895	181 376	137 296	29 072
Eagle Asset Management	10 039 963	3 507 257	334 537	116 864	107 089	25 128
	30 213 612	**17 425 390**	**597 432**	**298 239**	**244 385**	**54 200**

The Fund has two Asset Managers, ABC Asset Management and Eagle Asset Management.

11 FINANCIAL RISK MANAGEMENT

The Fund is exposed to various risks in relation to the financial instruments. The main types of risks are market risk and credit risk. The Fund's cash equivalents are placed with high credit quality rating institutions. Trade accounts receivable are presented net of the allowances for doubtful debts. Credit risk with respect to accounts receivable is limited due to stringent credit control policies and evaluation procedures adopted. The risk is further reduced by the fact that the majority of trade transactions are paid for in advance. Accordingly, the fund has no concentration of credit risk. Other sundry debtors are presented net of the allowances for doubtful debts. Credit risk with respect to accounts receivable is limited due to stringent credit control policies and evaluation procedures adopted. Accordingly, the Fund has no concentration of credit risk.

Credit risk

Financial assets, which potentially subject the Fund to credit risk, consist principally of short-term deposits and other receivables. The Fund's short-term deposits are placed with reputable institutions. Potential credit risk exists in other receivables. Ongoing evaluations are performed to assess recoverability.

Market risk

The Fund is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

The Fund is exposed to interest rate risk from interest bearing Investments, the Fund's income and operating cash flows are substantially independent of changes in the market interest rates. The Fund's assets are managed by highly experienced asset managers who forecast any adverse effects of interest rate changes and proactive measures are implemented.

Foreign currency risk

The Fund has no significant foreign currency denominated balances at the reporting date. Therefore, the risk related to changes in foreign exchange rates is minimal.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Fund's Board, which has established an appropriate liquidity risk management framework for management of the Fund's short, medium and long-term funding and liquidity management requirements. The Fund manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

12 INVESTMENT POLICY

(i) Statement of Purpose

This investment policy is characterised by the following:

- Investment Policy Statement (IPS) has prescribed the Investment Objectives, guidelines, strategies and risk frameworks that govern the activities of the Finance and Investments Committee (FIC).
- The polices that are enshrined in the Investment policy do provide the scope and limits that will ensure that long term and short term objectives are achieved and the fund is flexible enough to deal with market fluctuations that arise in capital markets.
- The Investment Policy Statement is reviewed on a yearly basis to ensure that it's still relevant and in line with existing market conditions and the age profile of the pension fund.

(ii) Governance

The Management Committee (Board) has developed an Investment decision making and Implementation delegation structure that allows the Finance & Investments Committee to focus on Investments whilst delegating operational activities to management.

Finance and Investment Committee is responsible for;

(i) Determining the overall investment objectives, investment strategy and strategic asset allocation, with regard to fund returns and risk management
(ii) Review investment policy statement, monitor its implementation and review funding strategy.
(iii) Appointing Asset managers, Actuary, Custodian, investment advisors and any external advisers considered necessary to the benefit of the Fund
(iv) Approval of Counterparties (Banks, bonds) and Stockbrokers and the Investment trading limits.
(vi) Reviewing policy on corporate governance.
(vii) Ensuring compliance with statutory requirements.
(viii) Effective risk management framework on investments.

(iii) Investments Management Section

- The Fund's Investments management section is responsible for the day to day management of the Fund's investments.
- The Section implements the approved investment policy and ensure that the portfolio conforms to the approved asset allocation, analyses the financial markets, make acquisitions and disposal recommendations of securities and evaluates the returns achieved within periods.
- The section ensures that performance and portfolio risk analysis reports are accurate and up-to-date and arranges for the maintenance of appropriate and accurate accounts on the Fund's investments.

iv Fund Liabilities & Solvency

The Fund is a defined benefit scheme that provides pension benefits related to the final pensionable salaries for members. Each member's pension is specified in terms of a formulae based on pensionable salary and length of pensionable service and is unaffected by investment returns achieved.

Targeted Fund solvency position must be above the regulatory minimum of 75% funding level of Fund liabilities using the available Fund assets.

v Investment objectives

The overriding objective of the Fund's Management Committee (Board) is to ensure optimal investment returns on the Fund's assets whilst limiting risk and volatility by maintaining prudent and balanced investment exposures. This will enable the Fund to meet its pension obligations through generation of investment returns that are realised through dividends, interest income and capital appreciation in equities.

vi Investment Philosophy

The Fund believes in value creation thereby leading to a balance between capital preservation and growth.
An active portfolio management approach is preferred.
Focus is also into the medium and long term (3 year to 5 year horizon).
The risk appetite is moderate.
Fundamental approach on equities to be applied and no speculative trading.

vii Investment objectives

1. To manage investment arrangements in accordance with the Fund's Investment Policy Statement.
2. To limit risk and volatility by working to an asset allocation benchmark for investments specific to splitting the Fund's assets between different asset classes such as equity, property, offshore investments, private equity, money markets and bonds.
3. To optimise investment returns by mandating management to manage portfolios in an active manner with full discretion over investment selection consistent with the asset allocation benchmark and deliver real returns.
4. To create adequate liquidity for meeting member pension benefits.

vii Investment objectives (continued)

Investment Objectives take into account observations and suggestions made by the Management Committee, as reviewed and interpreted by the Finance & Investments Committee (FIC) as follows:

- Security is achieved by ensuring adequate asset class, geographic, sector and industry diversification, by carefully researching and documenting investment recommendations and constantly reviewing the portfolio in order to take advantage of the unsynchronized economic cycles and market changes
- Above market returns require that each investment at the time of purchase be expected to earn a positive total return, taking into account potential risk, particularly market risk which is common to all securities of the same general class and commonly can be mitigated but not eliminated by diversification.
- Liquidity is the ability to readily convert investments into liquid currencies. Convertibility facilitates payments in local currencies. All investments should be readily and fully convertible into local or applicable or approved currency.

vii Investment Strategy

Defined by Asset Allocation.

viii Liquidity Management Plan

The has a liquidity management plan in place which is reviewed by FIC from time to time.

viii Investments Management Structure

The Fund's Investments are managed both internally and through appointed Asset Managers.

viii Service providers

The Fund employs experts in different areas who include Asset Managers, Custodians , Stockbrokers, Banks, Investment advisors and Actuaries in in investments management.

ix Risk Management & Monitoring

- Investment decisions should be reflective of the Investment Manager's best investment view and should attempt to maximise returns.

- The maximum equity investment in any one company should not exceed 10% of the issued share capital or 20% of the market value of the investor's assets

- The Investor LAPF must consent to the list of the Approved Banks and the exposure limits set per Money market Counterparty from time to time.

- The Investment Manager shall take full cognisance of all regulatory requirements. Investment in unlisted securities and offshore investments shall require the written consent of FIC the Investor.

- Over and above the approved limits for alternative investments (private equity) not more than 25% of the funds available for alternatives should be invested in a single project.

- Cumulatively not more than 40% of the Alternative investments allocation should be in a single sector. As a sub-limit, not more than 25% of funds available for deployment into Bond instruments should be placed in a single institution/ project.

- The Investor recognises that investment is a long-term process and there will be fluctuations in the short-term. However, long-term objectives will only be met if they are consistently achieved over shorter periods. Failure to meet objectives over the shorter periods will ultimately lead to a failure to achieve the long-term goals.

x LAPF ASSET ALLOCATION

Asset Class	Actual Allocation (%)	Target range* (%)
Foreign Investments	0%	0% – 15%
Private Equity	7%	0% – 15%
Bonds	4%	0% – 15%
Equities	21%	25% – 35%
Real Estate	63%	35% – 45%
Money Market & Other	5%	0% – 5%
TOTAL	**100%**	

xi Performance Benchmarks

Zimbabwe Stock Exchange	ZSE All Share Index + 5% (Annually)	ZSE All Share Index + 5% (Annually)
Zimbabwe Stock Exchange	ZSE Top 10 Index + 5% (Annually)	ZSE Top 10 Index + 5% (Annually)
Money Market	Average 7 to 90 days short term interest rate	Average 7 to 90 days short term interest rate
Inflation	Year On Year Inflation	Year On Year Inflation
Property	Average Property Sector Rental Yield	Average Property Sector Rental Yield
Afreximbank (Offshore)/Recognised Regional / International Stock Exchange	Stock Exchange of Mauritius Index	Stock Exchange of Mauritius Index

14 Subsequent events

There were no subsequent events requiring disclosure or recognition in the audited financial statements.

15 PENSION FUND PERFOMANCE

The total Pension fund's value was **ZWG 4.167 billion** and **ZWG 3.419 billion as at 31 December 2025 & December 2024** respectively. Total Pension Fund performance for January to December 2025 was 21.8%

13 Going Concern

The Trustees have assesed the ability of the Fund to continue operating as a going concern and believe that despite the following events and conditions that may cast significant doubt on the Fund's ability to continue as a going concern, the preparation of these financial statements on a going concern basis is still appropriate.

(i) The long outstanding contribution receivables amounting to ZWG389 380 778 (2024: ZWG108 547 019) and rental receivables of ZWG74 795 670 (2024:ZWG25 611 598)
(ii) The outstanding benefits payable current liabilities of ZWG29 680 770 (2024:ZWG9 498 210)

The principal events and conditions create material uncertainties that cast doubt on the Fund's ability to continue as a going concern and, therefore , the Fund may be unable to realise its assets or discharge its liabilities in the normal course of business.

Management's plans is to deal with these events and conditions including the following measures :
(i) We have certified repayments agreements with member Local Authorities that are in place
(ii) One of the major member local authorities has daily remittances which are currently at ZWG 1 000 000 per day
(iii) There are ongoing engagements with member local authorities for land/debt swap arrangements.

LOCAL AUTHORITIES PENSION FUND

DEBTORS' AGE ANALYSIS
as at 31 December 2025

	2025			2024		
	Rental Arrears ZWG	Contribution Arrears ZWG	Other (specify) ZWG	Rental Arrears ZWG	Contribution Arrears ZWG	Other (specify) ZWG
Below 30 days	15 627 761	53 773 135	-	10 048 248	39 449 649	-
between 31 days and 90 days	24 976 258	119 648 764	-	8 733 047	37 361 949	-
between 91 days and 180 days	16 196 472	106 671 110	-	2 304 497	20 141 712	-
181 days and above	17 995 179	109 287 770	-	4 525 807	11 593 708	-
Total at end of reporting period	**74 795 670**	**389 380 778**	**-**	**25 611 598**	**108 547 020**	**-**

LOCAL AUTHORITIES PENSION FUND

PRESCRIBED ASSETS
as at 31 December 2025

TYPE OF INSTRUMENT	NAME OF ISSUE	DATE OF ISSUE	DATE OF PURCHASE	MATURITY DATE	PURCHASE PRICE ZWG	FACE VALUE OF INVESTMENT ZWG
NON-CURRENT ASSETS						
Prescribed Assets	Zimcampus 8 (Zimnat Asset Management Co PVT Ltd)	14/5/2021	14/5/2021	Perpetual	17 805	13 581 333
Prescribed Assets	Zimcampus 10 (Zimnat Asset Management Co PVT Ltd)	25/1/2022	25/1/2022	Perpetual	5 257	2 956 552
Prescribed Assets	Zimcampus 11 (Zimnat Asset Management Co PVT Ltd)	31/1/2023	30/1/2023	Perpetual	14 527	8 170 670
Prescribed Assets	Chinhoyi Student Accommodation (First Mutual Wealth)	21/6; 31/7 and 2/10/20	21/6; 31/7 and 2/10/2023	Perpetual	1 000 511	5 827 185
Approved Bond	IDBZ Series 2 2022B (IDBZ)	8/12/2022	8/12/2022	13/11/2026	40 020	2 075 225
Prescribed Assets	Gold Coins (RBZ)	Oct/Nov 2022	Oct/Nov 22	Perpetual	48 946	12 987 615
Prescribed Assets	Digital Coins (RBZ)	16/6/2023	16/6/2023	Perpetual	12 980	237 501
Prescribed Assets	HEKA Bond (Exodus and Co Private Ltd)	31/3/23, 16/6/23, 28/9/	31/3, 16/6, 28/9, 21/12 and 16/4/	20/3/2025	1 580 806	2 866 714
Prescribed Assets	Nhaka Life (Nhaka Yangu)	16/9/2022	16/9/2022	31/12/2031	23 569	4 778 595
Prescribed Assets	Agrowth Investments (Zimnat Asset Management Co PVT Ltd)	14/4/2023	14/4/2023	Perpetual	46 648	2 420 569
Prescribed Assets	Design Quota Debenture	16/1/2023	16/1/2023	Perpetual	39 920	4 013 878
Prescribed Assets	EFE TBs (EFE Securities)	21/12/2023	21/12/2023	15/8/2026	199 002	9 555 055
Prescribed Assets	Eagle Reit (Eagle Asset Management)	15/4/2024	15/4/2024	Perpetual	800 408	4 680 103
Prescribed Assets	Vic Falls Land Bank (Eagle Asset Management)	26/6/2024	26/6/2024	None	70 636 293	70 636 293
TOTAL						**144 787 287**

CURRENT ASSETS

MONEY MARKET (PRESCRIBED ASSETS)

TYPE OF INSTRUMENT	NAME OF ISSUE	DATE OF ISSUE	DATE OF PURCHASE	MATURITY DATE	PURCHASE PRICE ZWG	FACE VALUE OF INVESTMENT ZWG
Fixed Deposit	Akribos Capital	3-Dec-25	3-Dec-25	3-Jan-26		1 524 251
Fixed Deposit	ZB Financial Holdings	3-Dec-25	3-Dec-25	3-Jan-26		3 036 974
Fixed Deposit	ZB Financial Holdings	5-Dec-25	5-Dec-25	5-Jan-26		2 826 768
COD	POSB	5-Dec-25	5-Dec-25	5-Jan-26		2 057 857
Fixed Deposit	Akribos Capital	5-Dec-25	5-Dec-25	5-Jan-26		2 826 768
Fixed Deposit	FBC Bank Limited	5-Dec-25	5-Dec-25	5-Jan-26		1 425 303
Fixed Deposit	African Century Limited	5-Dec-25	5-Dec-25	5-Jan-26		2 826 768
Fixed Deposit	AFC Bank Limited	5-Dec-25	5-Dec-25	5-Jan-26		2 803 110
Fixed Deposit	Alpha Asset Management	5-Dec-25	5-Dec-25	5-Jan-26		2 874 624
IBD	Eagle Asset Management	20-Dec-25	20-Dec-25	20-Jan-26		1 119 210
IBD	Alpha Asset Management	24-Dec-25	24-Dec-25	24-Jan-26		1 125 799
TOTAL					-	**24 447 431**

LOCAL AUTHORITIES PENSION FUND

SPONSORING EMPLOYERS' CONTRIBUTION ARREARS
as at 31 December 2025

Sponsoring Employer	Availability of Certified Repayment Agreement (Y/N)	Contribution Arrears				
		30 days and below	between 31 days and 90 days	between 91 days and 180 days	181 days and above	Total ZWG
Bindura Municipality	N	694 944	2 112 229	1 844 870	7 535 678	12 187 721
Bindura Rural District Council	N	3 641	3 313	-	-	6 954
Bulawayo City Council	Y	13 522 878	2 722 199	-	-	16 245 077
Chegutu Municipality	N	142 076	436 751	459 849	1 431 302	2 469 977
Chinhoyi Municipality	Y	1 119 946	3 333 208	3 323 331	14 294 299	22 070 783
Chipinge Rural District Council	N	54 022	163 816	138 331	391 415	747 585
Chipinge Town Council	N	-	-	-	40	40
Chiredzi Rural District Council	N	-	-	-		
Chiredzi Town Council	Y	100 777	251 225	172 272	85 584	609 859
Chirundu Local Board	N	-	-	-	6	6
Chitungwiza Municipality	Y	1 452 239	4 383 789	4 396 374	18 287 438	28 519 839
City of Kings Business Ventures	N	29 340	77 098	85 506	235 702	427 646
Dandaro Marketying		-	-	-	-	-
Epworth Local Board	N	-	-	-	152	152
Go-beer breweries	N	-	-	-	661	661
Gwanda Municipality	Y	82 808	250 503	254 662	1 119 597	1 707 571
Gweru City Council	Y	4 548 035	12 280 221	10 466 056	11 836 027	39 130 338
Harare City Council	Y	22 499 896	68 621 441	69 358 224	10 416 702	170 896 264
Harare Municipal Medical Aid Society	N	106 741	320 224	99 262	-	526 227
Ingwebu Breweries	N	528 351	1 643 349	1 773 902	9 630 290	13 575 891
Kadoma Municipality	Y	1 138 083	3 410 404	3 410 085	11 974 190	19 932 762
Kadoma Liquor Marketing	Y	-	-	-	-	-
Kariba Municipality		696 256	2 057 377	2 075 608	2 347 852	7 177 093
Karoi Town Council	Y	572 960	1 738 388	1 747 041	763 211	4 821 600
Kwekwe Municipality	N	604 958	1 571 408	176 062	-	2 352 429
LAPF Staff	Y					-
Manyame Rural District Council		-	-	-	-	-
Marondera Municipality	N	656 967	1 985 621	1 999 225	3 674 838	8 316 650
Masvingo Municipality	N	2 613 424	7 323 115	-	-	9 936 539
Municipal Workers Union of Zimbabwe (M	Y	11 073	30 682	26 010	21 703	89 468
Mutare City Council	N	1 782 991	-	-	-	1 782 991
Mutoko Rural District Council	Y	4 719	14 539	6 559	-	25 818
Mvurwi Town Council	N	-	-	-	59	59
Norton Town Council	N	-	-	-	2	2
Pungwe Breweries	N	52 576	163 844	167 985	1 028 246	1 412 651
Redcliff Municipality	N	1 086 144	3 374 533	3 362 687	6 570 258	14 393 622
Rusape Town Council	Y	294 640	897 729	939 725	6 473 047	8 605 141
Ruwa Town Council	Y	-	-	-	148	148
Shurugwi Town Council	N	-	-	-	-	-
UCAZ		43 818	72 632	-	-	116 450
Umguza Rural District Council	N	-	-	-	(9 197)	(9 197)
Vungu Rural District Council	N	(6 220)	-	-	-	(6 220)
ZESA		(801 015)	-	-	-	(801 015)
Zibagwe Rural District Council	N	54 044	163 055	141 413	536 581	895 093
ZINWA	N	82 024	246 071	246 071	641 654	1 215 820
TOTAL						**389 380 778**

Percentage (%) of balance	**14%**	**31%**	**27%**	**28%**	**100%**
Total	**53 773 135**	**119 648 764**	**106 671 110**	**109 287 770**	**389 380 778**

LOCAL AUTHORITIES PENSION FUND

NON-RESIDENT ASSETS
as at 31 December 2025

	2025				2024			
	Sub Account 1 USD	**Sub Account 2 USD**	**Sub Account 3 USD**	**Total USD**	**Sub Account 1 USD**	**Sub Account 2 USD**	**Sub Account 3 USD**	**Total USD**
Non-current investments								
Equities		-	-	-	-	-	-	-
(a) quoted	770 727	-	-	770 727	681 035	-	-	681 035
(b) unquoted	-	-	-	-	-	-	-	-
Total non current investment assets	**770 727**	**-**	**-**	**770 727**	**681 035**	**-**	**-**	**681 035**
Current investment assets								
Prescribed assets	-	-	-	-	-	-	-	-
Money market investments	-	-	-	-	-	-	-	-
Cash on hand and at bank	-	-	-	-	-	-	-	-
Investment income receivable	-	-	-	-	-	-	-	-
Other (specify):	-	-	-	-	-	-	-	-
Total current investment assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sundry debtors	-	-	-		-	-	-	
Rental arrears	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-		-	-	-	-
Interest receivable	-	-	-		-	-	-	-
Other (specify):	-	-	-		-	-	-	-
Total sundry debtors	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total assets	**770 727**	**-**	**-**	**770 727**	**681 035**	**-**	**-**	**681 035**

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2025

	2025				2024			
	Historical Cost				Historical cost			
	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG
MEMBERSHIP ACTIVITIES								
Contributions								
by members:								
(a) Normal	156 587 423	-	-	156 587 423	67 015 642	-	-	67 015 642
(b) Voluntary	49 217	-	-	49 217	25 127	-	-	25 127
by employers:					-			
(a) Normal	450 791 031	-	-	450 791 031	193 033 133	-	-	193 033 133
Interest on contribution arears	64 985 106	-	-	64 985 106	7 384 428	-	-	7 384 428
Total contributions (A)	**672 412 777**	**-**	**-**	**672 412 777**	**267 458 330**	**-**	**-**	**267 458 330**
Benefits and payments								
a) Pensions								
i) to members	266 023 290	-	-	266 023 290	114 778 747	-	-	114 778 747
c) Lump sum awards on death	6 334 750	-	-	6 334 750	299 600	-	-	299 600
d)Lump sum awards on withdrawal/resignation	9 853 199	-	-	9 853 199	1 606 170	-	-	1 606 170
e) Lump sum awards on retirement and retrenchment	67 503 299	-	-	67 503 299	14 615 526	-	-	14 615 526
	-		-	-	-	-		-
Total benefits and payments (C)	**349 714 538**	**-**	**-**	**349 714 538**	**131 300 043**	**-**	**-**	**131 300 043**
Net membership activities income / (loss) (A+B-C) =D	**322 698 239**	**-**	**-**	**322 698 239**	**136 158 287**	**-**	**-**	**136 158 287**
NON-MEMBERSHIP ACTIVITIES								
Investment income								
Financial assets								
Interest income	5 196 704	-	-	5 196 704	2 879 033	-	-	2 879 033
Dividends	30 179 869	-	-	30 179 869	21 823 318	-	-	21 823 318
Unrealised fair value gains on financial assets	321 522 808	-	-	321 522 808	577 358 007	-	-	577 358 007
Realised fair value gains on financial assets	66 543 760	-	-	66 543 760	8 625 029	-	-	8 625 029
					-			
Non financial assets					-			
Rental income	153 321 980	-	-	153 321 980	84 527 861	-	-	84 527 861
Revaluation loss on property	(41 929 001)		-	(41 929 001)	2 247 136 727	-	-	2 247 136 727
Profit (Loss) on disposal of non financial assets	87 396	-	-	87 396	(993)	-	-	(993)
Sundry income	198 026	-	-	198 026	7 971	-	-	7 971
Exchange gain on foreign currency translations	1 640 419	-	-	1 640 419	10 950 526	-	-	10 950 526
Total investment income (E)	**536 761 961**	**-**	**-**	**536 761 961**	**2 953 307 479**	**-**	**-**	**2 953 307 479**

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2025 (Continued)

	2025 Historical cost				2024 Historical cost			
Investment expenses	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG
Non financial assets								
Property maintenance costs **(F)**	3 442 460	-	-	3 442 460	2 055 119	-	-	2 055 119
Net investment income (E-F) = (G)	**533 319 501**	-	-	**533 319 501**	**2 951 252 360**	-	-	**2 951 252 360**
OTHER ACTIVITIES								
Other Income								
Revaluation gain/(loss) on operating assets	(6 155 436)	-	-	(6 155 436)	10 589 039	-	-	10 589 039
Total other income (H)	**(6 155 436)**	-	-	**(6 155 436)**	**10 589 039**	-	-	**10 589 039**
Other expenses								
Bank charges	7 496 158	-	-	7 496 158	2 795 658	-	-	2 795 658
Staff costs	50 925 054	-	-	50 925 054	29 364 702	-	-	29 364 702
Administration fees	14 340 464	-	-	14 340 464	8 517 897	-	-	8 517 897
Actuarial fees	225 300	-	-	225 300	1 198 873	-	-	1 198 873
Audit fees	280 389	-	-	280 389	492 321	-	-	492 321
Board expenses	5 590 160	-	-	5 590 160	3 374 381	-	-	3 374 381
Insurance and Pensions Commison (IPEC) levies	2 756 530	-	-	2 756 530	1 223 191	-	-	1 223 191
Subscription fees	342 896	-	-	342 896	145 478	-	-	145 478
Legal fees	353 270	-	-	353 270	193 822	-	-	193 822
Amortisation, depreciation and impairement	777 881	-	-	777 881	341 701	-	-	341 701
Other fees Payable - Consultancy Fees	1 008 073	-	-	1 008 073	977 498	-	-	977 498
Other Late Payment Interest on Benefits	20 947 443	-	-	20 947 443	3 296 300	-	-	3 296 300
Total other expenses (I)	**105 043 618**	-	-	**105 043 618**	**51 921 822**	-	-	**51 921 822**
Net other loss (H - I) = (J)	**(111 199 054)**	-	-	**(111 199 054)**	**(41 332 783)**	-	-	**(41 332 783)**
Change in net assets excluding membership activities (G + J) = (K)	**422 120 447**	-	-	**422 120 447**	**2 909 919 577**	-	-	**2 909 919 577**
Net increase/decrease in net assets during the year (D + K) = L	**744 818 686**	-	-	**744 818 686**	**3 046 077 864**	-	-	**3 046 077 864**
Net assets available for benefits at beginning of year (M)	**3 418 874 745**	-	-	**3 418 874 745**	384 755 141	-	-	**384 755 141**
Adjustment of Actuarial liability		-	-	-	(11 958 259)			(11 958 259)
Net assets available for benefits at end of period (L + M)	**4 163 693 431**	-	-	**4 163 693 431**	**3 418 874 745**	-	-	**3 418 874 745**

Preparer's Name: Nesbert Fiyanda (PAAB Certificate # : 0651)

Principal Officer: Ostern Pazvakawambwa Signature .... Date 30/03/2026

Chairman of Trustees: Athanas Chidzurira Signature .... Date 30/03/26

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2025

		2025				2024			
		Historical cost				Historical cost			
		Sub Account 1	Sub Account 2	Sub Account 3	Total	Sub Account 1	Sub Account 2	Sub Account 3	Total
		ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
	Note								
ASSETS									
A Operating assets									
Motor vehicles		7 092 731	-	-	7 092 731	9 362 159	-	-	9 362 159
Furniture and equipment		444 114	-	-	444 114	991 416	-	-	991 416
Computer systems and hardware		417 510	-	-	417 510	198 420	-	-	198 420
Total operating assets (N)	**6**	**7 954 355**	**-**	**-**	**7 954 355**	**10 551 995**	**-**	**-**	**10 551 995**
B Non-current investments									
Investment property	**7**	2 648 092 643	-	-	2 648 092 643	2 597 026 888	-	-	2 597 026 888
Equities						-			
a) quoted	**9**	574 955 281	-	-	574 955 281	412 143 009	-	-	412 143 009
b) unquoted		308 379 320	-	-	308 379 320	100 539 129	-	-	100 539 129
Prescribed assets - bonds	**4**	74 150 994	-	-	74 150 994	64 452 891	-	-	64 452 891
Other prescribed assets	**4**	70 636 293	-	-	70 636 293	72 271 851	-	-	72 271 851
Total non-current investment assets (O)		**3 676 214 531**	**-**	**-**	**3 676 214 531**	**3 246 433 768**	**-**	**-**	**3 246 433 768**
C Current investment assets									
Staff loans and mortgages		10 588 511	-	-	10 588 511	5 970 447	-	-	5 970 447
Prescribed assets - money market investments	**4**	24 447 431	-	-	24 447 431	35 689 263	-	-	35 689 263
Cash on hand and at bank		29 638 017	-	-	29 638 017	9 687 604	-	-	9 687 604
Prepayments		2 861 932			2 861 932	2 240 482			2 240 482
Inventory		716 226	-	-	716 226	447 135	-	-	447 135
Total current investment assets (P)		**68 252 117**	**-**	**-**	**68 252 117**	**54 034 931**	**-**	**-**	**54 034 931**
D Sundry debtors									
Contribution arrears		389 380 780	-	-	389 380 780	108 547 019	-	-	108 547 019
Rental arrears		74 795 670	-	-	74 795 670	25 611 598	-	-	25 611 598
Dividend receivable		3 916 075	-	-	3 916 075	4 724 301	-	-	4 724 301
Interest receivable		96 438	-	-	96 438	1 648 246	-	-	1 648 246
Total sundry debtors (Q)		**468 188 963**	**-**	**-**	**468 188 963**	**140 531 164**	**-**	**-**	**140 531 164**
Total assets (N+O+P+Q) = R		**4 220 609 965**	**-**	**-**	**4 220 609 965**	**3 451 551 859**	**-**	**-**	**3 451 551 859**

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
for the year ended 31 December 2023 (continued)

	2025 Historical cost				2024 Historical cost			
	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG	Sub Account 1 ZWG	Sub Account 2 ZWG	Sub Account 3 ZWG	Total ZWG
LIABILITIES								
E Non-actuarial liabilities								
Arrear pension benefits	31 217 401	-	-	31 217 401	9 498 210	-	-	9 498 210
Tenants deposits	617 700	-	-	617 700	304 514	-	-	304 514
Rental arrears	122 434	-	-	122 434	122 434	-	-	122 434
Equities dimunition in value	297	-	-	297	297	-	-	297
Audit fees	33 607			33 607	225 000			225 000
Actuarial fees	151 400	-	-	151 400	997 500	-	-	997 500
Leave pay and bonus	5 360 389	-	-	5 360 389	5 733 021	-	-	5 733 021
Trade creditors	14 979 704			14 979 704	5 207 099			5 207 099
Revaluation Reserve	4 433 603	-	-	4 433 603	10 589 039	-	-	10 589 039
Total non-actuarial liabilities (S)	**56 916 535**	**-**	**-**	**56 916 535**	**32 677 114**	**-**	**-**	**32 677 114**
Net assets available for benefits at end of year (R-S) = T	**4 163 693 431**	**-**	**-**	**4 163 693 431**	**3 418 874 745**	**-**	**-**	**3 418 874 745**
F Actuarial liabilities								
Members' liabilities								
Active members	7 176 313 601	-	-	7 176 313 601	4 898 962 426	-	-	4 898 962 426
Pensioners	2 499 988 103	-	-	2,499,988,103	1 996 568 168	-	-	1 996 568 168
Deferred pensioners	460 867	-	-	460,867	3 039 369	-	-	3 039 369
Suspended pensioners	203 036 157	-	-	203,036,157	451 794 710	-	-	451 794 710
Revaluation reserve for exits	517 397 735	-	-	517,397,735	450 069 060	-	-	450 069 060
Re-alignment reserve	31 768 415	-	-	31,768,415	27 634 409	-	-	27 634 409
Data reserve	15 679 735	-	-	15,679,735	13 639 340	-	-	13 639 340
Suspended pensioners reserve	15 338 780	-	-	15 338 780		-	-	-
Total actuarial liabiities (U)	**10 459 983 393**	**-**	**-**	**10 459 983 393**	**7 841 707 482**	**-**	**-**	**7 841 707 482**
Surplus / (Deficit) (T-U)	**(6 296 289 962)**	**-**	**-**	**(6 296 289 962)**	**(4 422 832 737)**	**-**	**-**	**(4 422 832 737)**

Preparer's Name: **Nesbert Fiyanda (PAAB Certificate # : 0651)**

Principal Officer: Ostern Pazvakawambwa **Signature** .... **Date:** 30/03/2026

Chairman of Trustees: Athanas Chidzurira **Signature** .... **Date:** 30/03/26

LOCAL AUTHORITIES PENSION FUND

STATEMENT OF CASHFLOWS
for the year ended 31 December 2025

	2025	2024
	Historical cost	
	ZWG	ZWG
CASHFLOWS FROM MEMBERSHIP ACTIVITIES		
Cash received from contributions	391 579 016	170 213 305
Benefits paid	(327 995 347)	(122 255 963)
Net cash flows from membership activities (V)	**63 583 669**	**47 957 342**
CASHFLOWS COLLECTED FROM / (PAID TO) OTHER OPERATING ACTIVITIES		
Other operating income	198 026	7 971
Cash paid to suppliers:		
Audit fees	(471 782)	(275 035)
Actuarial fees	(1 071 400)	(207 531)
Administration expenses	(14 340 464)	(8 517 897)
Legal fees	(353 270)	(193 822)
Levies and subscriptions paid	(3 099 426)	(1 368 669)
Cash paid to employees:		-
Staff expenses	(51 297 686)	(24 060 615)
Board expenses	(5 590 160)	(3 374 381)
Bank fees	(7 496 158)	(2 795 658)
Net cashflows generated from other operating activities (W)	**(83 522 320)**	**(40 785 637)**
CASHFLOW RECEIVED FROM / (PAID TO) INVESTING ACTIVITIES		
Purchase of operating assets	(2 835 192)	(464 390)
Purchase of investment property	(97 197 436)	(86 965 220)
Purchase of financial assets	(33 092 629)	(60 959 155)
Proceeds from sale of financial assets	34 582 266	69 500 935
Property expenses paid	(3 442 460)	(2 055 119)
Rent received	104 137 908	60 536 210
Interest received	6 748 512	1 434 856
Dividends received	30 988 095	17 177 940
Net cash utilised in investing activities (X)	**39 889 064**	**(1 793 944)**
Net cash inflow for the year (V+W+X) =Y	**19 950 413**	**5 377 761**
Cash and cash equivalents at the beginning of the year	**9 687 604**	**4 309 842**
Cash and cash equivalents at the end of the year	**29 638 017**	**9 687 604**