

ANNUAL FINANCIAL STATEMENTS

**IN TERMS OF SECTION 15 OF THE PENSION FUNDS ACT NO 24, 1956
AS AMENDED (PENSION FUNDS ACT)**

NAME OF RETIREMENT FUND: Eskom Pension and Provident Fund

**FINANCIAL SECTOR CONDUCT AUTHORITY
REGISTRATION NUMBER:** 12/8/564/2

FOR THE PERIOD: 1 JULY 2022 to 30 JUNE 2023

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* Not subject to any engagement by an auditor

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

REGISTERED OFFICE OF THE FUND

Postal address: PRIVATE BAG X50
BRYANSTON
2021

Physical address: ISIVUNO HOUSE
EPPF OFFICE PARK
24 GEORGIAN CRESCENT EAST
BRYANSTON EAST
2191

FINANCIAL REPORTING PERIODS

Current year: 1 July 2022 to 30 June 2023
Prior year: 1 July 2021 to 30 June 2022

BOARD OF FUND

Full name	E-mail Address	Capacity	Date appointed/ re-appointed	Date resigned / Term expiry
Ms Caroline Mary Henry	Caroline@eppf.co.za	E, I & C	1 July 2020	
Mr Ndabezikhona Khehla Shandu	Khehla@eppf.co.za	M	1 June 2020	
Mr Barend Izak Steyn	Ben@eppf.co.za	M	1 June 2020	
Ms Helen Diatile	Helen@eppf.co.za	M	1 June 2020	
Ms Liza Brown	Liza@eppf.co.za	E	1 June 2020	
Ms Mabatho Elizabeth Seeiso	Mabatho@eppf.co.za	E & I	1 July 2020	31 October 2022
Mr Sincedile Ebenezer Shweni	Sincedile@eppf.co.za	E	1 June 2020	
Ms Hasha Thothhalemaje	Hasha@eppf.co.za	E	1 June 2020	
Mr Izak David Du Plessis	Izak@eppf.co.za	M	1 June 2020	
Ms Molibudi Anah Makgopa	Anah@eppf.co.za	M	1 June 2020	
Mr Deon Jenkins	Deon@eppf.co.za	M	1 June 2020	
Mr Lufuno Ratsiku	Lufuno@eppf.co.za	M	1 June 2020	31 October 2023
Mr Peter Ngwako Mashatola	Peter@eppf.co.za	E	1 June 2020	
Ms Natasha Salis	NatashaS@eppf.co.za	E	1 July 2022	
Ms Nazley Sallie	Nazley@eppf.co.za	E & I	16 August 2023	

- 'M' denotes member and pensioner elected
- 'E' denotes employer appointed
- 'C' denotes chairman
- 'I' denotes independent

Governance note: schedule of meetings* held by the Board of Fund in terms of the rules of the Fund

Meeting date	Place of meeting	Quorum (yes/no)
28 July 2022	Ms Teams	Yes
22 September 2022	Ms Teams and EPPF Office Park, Executive Boardroom, 1st Floor, Khumo House	Yes
13 October 2022	Ms Teams	Yes
8 November 2022	Ms Teams and EPPF Office Park, Executive Boardroom, 1st Floor, Khumo House	Yes
30 March 2023	Ms Teams and EPPF Office Park, Executive Boardroom, 1st Floor, Khumo House	Yes
22 June 2023	Ms Teams and EPPF Office Park, Executive Boardroom, 1st Floor, Khumo House	Yes

* Only meetings held by the Board of Fund and does not include meetings held by the sub-committees

FUND OFFICERS

Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed	Date resigned
Mogomoet Shafeeq Abrahams	Private Bag X50, Bryanston, 2021	Isivuno House, EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	(+27) 11 709 7579	Shafeeq@eppf.co.za	1 April 2021	

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Deputy Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Lebogang Paul Mogashoa	Private Bag X50, Bryanston, 2021	Isivuno House, EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	(+27) 11 709 7579	lebogangm@eppf.co.za	22 June 2023

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Mogomoet Shafeeq Abrahams	Private Bag X50, Bryanston, 2021	Isivuno House, EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	(+27) 11 709 7579	Shafeeq@eppf.co.za	1 April 2021

**(In terms of Section 13A of the Pension Funds Act)*

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Liesel Ryan (BSc, FASSA) Willis Towers Watson	Postnet Suite 154, Private Bag X1, Melrose Arch, Johannesburg, 2076	1st Floor Illovo Edge, 1 Harries Road, Illovo, Johannesburg, 2196	(+27) 11 912 9000	Liesel.Ryan@willistowerswatson.com	1 January 2019

Auditor

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Terri Weston (CA) SA Registered Auditor BDO South Africa Incorporated	PO Box 2275, Cape Town, 8000	119 - 123 Hertzog Boulevard, Foreshore, Cape Town, 8001	(+27) 21 460 6349	TWeston@bdo.co.za	1 December 2020

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Registration number in terms of section 13B
Self Administered	Private Bag X50, Bryanston, 2021	Isivuno House, EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	(+27) 11 709 7400	12/8/564/2

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Investment Administrator

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Maitland Group South Africa Limited	Maitland House 1, River Park, Gloucester Road, Mowbray, 7700, South Africa	Maitland House 1, River Park, Gloucester Road, Mowbray, 7700, South Africa	+(27) 21 681 8000	14889
Northern Trust Global Services SE	50 Bank Street, Canary Wharf, London E14 5NT	50 Bank Street, Canary Wharf, London E14 5NT	(+44) 207 982 2000	44089
State Street Bank and Trust Company	20 Churchill Place, London, United Kingdom, E14 5HJ	Quartermile 3, 10 Nightingale Way, Edinburgh, Scotland, United Kingdom, EH3 9EG	(+97) 144 372 806	42671

Custodian and/or Nominee

Full name	Postal address	Physical address	Telephone number	FSP approval no
Nedbank Nominees Ltd	P O Box 1144, Johannesburg, South Africa, 2000	2nd Floor, 16 Constantia Boulevard, Constantia Kloof, 1709	+(27) 11 294 4444	9363
Northern Trust Global Services SE	50 Bank Street, Canary Wharf, London E14 5NT	50 Bank Street, Canary Wharf, London E14 5NT	(+44) 207 982 2000	44089
State Street Bank and Trust Company	20 Churchill Place, London, United Kingdom, E14 5HJ	Quartermile 3, 10 Nightingale Way, Edinburgh, Scotland, United Kingdom, EH3 9EG	(+97) 144 372 806	42671

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Asset Managers

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Aeon Investment Management (Pty) Ltd	PO Box 24020, Claremont, Cape Town, 7735	5th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708	(+27) 21 204 6061	27126
Allianz Global Investors Europe GMBH	Bockenheimer Landstrasse 42-44, 60323 Frankfurt am Main, Germany	Bockenheimer Landstrasse 42 -44, 60323 Frankfurt am Main - Germany	(+49) 69 244312451	44825
Aluwani Capital Partners (Pty) Ltd	Postnet Suite 8, Private Bag X75, Bryanston, 2021	EPPF Office Park, 24 Georgian Crescent East, Bryanston East 2191	(+27) 21 204 3801	46196
Ashmore Group Plc	61 Aldwych, London, WC2B 4AE, United Kingdom	61 Aldwych, London, WC2B 4AE, United Kingdom	(+44) 20 3077 6130	45547
Benguela Global Fund Managers (Pty) Ltd	PO Box 1035, Rivonia, 2191	The Avenue North, 6 Mellis Road, Rivonia, 2191	(+27) 11 803 6063	45122
Black Rock Investment Management (UK) Ltd	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	12 Throgmorton Avenue, London, EC2N 2DL, United Kingdom	(+44) 20 7743 4888	43288
Camissa Asset Management (Pty) Ltd formally Kagiso Asset Management (Pty) Ltd	PO Box 1016, Cape Town, 8000	5th Floor MontClare Place, Cnr Campground and Main Roads, Claremont, 7708	(+27) 21 673 6305	784
Catalyst Fund Managers SA (Pty) Ltd	P O Box 44854, Claremont, 7708	6th Floor Protea Place, Protea Road, Claremont, 7735	(+27) 21 657 5500	36009
Coronation Fund Managers (Pty) Ltd	P O Box 44684, Claremont, 7735	7th Floor, MontClare Place Cnr Campground & Main Roads, Claremont, 7708	(+27) 21 680 2240	548
Drakens Capital (Pty) Ltd	191 Jan Smuts Avenue, Parktown North, Johannesburg	191 Jan Smuts Avenue Parktown North, Johannesburg	(+27) 10 140 6600	45511
Emerging Markets Investment Management Limited	27 Hill Street, Mayfair, London, EC2N 2DL, United Kingdom	27 Hill Street, Mayfair, London, EC2N 2DL, United Kingdom	(+44) 20 3077 6147	50135
Excelsia Capital (Pty) Ltd	Office 303 Sunclair Building, 21 Dreyer Street, Claremont, 7708	Office 303 Sunclair Building, 21 Dreyer Street, Claremont, 7708	(+27) 21 276 1740	46756

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Lima Mbeu Investment Managers (Pty) Ltd	2nd floor, Fredman Towers, 13 Fredman Drive, Sandton, 2196	2nd floor, Fredman Towers, 13 Fredman Drive, Sandton, 2196	(+27) 10 023 0113	49018
Matrix Fund Managers (Pty) Ltd	Postnet Suite 80, Private Bag X1005, Claremont, 7708	2nd Floor, The Terraces, 25 Protea Road, Claremont, 7708	(+27) 21 673 7800	44663
Mazi Capital (Pty) Ltd	4th Floor, North Tower, 90 Rivonia Road, Sandton, 2196	4th Floor, North Tower, 90 Rivonia Road, Sandton, 2196	(+27) 10 001 8300	46405
Meago Asset Management (Pty) Ltd	P O Box 1180, Edenvale, 1610	73 Oxford Road, Saxonwold, Johannesburg	(+27) 11 646 2994	24919
Mergence Investment Managers (Pty) Ltd	PO Box 8275, Roggebaai, 8012	Unit 601, 5th Floor, The Equinox, 154 Main Road, Sea Point, Cape Town, 8005	(+27) 21 433 2960	16134
Mianzo Asset Management (Pty) Ltd	PO Box 1210, Milnerton, 7435	Unit GG01, The Forum, North Bank Lane, Century City, 7441	(+27) 21 552 3555	43114
Morgan Stanley Investment Management Ltd	7th Floor, 25 Cabot Square, Canary Wharf, London, E144QA, United Kingdom	6th Floor 25 Cabot Square, Canary Wharf, London, E144QA, United Kingdom	(+44) 20 7677 7678	9752
Ninety One SA (Pty) Ltd formally Investec Asset Management (Pty) Ltd	PO Box 1655, Cape Town, 8000	36 Hans Strijdom Avenue, Foreshore, Cape Town, 8001	(+27) 21 416 1680	587
Old Mutual Investment Group (Pty) Ltd	PO Box 878, Cape Town, 8000	West Campus, Entrance 1, Jan Smuts Drive, Pinelands, Cape Town, 8000	(+27) 21 509 3034	604
Perpetua Investment Managers (Pty) Ltd	PO Box 44367, Claremont, 7735	5th Floor, The Citadel, 15 Cavendish Street, Claremont, 7708	(+27) 21 180 4917	29977
Robeco Institutional Asset Management B.V	Weena 850, 3014 DA Rotterdam, The Netherlands	Weena 850, 3014 DA Rotterdam, The Netherlands	(+97) 143 614 738	47602
SEI Investments (Europe) Ltd	1st Floor, Alphabeta, 14-18 Finsbury Square, London, EC21 1BR, United Kingdom	1st Floor, Alphabeta, 14-18 Finsbury Square, London, EC21 1BR, United Kingdom	(+27) 11 994-4202	9796
Sanlam Investments (Pty) Ltd	P.O Box 67262-00200, Nairobi	Africa Re Center 5th Floor, Hospital Road, Upper Hill	(+254) 719 067 201	579

ESKOM PENSION AND PROVIDENT FUND**SCHEDULE A****REGULATORY INFORMATION (continued)****FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Stanlib Asset Management (Pty) Ltd	PO Box 202, Melrose Arch, 2076,	17 Melrose Boulevard, Melrose Arch, 2196	(+27) 11 448 5 127	719
State Street Global Advisors Limited	78 Sir John Rogerson's Quay, Dublin, Ireland	78 Sir John Rogerson's Quay, Dublin, Ireland	(+97) 144 372 806	42670
UBS Asset Management (UK) Limited	5 Broadgate, London, EC2M 2QS, United Kingdom	5 Broadgate, London, EC2M 2QS, United Kingdom	(+44) 20 7901 5096	30475
Value Capital Partners (Pty) Ltd	PO Box 650361, Benmore, 2010	8th Floor, 173 Oxford Road, Rosebank, 2196	(+27) 11 722 7572	532
Veritas Asset Management LLP	1 Smart's Place, Holborn, London, WC2B 5LW, United Kingdom	1 Smart's Place, Holborn, London, WC2B 5LW, United Kingdom	(+44) 20 3758 9900	45383
Vunani Fund Managers (Pty) Ltd	6th Floor, Letterstedt House, Newlands, 7700 Cape Town	6th Floor, Letterstedt House, Newlands, 7700 Cape Town	(+21) 670 4900	608

PARTICIPATING EMPLOYERS

The following employers participate in the Fund in terms of the rules of the Fund:

- Eskom Holdings SOC Ltd
- Eskom Rotek Industries SOC Ltd
- Eskom Pension and Provident Fund

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Responsibilities

The Board of Fund hereby confirms to the best of their knowledge and belief, except for those items of non-compliance listed below that, during the year under review, in the execution of their duties they have complied with the duties imposed by the Pension Funds Act and the rules of the Fund, including the following:

- ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the Fund;
- ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the rules of the Fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the Fund or reported where necessary, in accordance with section 13A and regulation 33 of the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules, the operation and administration of the Fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the rules of the Fund; and
- ensured that investments of the Fund were implemented and maintained in accordance with the Fund's investment strategy.

Approval of the annual financial statements

The annual financial statements of Eskom Pension and Provident Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices, which are adequately supported by internal financial controls. These controls, which are implemented and executed by the Fund, provide reasonable assurance that:

- the Fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 13 to 45 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the Fund and the Pension Funds Act. Except for instances of non-compliance as reported below, the Board of Fund is not aware of any instances of non-compliance during the financial year nor during the year up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditors, BDO South Africa Incorporated, who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on pages 11-12.

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

Instances of non-compliance

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were rectified before the Board of Fund's approval of the financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the Fund	Corrective course of action taken to resolve non-compliance matter
1. The participating employer Eskom Holdings SOC Ltd was unable to fill an employer appointed Board of Fund vacancy within the required 90 days.	None.	The position was filled on 16 August 2023.
2. There was no Recognition of Transfer (ROT) documentation received/processed for a member who joined Eskom in the year 2012.	The Fund's investigations revealed that an ROT was completed by the transferor fund. Therefore, to resolve the query and not prejudice the member, the member's record was updated accordingly to reflect the transfer in value with the applicable investment return over the period from receipt of the benefit from the transferor fund.	Member records have been updated.

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were not rectified before the Board of Fund's approval of the financial statements:

Nature and cause of non-compliance	Impact of non-compliance matter on the Fund	Corrective course of action to resolve non-compliance matter
3. As previously reported, the Fund identified individuals who are ineligible to participate in the Fund. This matter is disclosed and will continue to be disclosed as a matter of non-compliance in the Statement of Responsibility by the Board of Fund section in the financial statements of the Fund until it is resolved.	Individuals who are ineligible for membership due to their employment contracts being of a non-permanent nature.	The Fund has conducted an assurance exercise on membership records to determine and affirm membership. Discussions are ongoing with the participating employers and legal processes are underway to resolve the matter.
4. In the prior year, the Fund disclosed a matter of non-compliance relating to incorrect deduction of PAYE on staff bonuses that was due to the incorrect setup of the payroll system. The payroll function is outsourced to a third party. The matter relating to the November 2021 incorrect bonus tax deduction was corrected within the 2022 tax year as part of the annual SARS reconciliation process. In the prior year, it was also indicated that investigations were being conducted to assess impact, if any, of the incorrect payroll setup on prior years. The investigation has been concluded and it was found that the error also impacted the 2019 and 2020 bonus payments, resulting in an under-deduction of tax from the affected employees.	Incorrect PAYE deducted and paid over to SARS may result in additional interest and penalties.	The 2021 bonus tax matter was corrected during the 2022 tax reconciliation period. Following conclusion of the detailed investigation to assess impact on prior years, the Fund has commenced with a remediation process and has also taken measures to recover the under-deducted amounts from affected employees.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

These annual financial statements:

- were approved by the Board of Fund on 1 November 2023;
- are to the best of the Board members' knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the Fund at 30 June 2023 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



Ms Caroline Mary Henry
Chairman

1.11.2023
Date



Mr Izak David Du Plessis
Board Member

1/11/2023
Date



Ms Molibudi Anah Makgopa
Board Member


1/11/2023
Date

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

I confirm that for the year under review the Eskom Pension and Provident Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge, all applicable legislation.

Specific instances of non-compliances	Remedial action taken
Ineligible member participation.	The Fund conducted an independent assurance exercise on membership records and is currently in discussions with the participating employers and embarking on legal processes to resolve the issues.
There was no Recognition of Transfer (ROT) documentation received/processed for a member who joined Eskom in the year 2012.	The members retirement records were updated.
Incorrect tax deductions (PAYE) on staff bonus payments in tax years 2019 to 2021.	The Fund has conducted an investigation into the matter to determine the appropriate action to be taken. A remediation process is underway.
The participating employer Eskom Holdings SOC Ltd was unable to fill an employer appointed Board of Fund vacancy within the required 90 days.	The position was filled on 16 August 2023.



Mogomot Shafeeq Abrahams
 Principal Officer
 1 November 2023



SCHEDULE D

Independent Auditor's Report

To the Board of Fund of

Eskom Pension and Provident Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eskom Pension and Provident Fund (the Fund) set out on pages 21 to 45, which comprise the statement of net assets and funds as at 30 June 2023 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Fund for the year ended 30 June 2023 are prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the *Purpose and basis of preparation of financial statements* note to the financial statements, which describes the basis of preparation of the financial statements. The financial statements have been prepared for the purpose of the Fund's reporting to the Financial Sector Conduct Authority (the Authority) in terms of section 15(1) of the Pension Funds Act No. 24 of 1956, as amended (the Pension Funds Act of South Africa) and have been prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Board of Fund and the Authority and should not be used by parties other than the Board of Fund or the Authority. Our opinion is not modified in respect of these matters.

Other Information

The Board of Fund is responsible for the other information. The other information comprises the information included in the Annual Financial Statements in terms of section 15 of the Pension Funds Act of South Africa, of the Fund for the period 1 July 2022 to 30 June 2023, but does not include the financial statements (schedules F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: LD Mokoena

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.
- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.

BDO South Africa Incorporated
Registered Auditors

BDO South Africa Inc.
BDO South Africa Inc. (Nov 3, 2023 13:39 GMT+2)

Terri Weston
Director
Registered Auditor

3 November 2023

123 Hertzog Boulevard
Foreshore
Cape Town, 8001

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1. DESCRIPTION OF FUND

1.1. Type of fund in terms of the Income Tax Act, 1962

In terms of section 1 of the Income Tax Act, 1962 the Fund is classified as a pension fund. The Fund is registered as a defined benefit pension fund.

1.2. Benefits

The benefit structure offers members retirement, disability, death and withdrawal benefits.

Summary in terms of the rules of the Fund

Details of the benefits are described in the rules, which are available at the registered office of the Fund and on the website at www.eppf.co.za.

Retirement Benefits

- Ill Health / Disability

A pension is calculated on pensionable emoluments and pensionable service up to actual retirement date plus 75% of the service that would have been completed from the retirement date to the pensionable age.

- Early Retirement

A member may retire early after reaching age 55. The pension is reduced by a penalty factor for each year before age 63.

- Normal Retirement

The compulsory age of retirement is 65. However, members may retire early from age 63 without penalties subject to the employer's conditions of service. The benefit is based on 2,17% of annual average pensionable emoluments over the last year before retirement for each year of pensionable service.

- Commutation

A member may commute up to one third of his/her annual pension at the retirement date. The lump sum is calculated using fixed commutation factors. The remainder of the pension benefit will be used to pay a monthly pension.

Withdrawal Benefit

Resignation/dismissal benefits represent either the repayment of employee contributions plus interest, or the prescribed actuarial value of the member's accrued benefit, whichever is the greater.

Death Benefits

- Death In Service

On the death of a member a lump sum equal to twice the member's annual pensionable emoluments is payable and distributed in terms of section 37C of the Pension Funds Act.

Plus

A widow/widower's pension of the first 60% of the member's potential pension is payable.

Plus

A child pension of 30% (40% for two or more children) of the potential pension to which the member would have been entitled if the deceased member remained in service to age 65.

The monthly pension payable cannot exceed 100% of the pension to which the deceased member would have been entitled if the deceased member had remained in service until age 65.

-Death of a Pensioner

A lump sum of R3,000 is payable to the beneficiaries or the estate.

Plus

A pension is paid to the surviving spouse(s) equal to 60% of the deceased pensioner's pension at retirement before commutation including any subsequent increases.

Plus

A pension is paid at 30% (one eligible child) or 40% (two or more eligible children) of the deceased pensioner's pension at retirement before commutation including and subsequent increases.

If there is no spouse's pension payable the percentage payable to eligible children increase to 60% for a single child and 100% for two or more eligible children.

The Fund is a defined benefit pension fund with defined employer and employee contribution rates. In the event of an actuarial deficit, this will be funded by either increases in future contributions or reductions in benefits, as approved by the Board of Fund, in accordance with the Fund's rules.

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

1.2. Benefits (continued)

1.2.1. Unclaimed benefits

The strategy of the Fund towards unclaimed benefits is as follows:

Unclaimed benefits are dealt with in terms of rule 14.6 of the rules of the Fund. In terms of the provisions of this rule, a benefit including a death benefit that has not been claimed by or on behalf of a member or pensioner of the Fund within 2 years of the date on which the benefit became payable, will be transferred to an unclaimed benefits account ("Notional Account") to which shall be credited the full amount of the benefit due plus such interest as the Board of Fund, acting on the advice of the Fund's actuary, shall determine. The balance standing to the credit of this Reversion Account shall become payable by the Fund at the time when a valid claim is submitted to the Fund.

If a member who becomes entitled to a lump sum benefit dies before payment of the benefit to him or her is completed, the Fund shall pay such amount to the estate of the deceased former member. In the case of a member or pensioner, the benefit payable will be subject to the provisions of Section 37C of the Pension Funds Act, 1956.

In respect of unclaimed benefits, complete records as prescribed are maintained and all efforts are made by the Fund to trace the beneficiaries of any benefits.

1.3. Contributions

1.3.1 Description in terms of the rules of the Fund.

1.3.1.1 Active members' contributions

Active members contribute at a rate of 7,3% of pensionable emoluments. Members may make additional voluntary contributions as per the rules of the Fund. There is a very small group of members who contribute at a rate of 6% of annual pensionable salary. At the current valuation there are 11 such members.

1.3.1.2 Employers' contributions

Participating employers contribute at a rate of 13,5% of pensionable emoluments.

1.3.1.3 Above maximum bonus payments

A portion of a member's increase in remuneration, as notified by the employer in writing at the time of payment to the Fund, that exceeds an employee's maximum of the remuneration scale effective from the implementation of any increase in remuneration. The above maximum payment is a one-time upfront payment of a 12 month period and is regarded as pensionable emoluments in terms of rules 5.2.6 and 5.2.7.

1.4. Rule Amendments

1.4.1. Amendments

Rule amendment No.	Description and motivation	Date of Board of Fund resolution	Effective date	Date registered by the Financial Sector Conduct Authority
2	Rule Amendment 2 clarifies when additional contributions are payable on the 13th cheque; aligns pension increases to section 14B of the Pension Funds Act, 1956, CPI, as well as the Fund's Pension Increase Policy; aligns the calculation of the lumpsum payable in respect of all pensioners who retire and die within 5 years of retirement and are single with no eligible children.	8 November 2022	1 November 2023	19 January 2023
3	To allow the remuneration payable to Board Members employed by the Employer to be paid to the employer of the Board Member, where a written agreement to that effect has been concluded between the Board Member and the Employer and to allow the External Employer's (those employed by EPPF/ the Fund) employees, who are Members of the Fund to elect whether to make contributions from their performance bonuses.	22 June 2023		

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.4.2. Revised rules

During the previous financial year the Fund completed the process to amend the consolidated rules in order to update the rules to reflect legislative changes. The amendments were registered by the Financial Sector Conduct Authority (Authority) on 19 January 2023.

1.5. Reserves and specified accounts established in terms of the rules of the Fund

The Fund's rules make provision for reserves and specific accounts as listed below.

1.5.1. Reserves

Reserves are accumulated funds set aside to meet any future costs or financial obligations resulting from the actuarial valuation on the best estimate basis.

Data Contingency Reserve (Data Reserve)

The Data Contingency Reserve must make provision for an amount determined by the Board at each statutory actuarial valuation on the advice of the Fund's Actuary in respect of the risks to the Fund for incorrect or incomplete data relating to the Fund's liabilities. The balance in the Data Contingency Reserve will not be credited with investment returns. The Data Contingency Reserve will be restated at each actuarial valuation, if applicable.

Solvency Contingency Reserve (In-Service Solvency Reserve)

The Solvency Contingency Reserve must make provision for an amount determined by the Board on the advice of the Actuary representing the difference between the value of the Fund's accrued liabilities determined on a solvency basis and the value of the Fund's accrued liabilities determined on the Fund's best estimate basis. The balance in the Solvency Contingency Reserve will not be credited with investment returns. The Solvency Contingency Reserve will be restated at each actuarial valuation.

Contribution Reserve Account

The Contribution Reserve will be utilised to protect the current benefit structure for members in respect of their future potential service in the Fund. The contribution reserve will be credited with an amount determined by the Board on the advice of the Actuary at the date of each actuarial valuation of the Fund as required by Rule 11.3. The balance in the Contribution Reserve will not be credited with investment returns. The Contribution Reserve will be restated at each actuarial valuation.

Pension Increase Affordability Reserve

To be established with effect from 30 June 2021. This reserve account will be utilised to provide future increases to Pensions as required by section 14(B)(4) of the Act. The Pension Increase Affordability Reserve will be credited with an amount determined by the Board on the advice of the Actuary at the date of each actuarial valuation of the Fund as required in terms of rule 11.3.1. The balance of the Pension Increase Affordability Reserve will not be credited with investment returns and will be restated at each actuarial valuation.

Investment Reserve

The Investment Reserve will be utilised to provide for the smoothing of investment return on the accumulated member's contributions and contributions in terms of rule 6.4. The Board on advice of the Actuary will calculate any amounts to be allocated to this reserve.

Unclaimed Benefit Reserve

The Unclaimed Benefits Reserve Account shall house unclaimed benefits.

The following amounts shall be credited to the Unclaimed Benefits Reserve Account:

- 1) All monies retained in the Unclaimed Benefits Reserve Account in terms of Rule 14.5.9 and Rule 14.6 and;
- 2) Investment returns, if any, as per Rule 14.6.2.

The following amounts shall be debited to the Unclaimed Benefits Reserve Account:

- 1) Reasonable expenses, that are specific to the Unclaimed Benefits, as determined by the Board in terms of Rule 14.6.2;
- 2) Reasonable expenses necessary to meet the ongoing costs of the Fund to be borne by the Unclaimed Benefits Reserve Account, as determined by the Board; and
- 3) Payment of unclaimed benefits to exited Member, Pension, Deferred Pensioner, Paid-up Member, Beneficiary or Non-member spouse, as the case may be.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

2. INVESTMENTS

2.1. Investment strategy

The Board of Fund has formulated an investment strategy contained in the Investment Policy Statement that complies with the provisions of Regulation 28 to the Pension Funds Act. In terms of this strategy the investments are managed according to the following principles:

2.1.1. Investment objective

The long term investment objective of the Fund is to earn a net real rand investment return of at least 4.5 percent – in other words, to earn at least an annual return of 4.5 percent after inflation (as measured by the South African Consumer Price Index), applicable taxes, and investment fees and costs. The net real return of 4.5 percent is determined through an Asset Liability Modelling exercise.

2.1.2. Unclaimed benefits

Amounts representing unclaimed benefit balances are invested as part of the normal investment operations of the Fund.

2.1.3. Reserve accounts

Amounts representing the value of the reserve accounts are invested as part of the normal investment operations of the Fund.

2.1.4. Derivative Instruments

The Board of Fund utilises derivative instruments as part of its investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.

2.1.5. Hedge funds

The Board of Fund utilises hedge funds and fund of hedge funds, as part of its investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28 and the relevant Notice.
- The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.

2.1.6. Private Equity Funds

The Board of Fund utilises private equity funds as part of its investment strategy. The Board of Fund ensures that the following have been complied with:

- The exposure of the asset class does not exceed the maximum percentages as prescribed to the underlying asset as set out in Regulation 28.
- The investment mandate is in place and reviewed by the Board of Fund on a regular basis to ensure compliance with the requirements as prescribed by Regulation 28.
- The requirements of Notice No. 1 of the Pension Funds Act relating to conditions for investment in private equity funds.
- The investments are monitored for compliance with the provisions of Regulation 28 and adherence to the investment mandate.

2.1.7. Securities Lending Transactions

The Board of Fund utilises securities lending transactions as part of its investment strategy. The Board of Fund ensures that the securities lending transactions are in compliance with the relevant conditions as prescribed by the relevant FSCA Notice.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

2.1.8. Change in Accounting Policy

Unsettled trades were previously disclosed as unsettled cash in investment assets. During the current year, the Fund changed this. The gross unsettled trades are now disclosed in Investments (Schedule HA note 3), Accounts Receivable (Schedule HA note 4) and Accounts Payable (Schedule HA note 9). This change has been applied prospectively in line with the Fund's Accounting Policy.

2.2. Management of investments

The Strategic Investment Committee directs and monitors investments and investment activities on behalf of the Board of Fund. This committee meets at least four times per year to review investment performance, asset allocation and investment strategy, and regularly reports to the Board.

The Fund applies a core/satellite approach to portfolio structuring on the public markets portfolio; core to provide stability of returns and satellite to enhance returns above applicable benchmarks. Specialist portfolio mandates are awarded to asset managers after a thorough research and evaluation process. Where it is value enhancing and cost effective, certain portfolios are managed inhouse. All portfolio mandates have robust performance and risk benchmarks by which performances are evaluated. At year-end, approximately 40% (2022 - 42%) of total investments were managed inhouse.

All investment managers are remunerated on a fee basis and are paid at regular intervals in accordance with the terms of their contracts.

The fair value of the Fund's investments, administered by the investment administrators and asset managers at the end of the year was:

	2023 R'000	2022 R'000
Aeon Investment Management (Pty) Ltd	1 105 983	995 009
Allianz Global Investments Europe GMBH	7 442 130	5 290 019
Aluwani Capital Partners (Pty) Ltd	4 694 197	4 306 459
Ashmore Group Plc	570 127	515 210
Benguela Global Fund Managers (Pty) Ltd	1 191 749	1 180 685
Black Rock Investment Management (UK) Ltd	10 013 928	8 063 557
Camissa Asset Management (Pty) Ltd	2 177 052	2 067 536
Catalyst Fund Managers SA (Pty) Ltd	2 762 647	2 393 466
Coronation Fund Managers (Pty) Ltd	7 802 393	7 929 830
Drakens Capital (Pty) Ltd	2	61 595
Emerging Markets Investment Management Ltd	1 877 263	1 690 963
Excelsia Capital (Pty) Ltd	1 083 162	278 112
In house managed assets	76 475 333	70 889 875
Lima Mbeu Investment Managers(Pty) Ltd	261 179	233 830
Matrix Fund Managers (Pty) Ltd	1 587 802	1 337 361
Mazi Capital (Pty) Ltd	5 587 412	5 919 692
Meago Asset Management (Pty) Ltd	2 091 259	1 924 897
Mergence Investment Managers (Pty) Ltd	1 627 743	1 428 930
Mianzo Asset Management (Pty) Ltd	2 122 348	1 870 638
Morgan Stanley Investment Management Ltd	8 166 952	6 245 298
Ninety One SA (Pty) Ltd	7 270 085	7 293 969
Old Mutual Investment Group (Pty) Ltd	5 168 653	4 625 322
Perpetua Investment Managers (Pty) Ltd	3 422 749	2 986 632
Robeco Institutional Asset Management B.V.	3 830 436	2 908 516
SEI Investments (Europe) Ltd	7 541 814	5 710 351
Sanlam Investments (Pty) Ltd	5 586 658	4 943 458
Stanlib Asset Management Ltd	1 310 328	1 211 838
State Street Global Advisors Limited	4 594 769	3 587 680
UBS Asset Management (UK) Ltd	5 019 025	4 679 331
Unsettled Trades	1 249 585	-
Value Capital Partners (Pty) Ltd	1 363 537	1 367 776
Veritas Asset Management (Pty) Ltd	6 011 463	4 655 361
Vunani Fund Managers (Pty) Ltd	-	1 384 690
Total value of investments managed	191 009 763	169 977 886

In the previous years, the unsettled trades (securities bought and/or sold but not yet settled at reporting date) were classified differently. In the current year, due to materiality of the amount, these have been reclassified and included in Total Investments, Accounts receivable and Accounts payable. The reclassification is a change in accounting policy. Prior years have not been restated. Also refer to schedule HA notes 4 (Accounts Receivable) and 9 (Accounts Payable) for the gross effect.

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023**

3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Other beneficiaries	Unclaimed benefits
Number at the beginning of year	39 224	1 778	33 496	3 377	1 942
Adjustments	-	-	-	-	(28)
Additions	1 297	148	2 001	393	157
Transfers out	(55)	(71)	-	-	-
Withdrawals	(716)	(117)	-	-	-
Retirements and disability	(875)	(66)	-	-	-
Deaths	(157)	(9)	(1 425)	-	-
Settled in full	-	-	-	(271)	-
Suspension	-	-	(474)	-	-
Unclaimed benefits paid	-	-	-	-	(70)
Number at the end of the year	38 718	1 663	33 598	3 499	2 001
Number at end of year (South African citizens)	38 700	1 654	32 709	3 468	1 926
Number at end of year (non-South African citizens)	18	9	889	31	75

Notes:

- (a) Pensioners include child pensioners receiving benefits. The total number of child pensioners eligible for benefits as listed under note 7.1 of Schedule HA (instalment lumpsums) is reflected as Other beneficiaries above.
- (b) The adjustment represents unclaimed benefits that were paid in the prior.
- (c) Withdrawals include absconded members.
- (d) Regulation 38 requires the Rules of the Fund to provide for members to become Paid Up when they leave service of the employer. The Fund is required to issue a Paid Up certificate. Similarly, members joining the Fund are required to submit their Paid Up certificates within 4 months of joining the Fund.

4. ACTUARIAL VALUATION

The annual financial statements summarise the transactions and net assets of the Fund, and take into account the liabilities to pay pensions and other benefits in the future. In accordance with the rules of the Fund, the actuarial position of the Fund, is examined and reported on by the actuary at intervals not exceeding three years.

The last triennial actuarial valuation was carried out as at 30 June 2021 for which the Fund is still to receive approval from the Authority. The Board of Fund has resolved to file annual actuarial valuations, and accordingly the 30 June 2023 valuation is treated as annual valuation and filed with the Authority as a voluntary annual valuation submission on the statutory basis.

According to the actuary per the annual valuation performed as at 30 June 2023, the Fund's assets are sufficient to cover the accumulated liabilities on the best estimate basis, plus the required contingency reserves in respect of in-service members and pensioners. The Fund is therefore financially sound by this criterion.

The next triennial statutory actuarial valuation will be performed as at 30 June 2024.

5. SURPLUS APPORTIONMENT

Nil scheme

The valuation of the Fund for surplus apportionment as at 30 June 2003 revealed that the Fund had no surplus to apportion. A "nil scheme" was subsequently submitted on 1 December 2004 and was noted by the Registrar (now Financial Services Conduct Authority) on 14 July 2005.

6. HOUSING LOAN FACILITIES

The Fund has not granted housing loans or guarantees to members in terms of Section 19(5) of the Pension Funds Act.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

7. INVESTMENTS IN PARTICIPATING EMPLOYER

Investments in terms of section 19(4A) of the Act

The Fund has an investment of less than 5% of the total debt instruments issued by the participating employer Eskom Holdings SOC Ltd. Details of investments held in the participating employer are provided in note 3.2 to the financial statements.

8. SIGNIFICANT MATTERS

8.1 Eligibility of employees to participate as members of the Fund

The rules describe an eligible employee as an employee who at the date of becoming a member, is under the pensionable age; is not a temporary employee of an employer; and, if applicable in his/her case, has completed the period of service required in terms of rule 4.1.2 to become an eligible employee. The rules further describe a temporary employee to mean a person who is appointed for a specific purpose and whose employment will end when that purpose has been accomplished, or who is appointed for a specific period and whose employment will end at the end of that period, and in either case whose employment is not subject to a right of renewal. During the 2017 financial year the Fund became aware of several fixed-term contract employees of Eskom, Eskom Rotek Industries and the Fund who had been admitted as members of the Fund. The legal advice received by the Fund indicated that fixed-term contract employees do not qualify to participate as members of the Fund. The Fund was further advised of the options available to it in law to regularise the position with regards to employees of its participating employers who had been erroneously admitted as members of the Fund, which options included applying to court for a declaratory order regularising the position of such ineligible employees, and the reversal of the purported membership together with contributions with the consent of the affected employees.

The Fund conducted a membership eligibility exercise on all its active membership records to determine and affirm its membership. The process has been completed and Rotek and Eskom are reviewing the findings. When the review process is completed, the Fund, together with the participating employers will trace, and contact affected participants where the Fund does not have sufficient information to confirm their eligibility or are identified as ineligible. Where the affected participants have sufficient information, they will be confirmed as eligible. Those who remain ineligible after the exercise have the option to participate in a declaratory order regularising the position of such ineligible employees or request the Fund to reverse their purported membership together with applicable contributions.

8.2 The former Eskom Group Chief Executive Officer (GCEO) pension pay-out

The former Eskom GCEO, Mr Brian Molefe was admitted to membership of the Fund with effect from 14 September 2015 on the basis of information received from Eskom indicating that he was a permanent executive employee in the "F" band. He remained a member of the Fund until he was retired in terms Rule 28 of the Fund Rules on 31 December 2016 following the purchase of additional years of service on his behalf by Eskom in terms of Rule 21(4). Mr Molefe's eligibility for membership of the Fund, in light of new information indicating that he was employed on a fixed term contract of employment and his subsequent retirement from the Fund, was the subject of court proceedings brought by Solidarity, the DA and the EFF. The court declared Mr Molefe ineligible for membership of the Fund in view of his fixed term contract of employment, and further set aside his retirement from the Fund. It further directed him to repay the amounts paid to him by the Fund. Mr Molefe unsuccessfully sought leave to appeal the judgement of the High Court before the Supreme Court of Appeal and the Constitutional Court. The Fund accordingly took legal action to enforce the judgement relating to the repayment of the amounts paid to him by the Fund. The High Court confirmed Mr Molefe's indebtedness to the Fund and his obligation to repay the purported retirement benefit paid to him on his resignation from Eskom. The court also awarded costs against Mr Molefe. Mr Molefe is appealing the decision of the high court. The rules of the Fund have since been revised and consolidated. The Fund has since further revised its processes to vet new entrants for eligibility.

8.3 Payment to Eskom Holding SOC Ltd

On 2 September 2022, the Fund refunded Eskom Holding SOC Ltd R30.1m for the cost of early retirement and additional services in respect of the former Eskom GCEO.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

9. STATUS OF THE FUND

The Fund is a defined benefit pension fund. In terms of the Rules of the Fund the employers' contributions to the Fund are 13,5% of the members' pensionable emoluments and in the case of an actuarial deficit in the Fund, the Rules provide that contributions will be increased or benefits will be reduced.

The funding level has increased from 139% to 155% since the previous valuation. The Fund is financially sound in that its assets are sufficient to cover its accrued liabilities.

The going-concern basis has been adopted in preparing the annual financial statements. The Board of Fund has no reason to believe that the Fund will not be a going concern in the foreseeable future, based on forecasts and available cash resources. This view is endorsed by the Audit and Risk Committee. The annual financial statements support the viability of the Fund.

10. SUBSEQUENT EVENTS

The Fund is not aware of any material subsequent events that have taken place since the date of this report and the Financial year except for the items detailed below:

10.1 Changes to the Board of Fund

Ms Nazley Sallie was appointed as an employer appointed independent member of the Board of Fund on 16 August 2023 replacing Ms Mabatho Elizabeth Seeiso.

Mr Lufuno Ratsiku a member appointed Board of Fund member resigned on 31 October 2023.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT FRIDAY, 30 JUNE 2023

	Note	2023 R'000	2022 R'000
ASSETS			
Non-current assets		191 030 380	169 998 383
Plant and equipment	2	20 617	20 497
Investments	3	191 009 763	169 977 886
Current assets		1 030 666	677 634
Accounts receivable	4	720 353	397 477
Arrear contributions	10	291 373	268 205
Cash at bank		18 940	11 952
Total assets		192 061 046	170 676 017
FUNDS, SURPLUS AND LIABILITIES			
Funds and surplus account			
Accumulated funds		162 616 926	146 776 448
- Normal retirement		156 658 352	140 832 543
- Additional voluntary contribution scheme		541 826	528 769
- Performance bonus scheme		5 416 748	5 415 136
Total reserves			
Reserve accounts	19	25 967 000	21 837 000
Total funds and reserves		188 583 926	168 613 448
Non-current liabilities			
Unclaimed benefits	8	245 586	274 987
Current liabilities		3 231 534	1 787 582
Transfers payable	6	42 666	45 224
Benefits payable	7	1 346 850	1 498 093
Accounts payable	9	1 770 509	198 150
Accruals	15	71 509	46 115
Total funds and liabilities		192 061 046	170 676 017

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

		Normal retirement	Additional Voluntary Contribution Scheme	Performance Bonus Scheme	A Members' Individual Accounts and Accumulated funds	B Reserve accounts Refer note 19	A+B Total 2023	Total 2022
	Note	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Contributions received and accrued	10	3 889 061	44 963	80 941	4 014 965	-	4 014 965	3 784 805
Net investment income	11	22 851 654	30 700	297 430	23 179 784	-	23 179 784	6 801 030
Allocated to unclaimed benefits	8	(30 795)	-	-	(30 795)	-	(30 795)	(37 499)
Other income	12	19 741	-	-	19 741	-	19 741	20 504
Less:								
Administration expenses	13	(223 638)	-	-	(223 638)	-	(223 638)	(195 540)
Net income before transfers and benefits		26 506 023	75 663	378 371	26 960 057	-	26 960 057	10 373 300
Transfers and benefits		(6 589 490)	(62 574)	(376 759)	(7 028 823)	-	(7 028 823)	(7 104 219)
Transfer from other funds	5	13 663	-	-	13 663	-	13 663	4 317
Transfer to other funds	6	(392 267)	-	-	(392 267)	-	(392 267)	(296 797)
Benefits	7	(6 210 886)	(62 574)	(376 759)	(6 650 219)	-	(6 650 219)	(6 811 739)
Net income/(loss) after transfers and benefits		19 916 533	13 089	1 612	19 931 234	-	19 931 234	3 269 081
Funds and reserves								
Balance at the beginning of the year	19	140 832 543	528 769	5 415 136	146 776 448	21 837 000	168 613 448	165 328 634
Prior period adjustment	14	39 276	(32)	-	39 244	-	39 244	16 848
Transfers between reserve accounts	19	(4 130 000)	-	-	(4 130 000)	4 130 000	-	-
Former members		-	-	-	-	-	-	(1 115)
Balance at the end of the year		156 658 352	541 826	5 416 748	162 616 926	25 967 000	188 583 926	168 613 448

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1. PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the Fund. These policies have been applied consistently to all years presented, unless otherwise specifically stated.

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the Fund and the provisions of the Pension Funds Act.

The annual financial statements are prepared on the historical cost and going concern basis, except where specifically indicated in the accounting policies below:

1.2. PLANT AND EQUIPMENT

The Fund carries assets classified as plant and equipment at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenses that are directly attributable to the acquisition of the items.

Subsequent costs are capitalised to the assets' carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance are expensed to the statement of changes in net assets and funds during the financial period in which they are incurred.

Assets are depreciated on a straight line basis at rates calculated to reduce the book value of these assets to estimated residual values over their expected useful lives.

The periods of depreciation used are as follows:

	Years
Motor vehicles	5
Furniture & fittings	5
Office equipment	5
Computer equipment	2-3
Capitalised computer software	2-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of net assets and funds date. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains or losses on disposals are determined by reference to the carrying amount of the asset and the net proceeds received, and are recorded in statement of changes in net assets and funds on disposal.

1.3. INTANGIBLE ASSETS

Intangible assets comprise the right to use assets relating to cloud computing arrangements and mobile applications, these assets are measured initially at purchased cost. Development costs are recognised as an expense in the period in which they are incurred unless the technical feasibility of the asset has been demonstrated and the intention to complete and utilise the asset is confirmed. Capitalisation commences when it can be demonstrated how the intangible asset will generate probable future economic benefits, that it is technically feasible to complete the asset, that the intention and ability to complete and use the asset exists, that adequate financial, technical, and other resources to complete the development are available and the costs attributable to the process or product can be separately identified and measured reliably. Where development costs are recognised as assets with a finite useful life, they are amortised over their useful life of between 2 and 10 years on a straight-line basis and tested for impairment where there have been indicators of impairment. Intangible assets are measured at cost less accumulated amortisation and reduced by any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or infinite. The Fund has no intangible assets with infinite useful lives.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.3. INTANGIBLE ASSETS (continued)

Useful life is reviewed annually, at each reporting period and the prospective amortisation is adjusted accordingly if necessary.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the intangible asset and is recognised in the statement of changes in net assets and funds.

Impairment of non-financial assets

At each reporting date, the Fund reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately in the statement of changes in net assets and funds.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Fund estimates the asset's recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of changes in net assets and funds.

1.4. FINANCIAL INSTRUMENTS

Recognition and measurement

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds include cash and bank balances, investments, accounts receivables and accounts payable.

Unsettled trades are buys and sells within the investment portfolio where the buy or sell has not yet settled i.e cash is still being transferred. Unsettled trade receivables are financial assets measured initially at fair value and subsequently measured at amortised cost. Unsettled trade payables are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost. Unsettled trades are disclosed under Trade receivables (Schedule HA note 4) and Trade payables (Schedule HA note 9) on the Statement of Net Assets and Funds.

Financial instruments are initially measured at cost as of trade date, which includes transaction costs.

Profit or loss on the sale / redemption of investments is recognised in the statement of changes in net assets and funds at transaction date.

Subsequent to initial recognition, these instruments are measured as set out below.

1.4.1. Investments

Investments are measured at fair value through the statement of changes in net funds.

Bills and bonds

Bills and bonds comprise investments in government or provincial administration, local authorities, participating employers, and corporate bonds.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.4.1. *Investments (continued)*

Listed bills and bonds

The fair value of listed bills and bonds traded on active liquid markets is based on a regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted bills and bonds

A market yield is determined by using appropriate yields of existing bonds and bills that best fit the profile of the instrument being measured and based on the term to maturity of the instrument. Adjusting for credit risk, where appropriate, a discounted cash flow model is then applied, using the determined yield, in order to calculate the fair value.

Investment property

A property held for long-term yields or capital appreciation is classified as investment property. Investment properties comprise freehold land and buildings and are carried at fair value.

Investment properties are reflected at valuation on the basis of open-market fair value at the statement of net assets and funds date. If the open-market valuation information cannot be reliably determined; the Fund uses alternative valuation methods such as discounted cash flow projections or recent prices on active markets for transactions of a similar nature. The fair values are the estimated amounts for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

The open-market fair value is determined annually by independent professional valuers.

Changes in fair value are recorded by the Fund in the statement of changes in net assets and funds.

Equities

Equity instruments consist of equities with primary listing on the JSE, equities with secondary listing on the JSE, foreign listed equities and unlisted equities.

Equity instruments designated as fair value through the statement of changes in net assets and funds by the Fund are initially recognised at fair value on trade date.

Listed equities

Equity instruments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. The fair value of equity instruments with standard terms and conditions and traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statements of net assets and funds date.

Unlisted equities

If a quoted closing price is not available i.e. for unlisted instruments, the fair value is estimated using pricing models, or by applying appropriate valuation techniques such as discounted cash flow analysis or recent arm's length market transactions in respect of equity instruments.

Preference shares

Listed preference shares

Preference shares are shares of a company's stock with dividends that are paid out to shareholders before ordinary stock dividends are issued. Preference shares have some of the characteristics of debt and equity. They behave like equity shares in that their prices can climb over time as they are traded, but are similar to debt because they pay investors fixed returns in the form of preference dividends. They are subsequently measured at fair value.

Insurance policies

Non-linked insurance policies

Non - linked insurance policies with insurers are valued on the basis of the policyholder's retrospective contribution to assets (i.e. accumulation at the actual investment return achieved on gross premiums).

Linked or market-related policies

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Collective investment scheme

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the rules of each particular collective investment scheme, multiplied by the number of units.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.4.1. Investments (continued)

Derivative Market Instruments

Derivative market instruments consist of interest rate swaps, futures, options and forward contracts.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from regulated exchange quoted market prices in active markets, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Fund does not classify any derivatives as hedges in a hedging relationship.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) based on a valuation technique whose variables include only data from observable markets.

Commodities

The Fund may actively buy and sell gold, for both physical and financial settlement. Positions are principally acquired or incurred for the purpose of selling or repurchasing for investment profits. When dealing activities are executed in this manner the Fund is considered to be an investor in commodities. Investments held in commodities are accordingly measured at fair value less cost to sell (with any changes in fair value less cost to sell recognised in profit or loss).

Swaps

Swaps are valued by means of discounted cash flow models, using the swap curve from a regulated exchange (JSE Debt Market) to discount fixed and variable rate cash flows, as well as to calculate implied forward rates used to determine the floating interest rate amounts. The net present values of the fixed leg and variable leg of the swap are offset to calculate the fair value of the swap.

Investment in participating employers

Investments in participating employer(s) comprise debt securities (bills and bonds).

Hedge funds

Hedge fund investments are designated as fair value through the statement of changes in net assets and funds by the Fund and are initially recognised at fair value on trade date.

Hedge fund investments are subsequently measured at fair value and the fair value adjustments are recognised in the statement of changes in net assets and funds. Hedge funds tend to be listed funds. The fair value of hedge fund investments traded on active liquid markets is based on regulated exchange quoted ruling closing prices at the close of business on the last trading day on or before the statement of net assets and funds date.

1.4.2. Accounts receivable

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.4.3. Cash and cash equivalents

Cash and equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of twelve months or less. Cash and cash equivalents are measured at fair value. The cash within the Investments financial statement line item is part of the investing activities of the Fund and is not maintained for the operational requirements of the Fund.

1.4.4. Accounts payable

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

1.4.5. Investments unsettled trades

Unsettled trades for purchase and sale of investments are disclosed as part of investments.

1.5. RESERVES

Reserve accounts comprise particular amounts of designated income and expenses as set out in the rules of the Fund or The Pension Funds Act and are recognised in the year in which such income and expenses accrue to the Fund.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.6. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND ACCRUALS

Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

Contingent liabilities

A contingent liability is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets

A contingent asset is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Accruals

Accruals are recognised when the Fund has earned income or incurred an expense as a result of a past event or constructive obligation and an inflow or outflow of economic benefits is certain and a reliable estimate of the amount can be made.

1.7. CONTRIBUTIONS

Contributions are measured at the fair value of the consideration received or receivable.

Contributions are accrued and recognised as income in accordance with the rules of the Fund. Contributions received are applied to fund benefits due in terms of the rules, and to meet expenses of the Fund.

Voluntary contributions are recognised when they are received from annual payments or accrued where monthly recurring payments are made.

Any contributions outstanding at the end of the reporting year are recognised as a current asset – contribution receivable. Any contributions received in advance at the end of the reporting year are recognised as a current liability – accounts payable.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.8. NET INVESTMENT INCOME

Net investment income comprises of dividends, interest, rentals, collective investment schemes - distribution, income from policies with insurance companies and adjustments to fair value, net of expenses incurred in managing investments.

Dividends

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities.

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Rentals

Rental income is accounted for in the statement of changes in net assets and funds on a straight-line basis over the period of the rental agreement. Property expenses are recognised in the statement of changes in net assets and funds under net investment income.

Collective investment schemes' distribution

Distributions from collective investment schemes are recognised when the right to receive payment is established.

Interest on late payment of contributions and / or loans and receivables

Interest on late payment of contributions and /or loans and receivables is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Adjustments to fair value

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered to the Fund.

1.9. BENEFITS

Benefits payable and pensions payable are measured in terms of the rules of the Fund.

Benefit payments and monthly pension payments are recognised as an expense when they are due and payable in terms of the rules of the Fund. Any benefits not paid at the end of the reporting year are recognised as a current liability – benefits payable.

1.10. UNCLAIMED BENEFITS

Benefits which remain outstanding for a period of 24 months or more, are classified from benefits payable to unclaimed benefits. Interest is allocated to unclaimed benefits in terms of the rules of the Fund.

1.11. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the Fund are recognised on the date of approval of the scheme/arrangement of transfer of business by the Financial Services Conduct Authority, as contained in the approval certificate from the Registrar.

Individual transfers (Section 13A(5) transfers) are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

All the above transfers are measured at the values as per the section 14 application or the value of the transfer at the effective date of transfer adjusted for investment returns or late payment interest as guided by the application.

Any known transfer payable outstanding at the end of the reporting period is recognised as a current liability - transfers payable.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

1.12. ADMINISTRATION EXPENSES

Expenses incurred in the administration of the Fund are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in the accounts payable note. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

1.13. RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the Fund discloses the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

1.14. ACCOUNTING POLICIES, CHANGE IN ACCOUNTING ESTIMATES AND ERRORS

The Fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognised in the current and future years affected by the change.

1.15. IMPAIRMENT

Asset impairment tests are applied annually to assets whose measurement basis is historic cost or historic cost as adjusted for revaluations. An impairment loss is recognised when the asset's carrying value exceeds its recoverable amount. Impairment losses are initially adjusted against any applicable revaluation reserve then expensed in the statement of changes in net assets and funds.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less cost of disposal. Value in use is the present value of estimated future cash flows expected to flow from the continuing use of the asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset subsequently exceeds the carrying value resulting from the application of its accounting policy, an impairment reversal is recognised to that extent. The impairment reversal is applied in reverse order to the impairment loss.

1.16. RETURNS ALLOCATED TO SCHEMES

Interest allocated to the additional voluntary contribution and performance bonus schemes is at rates determined by the Board of the Fund on the advice of the actuary. No expenses are presently allocated to these schemes as the rules of the Fund do not currently cater for this.

1.17. LEASES

Leases in which significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of changes in net assets and funds on a straight-line basis over the period of the lease.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

2. PLANT AND EQUIPMENT

2.1. Current year

	Capitalised development costs R'000	Computer equipment and software R'000	Office equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Total R'000
Gross carrying amount						
Cost at beginning of year	13 245	14 870	1 512	7 377	305	37 309
Additions	1 891	2 692	-	-	-	4 583
At end of year	15 136	17 562	1 512	7 377	305	41 892
Accumulated depreciation and impairment						
At beginning of year	-	(10 204)	(884)	(5 648)	(76)	(16 812)
Depreciation charges	(690)	(2 647)	(279)	(870)	(61)	(4 547)
Accumulated depreciation on disposals	-	84	-	-	-	84
At end of year	(690)	(12 767)	(1 163)	(6 518)	(137)	(21 275)
Net carrying amount at end of year	14 446	4 795	349	859	168	20 617

The capitalised development costs were brought into use during the year under review resulting in amortisation charges.

Note 1

Capitalised development costs

Description	Net carrying amount at end of year
Application Testing Tool	5 502
Cloud Transformation	1 677
Member Administration System	5 982
Website development	1 285
Total	14 446

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

2.2. Prior year

	Capitalised development costs R'000	Computer equipment and software R'000	Office equipment R'000	Furniture and fittings R'000	Motor vehicles R'000	Total R'000
Gross carrying amount						
At beginning of period	-	11 995	1 482	7 353	305	21 135
Additions	13 245	2 875	30	24	-	16 174
At end of year	13 245	14 870	1 512	7 377	305	37 309
Accumulated depreciation and impairment						
At beginning of period	-	(8 931)	(583)	(5 284)	(15)	(14 813)
Depreciation charges	-	(2 503)	(306)	(1 158)	(61)	(4 028)
Accumulated depreciation on disposals	-	1 230	5	794	-	2 029
At end of year	-	(10 204)	(884)	(5 648)	(76)	(16 812)
Net carrying amount at end of period	13 245	4 666	628	1 729	229	20 497

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

3. INVESTMENTS

3.1. Investment summary

	Note	A Local R'000	B Foreign R'000	A+B Total 2023 R'000	Total 2022 R'000	Fair value current year R'000	Categorised per Reporting Framework
Cash		3 808 382	1 059 693	4 868 075	3 871 531	4 868 075	At fair value through statement of changes in net assets and funds
Commodities		16 095	-	16 095	-	16 095	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt instruments		31 992 557	6 303 804	38 296 361	35 339 624	38 296 361	At fair value through statement of changes in net assets and funds
Investment properties and Owner occupied properties*	3.3.	112 000	-	112 000	113 000	112 000	At fair value through statement of changes in net assets and funds
Equities (including demutualisation shares)		75 470 157	36 130 307	111 600 464	102 464 111	111 600 464	At fair value through statement of changes in net assets and funds
Collective investment schemes		-	18 761 013	18 761 013	14 527 218	18 761 013	At fair value through statement of changes in net assets and funds
Hedge funds		1 587 802	-	1 587 802	1 337 361	1 587 802	At fair value through statement of changes in net assets and funds
Private equity funds		6 994 332	6 600 307	13 594 639	9 874 310	13 594 639	At fair value through statement of changes in net assets and funds
Investment in participating employer(s)	3.2.	2 173 314	-	2 173 314	2 450 731	2 173 314	At fair value through statement of changes in net assets and funds
Total		122 154 639	68 855 124	191 009 763	169 977 886	191 009 763	

* Property consists of an office block situated on Erf 21 Bryanston East. The land and buildings were revalued by an independent valuator, Mwangala Shamaila (professional valuer). The valuation was performed as at 30 June 2023. The valuator used the following assumptions in determining the fair value of the land and buildings: competent property management is in place, reasonably stable economic conditions and stable interest rates which influence real estate values. Assumptions are made on expiry of leases for vacancies. During the void revenue period (property vacancy period) the property may be relet and fitted out for the new tenant. These capital costs as well as agency commission fees are calculated into the cash flow. The fair value was determined by reference to s13 of the JSE regulations regulating listed company property transactions as effective March 2013. If the land and buildings had been carried at the cost model, the value of the land and buildings would have been R63 413 133.

Bank and Cash

Included in the Fund's cash at bank is a facility of Financial Guarantee of R10 500, Debt Financing of R23 000 000, Exchange Traded Futures of R1 000, Derivatives of R200 000 000 and Derivative Settlement of R500 000 000.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

3.2. Investment in participating employer/s

	At beginning of year R'000	Additions R'000	Market Movement R'000	At end of year R'000
Debt instruments	2 450 731	13 630	(291 047)	2 173 314
Total	2 450 731	13 630	(291 047)	2 173 314

3.3. Investment properties and owner occupied investments

3.3.1. Current year
Instrument

Instrument	Address	Valuation method	Date of last valuation	Pledged as a guarantee	At beginning of year R'000	Fair value adjustments R'000	At end of year R'000
Investment Properties							
Office Complex	EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	Discounted cash flow	2023/06/30	No	113 000	(1 000)	112 000
Total of properties					113 000	(1 000)	112 000

3.3.2. Previous year
Instrument

Instrument	Address	Valuation method	Date of last valuation	Pledged as a guarantee	At beginning of year R'000	Fair value adjustments R'000	At end of year R'000
Investment Properties							
Office Complex	EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	Discounted cash flow	2022/06/30	No	109 000	4 000	113 000
Total of properties					109 000	4 000	113 000

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

4. ACCOUNTS RECEIVABLE

	2023 R'000	2022 R'000
Accrued investment income	36 727	96 171
Pensioner payroll (prepaid)	318 065	287 914
Eskom Holdings SOC Ltd	5 209	-
Prepaid expenses	3 185	1 598
Other receivables	39	575
Recovery of ineligible member pay-out: Mr B Molefe**	11 961	11 219
Unsettled trades receivable*	345 167	-
Total	720 353	397 477

*In the previous years, the unsettled trades (securities brought and/or sold but not yet settled at reporting date) were classified differently. In the current year, due to materiality of the amount, these have been reclassified and included in Total Investments, Accounts receivable and Accounts payable. The reclassification is a change in accounting policy. Prior years have not been restated. Also refer to schedule HA notes 9 (Accounts Payable) for the gross effect.

**Recovery of ineligible member pay-out: Refer to Schedule E, Significant Matters point 8.2. Interest calculated at the Fund's rate of return to the value of R687 000 (2022: R750 000) was added to the outstanding amount.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

5. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	A At beginning of year R'000	B Transfers approved R'000	C Return on Transfers R'000	D Assets transferred R'000	A+B+C-D At end of year R'000
Individual transfers in*	Various	15	-	13 663	-	(13 663)	-
Total		15	-	13 663	-	(13 663)	-
Transfers approved (B)							13 663
Return on transfers (C)							-
Statement of changes in net assets and funds							13 663

*Included in the transfer in amount is amount for a reversal of a previous transfer out for a member who was re-instated after the CCMA case. This reversal includes the previous benefit transferred out plus growth within the other fund during the break in membership.

6. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	A At beginning of year R'000	B Transfers approved R'000	C Return on Transfers R'000	D Assets transferred R'000	A+B+C-D At end of year R'000
Individual transfers out	Various	166	45 224	392 267	-	(394 825)	42 666
Total		166	45 224	392 267	-	(394 825)	42 666
Transfers approved (B)							392 267
Return on transfers (C)							-
Statement of changes in net assets and funds							392 267

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

7. BENEFITS

7.1. Benefits - current members

	A At beginning of year R'000	B Benefits for current period R'000	C Return allocated R'000	D Payments R'000	E Transferred to unclaimed benefits R'000	A+B+C-D-E At end of year R'000
Monthly pensions	123 264	4 789 416	-	(4 790 588)	-	122 092
Lump sums on retirements						
- Pensions commuted	150 244	858 872	-	(883 729)	(106)	125 281
Lump sums before retirement						
- Death and disability benefits	287 374	106 864	1 799	(172 249)	(2 399)	221 389
- Withdrawal benefits	274 954	603 039	143	(735 767)	-	142 369
Divorce payments	8 671	162 079	848	(153 027)	-	18 571
Other						
Instalment lumpsums*	653 586	85 110	42 049	(63 597)	-	717 148
Total	1 498 093	6 605 380	44 839	(6 798 957)	(2 505)	1 346 850

Benefits for current year (B)

6 605 380

Return allocated (C)

44 839

Statement of changes in net assets and funds

*Instalment lumpsums relates to benefits due to minor beneficiaries in relation to death and disability benefits of members. In terms of the rules of the fund these benefits remain part of the funds assets and earn a return until such time as the beneficiaries are paid the final benefits.

6 650 219

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

8. UNCLAIMED BENEFITS

	2023 R'000	2022 R'000
Balance at the beginning of the year	274 987	244 519
Transferred from benefits payable	2 505	3 496
Adjustment - Opening balance correction*	(34 270)	-
Investment income allocated	30 795	37 499
Less:		
• Benefits paid	(28 431)	(10 527)
Balance at the end of the year	245 586	274 987

*The unclaimed benefit adjustment relates to a correction of prior period misstatements that were processed.

9. ACCOUNTS PAYABLE

	2023 R'000	2022 R'000
Contributions refundable to Eskom Holdings SOC Ltd*	13 178	44 272
PAYE	48 723	66 102
Unsettled trades payable**	1 594 752	-
Investment expenses payable	68 151	40 729
Operational suppliers	40 704	42 362
Amounts refundable to Mr BM Molefe*	5 001	4 685
Total	1 770 509	198 150

**In the previous years, the unsettled trades (securities bought and/or sold but not yet settled at reporting date) were classified differently. In the current year, due to materiality of the amount, these have been reclassified and included in Total Investments, Accounts receivable and Accounts payable. The reclassification is a change in accounting policy. Prior years have not been restated. Also refer to schedule HA notes 4 (Accounts Receivable) for the gross effect.

* For further details on "Contributions refundable to Eskom Holdings SOC Ltd and Amounts refundable to ineligible member", refer to Schedule E, Significant Matters point 8.2. Interest calculated at the Fund's rate of return to the value of R316 000 (2022: R508 000) was added to the contributions refundable to Eskom SOC Ltd and ineligible members.

10. CONTRIBUTIONS

	A At beginning of year R'000	B Towards retirement R'000	D Contributions received R'000	A+B-D At end of year R'000
Member contributions received and accrued	93 560	1 364 852	(1 357 793)	100 619
Employer contributions received and accrued	169 968	2 524 209	(2 508 100)	186 077
Additional voluntary contributions - members	4 677	44 963	(44 963)	4 677
Performance bonus scheme member contributions	-	27 158	(27 158)	-
Performance bonus scheme employer contributions	-	39 139	(39 139)	-
Performance bonus scheme employer contribution: Above maximum payment	-	14 644	(14 644)	-
Total	268 205	4 014 965	(3 991 797)	291 373
Towards retirement				4 014 965
Towards reinsurance and expenses				-
Statement of Changes in Net Assets and Funds				4 014 965

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

11. NET INVESTMENT INCOME

	2023 R'000	2022 R'000
Income from investments	6 920 058	6 456 010
• Dividends	4 662 110	4 616 217
• Interest	2 126 547	1 788 017
• Rentals	8 457	11 494
• Collective investment schemes distribution	122 944	40 282
Net profit on sale/ redemption of investments	2 183 823	6 886 987
Fair value adjustment on investments**	14 970 032	(5 771 447)
	24 073 913	7 571 550
Less: Expenses incurred in managing investments*	(894 129)	(770 520)
Total	23 179 784	6 801 030

*The Fund has an inhouse investment management capability and during the current and previous years direct management expenses relating to this capability of R120,3m (2022: R98,9m) have been allocated to expenses incurred in managing investments (refer note 13).

**The substantial increase in net investment income is largely attributable to fair value gains on financial assets driven by strong market performance. Included in the fair value gain/loss are foreign exchange gains/losses on translation of the foreign denominated assets at financial reporting date. In the short term, the unrealised fair value gains and losses are volatile.

12. OTHER INCOME

	2023 R'000	2022 R'000
Net securities lending fees	19 741	19 754
Interest on ineligibility member pay-out	-	750
Total	19 741	20 504

13. ADMINISTRATION EXPENSES

	2023 R'000	2022 R'000
Actuarial fees	2 274	3 177
Audit services	5 735	4 697
Audit fees - external	2 961	2 403
Audit fees - Consulting	-	147
Audit fees - Internal	2 774	2 147
Consultancy fees and legal fees	21 350	13 309
Depreciation	4 547	3 968
Fidelity Insurance	1 135	1 382
FSCA levies	1 870	1 814
Other Expenses	101 742	110 468
Bank charges	2 862	3 196
Member interaction and related costs	2 926	1 851
Office Rental	9 936	13 014
IT services and rental	61 785	65 098
Membership, development and other administration expenses	8 626	4 888
Travel expenses	5 155	2 310
Telephone, postage, printing and stationery	3 988	4 455
Project costs	6 464	15 656
Governance expenses	13.1	7 854
Staff expenses	13.2	145 609
Principal Officer expenses	13.3	2 223
Inhouse Investment Management Expenses*	(120 332)	(98 961)
Total	223 638	195 540

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

*In order to improve the comparability of investment expenses, the Fund reallocates the direct costs of inhouse investment management to expenses incurred in managing investments (see note 11). Accordingly applicable expenses amounting R120,3m (2022: R98,9m) was reallocated to the costs of managing investments.

13.1. Governance expenses

	2023 R'000	2022 R'000
Board of Fund remuneration	4 896	4 849
External expert fees	2 660	2 098
Travel, training and other expenses	346	907
Total	7 902	7 854

External experts are appointed to support the Board of Fund in fulfilling its fiduciary responsibilities and serve on the following committees: Audit and Risk committee, Human Resource and Remuneration committee, Strategic Investment Committee and the Medical Panel. The increase in external expert fees is due to an increase in the number of experts to support the Board of Fund.

13.2. Staff expenses

	2023 R'000	2022 R'000
Remuneration	104 344	93 177
Contributions to retirement fund	16 485	12 644
Training expenses	3 713	4 035
Provision for bonuses	52 938	16 908
Long term incentive provision	12 984	11 882
Levies and insurance	1 442	1 403
Recruitment costs	2 529	5 560
Total	194 435	145 609

The increase in variable pay provision is driven by increases in eligible participants and improved performance. In the prior year, the Fund benefited from staff attrition, primarily at senior and executive level due to vacancies. The current financial year includes full impact of roles.

13.3. Principal Officer expenses

	2023 R'000	2022 R'000
Principal Officer expenses - remuneration	1 140	1 097
Principal Officer expenses - allowances	7	-
Principal Officer expenses - contributions to retirement fund	119	238
Principal Officer expenses - incentive remuneration	1 714	888
Total	2 980	2 223

The Principal Officer's expenses have been allocated at a rate of 30% of the Chief Executive's remuneration. This represents an estimated time based allocation of the duties and responsibilities of the Principal Officer.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

14. PRIOR PERIOD ADJUSTMENTS

	2023 R'000	2022 R'000
Unclaimed benefit adjustments*	34 270	16 848
Capitalised Computer expenses**	650	-
Correction to Eskom Holding and Ineligible members Accounts Payable balances***	165	-
Transfer in adjustments****	3 576	-
Accumulated fund adjustments	583	-
Total	39 244	16 848

*The unclaimed benefits adjustment relates to a correction of prior period misstatements that were processed.

**The prior year intangible costs were incorrectly expensed in 2022, this is to correct the capitalised intangible asset.

***The Accounts payable balances relating to ineligible members have been restated to correct interest raised on these balances.

****During the current financial year there were back dated adjustments required to member records. This is a prior year transfer in adjustments in relation to data corrections made in the current year.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

15. ACCRUALS

	2023 R'000	2022 R'000
Leave pay accruals	7 901	7 225
Incentive bonus accrual (Note a)	63 608	38 890
	<u>71 509</u>	<u>46 115</u>

Note a: Includes a long term incentive accrual of R18.6m (2022: R18,2m).

Incentive bonus accrual increased due to improved investment performance and an increase in number of eligible participants, in line with the growth in the in-house investment management team.

16. RISK MANAGEMENT POLICIES

Risk management framework

The Board of Fund has overall responsibility for the establishment and oversight of the Fund's risk management policies. The Board of Fund has established the Audit and Risk Committee, which is responsible for developing and monitoring the Fund's risk management policies. The committee reports regularly to the Board of Fund on its activities.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

- **Solvency risk**

Solvency risk is the risk that Fund assets will not be sufficient to meet liabilities i.e. the funding level falling below 100%. The Board has developed a robust investment policy statement which sets out the Fund's investment philosophy and strategy. The strategy has been developed in the context of long term capital market expectations as well as multi year projections of actuarial liabilities of the Fund. The investment policy statements incorporates the Fund's risk budget which takes cognisance of the Fund's liabilities and provides the framework within which investment risk is managed. The risk budget provides the Board with indicators of how the assets are performing relative to liabilities and therefore would enable the Board to make appropriate decisions should there be signs of possible solvency concerns. This is in addition to the independent actuary's valuation of the Fund which provides the Board with the funding status of the Fund on an annual basis. The Fund conducts a detailed asset liability modelling study (ALM) every three years and annual interim mini ALMs in order to assess whether the long term investment strategy and asset allocation remains adequate for the Fund's liabilities. The results of this exercise are taken into account when the investment policy statement is reviewed annually to ensure that it remains relevant. The Board obtains written assurance on an annual basis from the Fund Actuary as well as an independent peer review actuary that certifies whether the Fund's investment strategy is adequate taking into account the Fund's liabilities.

- **Credit risk**

Credit risk is the risk that a counterparty will fail to meet its obligations in accordance with agreed terms. This could mean failure to pay interest or the principal or both.

As the Fund invests in fixed income instruments it manages this risk through ensuring that only investment grade counterparties are invested with. Also, through diversification and continuous monitoring of the credit worthiness of the counterparties that it deals with.

- **Legal risk**

The legal risk is the risk of financial or reputational loss due to lack of adherence to regulatory, statutory or legal obligations applicable to the Fund. The Fund has an internal legal function capacitated with qualified lawyers who review all the Fund's legal agreements to ensure that the Fund's interests are protected. There is also a compliance function in place.

- **Liquidity/cash flow risk**

Liquidity risk involves not having liquid assets to meet liabilities as they fall due, or being unable to realize assets on a reasonable basis when cash is required to pay benefits. The Fund's asset allocation and investment strategy allows for sufficient assets in liquid form to ensure that the cash flow requirements are met as required. Also, most of the Fund's investments are in listed instruments traded in public markets which enables it to trade and raise cash in a relatively short space of time when required.

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

16. RISK MANAGEMENT POLICIES (continued)

- **Currency risk**

Currency risk refers to the fact that some of the Fund's investments are denominated in US Dollar and other currencies while the liabilities of the Fund are in Rands and therefore there is exposure to foreign exchange fluctuations. The Fund's investments in foreign assets is limited to the allowable limits prescribed in Regulation 28 of the Pension Funds Act. The majority of such investments are in companies listed in public markets and are denominated in US Dollars. The Board ensures that the Fund's foreign investments are managed by reputable and regulated asset managers which are reviewed and due diligence on an ongoing basis. In the long term the foreign currency denominated investments provide diversification and growth benefits for the Fund.

- **Market risk / Price risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices or interest rates. The investment policy statement, investment strategy and risk budget of the Fund ensures that exposure to the various asset classes is sufficiently diversified and spread in order to minimize the adverse impact of this risk. Where required, and in order to address market volatility, the fund implements hedging strategy to protect the assets of the Fund.

- **Interest rate risk**

The Fund's fixed income investments are exposed to and react to changes in interest rates. The investment strategy of the Fund is to spread the duration/term of the fixed income across the investment term in order to minimize the impact of the volatility of interest rates over time.

- **Asset manager risk**

The risk exists that a particular asset manager employed by the Fund could underperform its benchmark, resulting in poor relative returns or increase the Fund's reputational risk through continued use. This manager-specific risk is reduced by investing with more than one manager. The contract that exists between the Fund and each individual investment manager appointed to manage a portion of the Fund's assets is typically in the form of an investment management agreement. This document sets out the terms and conditions of the agreement that will exist between the Fund and the investment manager. An important part of this mandate is the section that sets out the specific limitations and conditions under which the funds will be managed by the appointed investment manager. Examples of such limitations and restrictions are the use of derivatives for unauthorised or inappropriate purposes, investment in asset classes not permitted by the mandate, cash exposure limits or credit ratings limits. Breaches of mandate will be examined at least quarterly and reported in a suitable format, such as in a compliance report. Serious or regular breaches and increased reputational risk to the Fund result in the investment portfolio transfer to other asset managers.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

17. RELATED PARTY TRANSACTIONS

Board members who are employed by the participating employers make contributions to the Fund and receive benefits in line with the Rules.

During the financial year, Board members' and external experts remuneration, travel and training amounting to R7.9m (2022: R7.8m) was incurred.

The following transactions between the participating employers and the Fund occurred during the year.

- The participating employers made contributions to the Fund for members' retirement to the value of R2.6 bn (2022: R2.4 bn) and refunded R744 m (2022: R697 m) medical aid contributions for pensioners.
- The Fund has investments in the participating employer to the value of R2.2 bn (2022: R2.4 bn).
- The participating employers had outstanding contributions of R291 m at year end (2022: R268 m).

The following transactions occurred between the Fund and the Board of Fund, Outside Experts and Participating Employers:

Related party	Relationship	Description	Transactions 2023 R'000	Transactions 2022 R'000
Eskom Holdings SOC Ltd	Participating Employer	Contributions for employer appointed Board members	1 147	1 284
Eskom Holdings SOC Ltd	Participating Employer	Member contributions for employer appointed Board members	702	829
Board of Fund	Board members	Pension payments	1 849	1 755
Board of Fund	Board members	Board members remuneration paid to individuals	4 896	4 849
Outside experts	Outside experts appointed by Board of Fund	Outside experts fees paid to individuals	2 660	2 098
Total			11 254	10 815

The following transactions between the participating employers and the Fund occurred during the period:

Participating employers	Contributions	Fund expenses
Eskom Holding SOC Ltd	2 297 388	8 640
Eskom Roteck Industries SOC Ltd	255 360	-
Eskom Pension and Provident Fund	10 600	-
Total	2 563 348	8 640

Eskom Holdings SOC Ltd has undertaken to subsidise a portion of the costs relating to the member eligibility assurance exercise to a maximum of R10m inclusive of VAT. To date the Fund has invoiced the total amount to Eskom.

The following transactions occurred between the Fund and it's executive management during the year under review:

	2023 R'000
Remuneration	17 250
Contribution to retirement fund	1 779
Incentive remuneration	11 804
Total amount contributed	30 833

Executive management transactions include the Principal Officer remuneration noted under 13.3.

Executive management remuneration has increased by 46% (2022: R21.1 m) due to vacancies filled during the financial year.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

18. OPERATING LEASE COMMITMENTS

	2023 R'000	2022 R'000
Within one year	39 577	32 796
Between one and five years	109 050	89 245
Total	148 627	122 041

The Fund has the following operating leases:

Five-year operating lease with EB Sphere (Pty) Ltd for software and remote processing services. The lease will expire in October 2027.

An operating lease with Maitland Group South Africa Limited for an investment administration system. The lease was renewed for another five years and will expire in September 2027.

A lease with Barra International LLC for data processing and reporting services relating to investment risk management. The lease will expire in February 2026.

A lease with Bloomberg for investment information which expired in June 2022 and renewed for a further 2 years expiring in December 2024.

A lease with StatPro Limited for investment information which expired on 31 March 2022 was renewed for a further 2 years and will expire in March 2024.

An annual lease with TreasuryOne CTS (Pty) Limited for a treasury system which will expire in November 2023.

A lease with MMT Inland (Pty) Limited for the provision of Microsoft licenses on an annual renewable basis.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

19. SURPLUS AND RESERVE ACCOUNTS

	Normal Retirement	Additional Voluntary Contributions	Performance Bonus Scheme	Accumulated Funds	B+D Reserve Accounts Total	B In-service solvency reserve	D Pensioner solvency reserve
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
At beginning of year	140 832 543	528 769	5 415 136	146 776 448	21 837 000	10 754 000	11 083 000
Prior year adjustments	39 276	(32)	-	39 244	-	-	-
Contributions received and accrued	3 889 061	44 963	80 941	4 014 965	-	-	-
Net investment income	22 851 654	30 700	297 430	23 179 784	-	-	-
Allocated to unclaimed benefits	(30 795)	-	-	(30 795)	-	-	-
Other income:	19 741	-	-	19 741	-	-	-
- Net securities lending fees	19 741	-	-	19 741	-	-	-
Less:	(223 638)	-	-	(223 638)	-	-	-
- Administration costs	(223 638)	-	-	(223 638)	-	-	-
Net income before transfers and benefits	167 377 842	604 400	5 793 507	173 775 749	21 837 000	10 754 000	11 083 000
Transfers and benefits	(6 589 490)	(62 574)	(376 759)	(7 028 823)	-	-	-
Transfers from other funds	13 663	-	-	13 663	-	-	-
Transfers to other funds	(392 267)	-	-	(392 267)	-	-	-
Benefits	(6 210 886)	(62 574)	(376 759)	(6 650 219)	-	-	-
Net income after transfers and benefits	160 788 352	541 826	5 416 748	166 746 926	21 837 000	10 754 000	11 083 000
Transfer between reserve accounts	(4 130 000)	-	-	(4 130 000)	4 130 000	(1 991 000)	6 121 000
At end of year	156 658 352	541 826	5 416 748	162 616 926	25 967 000	8 763 000	17 204 000

ESKOM PENSION AND PROVIDENT FUND

REPORT OF THE VALUATOR FOR THE YEAR ENDED FRIDAY, 30 JUNE 2023

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HB REPORT OF THE VALUATOR

FINANCIAL YEAR: 30 June 2023

Particulars of financial condition of the Fund as at 30 June 2023

An annual actuarial valuation was carried out as at 30 June 2023. In respect of this valuation, I can comment as follows:

1. The fair value of the net assets of the Fund after deduction of current liabilities and any liabilities arising from the pledging, hypothecation or other encumbering of the assets of the Fund – R188 556 million.
2. The actuarial value of the net assets for the purposes of comparison with the accrued liabilities of the Fund – R188 556 million.
3. The actuarial present value of promised retirement benefits – R95 856 million vested, and R0 non-vested.
4. Contingency reserve account balances total – R25 967 million.

At 30 June 2023 the individual contingency reserve balances are as follows:

Solvency Reserve – Active members: R8 763 million
Solvency Reserve – Pensioners: R10 681 million
Contribution Reserve: nil
Pension Increase Affordability Reserve: R6 523 million

5. The projected unit credit method was adopted for the valuation, which is unchanged from the method used at the last valuation. The contingency reserves comprise a solvency reserve calculated as the estimated additional amount required, to the extent that sufficient assets are available, to ensure that the liabilities and assets can be matched on a substantially risk-free basis, a contribution reserve equal to the expected present value of the future contribution shortfall (if any) for the current membership, and a pension increase affordability reserve equal to the excess (if any) of the notional pensioner account over the pensioner liability and solvency reserve. No additional provision was made to fund in advance for the annual pensioner bonus in respect of current pensioners.
6. The key financial assumptions are that investment returns will exceed salary inflation by 7.0% per annum (5.9% at the previous valuation) before allowing for an age-related promotional scale. Future pension increases were assumed to be equal to the assumed consumer price inflation rate of 8.4% per annum (8.2% at the previous valuation). The yield used to calculate the solvency reserve was equal to the assumed yield on index-linked bonds at the valuation date, adjusted for real salary increases and asset management fees. The approach is unchanged from the previous valuation.
7. Members contribute at 7.3% of pensionable salaries and the employers contribute 13.5%. There is an excess relative to the fixed contribution rate payable in terms of the rules. At the valuation date this excess amounted to 6.37% of pensionable salaries (compared with an excess of 3.97% at the previous statutory valuation).
8. In my opinion the Fund was in a sound financial condition as at 30 June 2023 for the purposes of the Pension Funds Act, 1956.

Prepared by me:



Liesel V Ryan
VALUATOR

Fellow of the Actuarial Society of South Africa
In my capacity as the valuator of the Fund and as an Associate Director of Towers Watson (Pty) Ltd, a WTW company.
2 November 2023

SCHEDULE I

INDEPENDENT AUDITOR'S AGREED-UPON PROCEDURES REPORT TO THE BOARD OF FUND AND THE FINANCIAL SECTOR CONDUCT AUTHORITY IN RESPECT OF THE AUDITED ANNUAL FINANCIAL STATEMENTS AND OTHER SPECIFIED INFORMATION IN THE GENERAL LEDGER AND MANAGEMENT INFORMATION COMPRISING THE ACCOUNTING RECORDS (THE "SUBJECT MATTER") OF ESKOM PENSION AND PROVIDENT FUND ("THE FUND") FOR THE YEAR ENDED 30 JUNE 2023

Purpose of this Agreed-Upon Procedures Report and Restriction on Use and Distribution

Our report on the Subject Matter is provided in accordance with Section 15(1) of the Pension Funds Act, No. 24 of 1956 of South Africa (the "Act"), solely for the purpose of assisting the Financial Sector Conduct Authority (the "Authority") and Board of Fund in evaluating whether there are any instances of non-compliance with the requirements of the specified sections of the Act, Regulations of the Act, 1962 and the registered Rules of the Fund during the year ended 30 June 2023, and may not be suitable for another purpose. This report is intended solely for the Board of Fund and the Authority and should not be used by, or distributed to, any other parties.

Responsibilities of the Board of Fund and the Authority

The Board of Fund and the Authority have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Board of Fund is responsible for the subject matter on which the agreed-upon procedures are performed.

Auditor's Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves us performing the procedures that have been agreed with the Board of Fund and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code). The IRBA Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and it is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

The firm applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*; and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Procedures and Findings

We have performed the procedures described in the table below, which were agreed upon with the Board of Fund in respect of the audited annual financial statements and other specified information in the general ledger and management information comprising the accounting records of the Fund for the year ended 30 June 2023.

Unless otherwise indicated, all balances, lists, schedules and other relevant documents referred to in the table below relate to the accounts/balances reflected in the audited annual financial statements of the Fund for the year ended 30 June 2023.

Sample size and selection criteria

Unless otherwise stated in the procedure, the sample should be selected as follows:

Sort the list by member number or other numerical identifier, if no member number is applicable, and divide the total number of items on the list by the number of items to be selected, to obtain the variable rounded off to the nearest whole number (the "nth item"). Select a sample starting from the first to the nearest nth item on the list, then select every nth item until the required sample size is reached.

BDO South Africa Incorporated
Registered Auditors

BDO South Africa Inc.
BDO South Africa Inc. (Nov 3, 2023 13:39 GMT+2)

Terri Weston
Partner
Registered Auditor

3 November 2023

123 Hertzog Boulevard
Foreshore
Cape Town, 8001

	Procedures	Findings								
	Statement of Net Assets and Funds									
1.	Investments									
1.1	Obtain a list of all investments as at 30 June 2023 from the Fund administrator and agree the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the audited annual financial statements as at 30 June 2023 and note any differences.	<p>We obtained a list of all investments as at 30 June 2023 from the Fund administrator and agreed the total investment balance per the list to the amount reflected in the Statement of Net Assets and Funds per the annual financial statements as at 30 June 2023 and noted the following difference:</p> <table border="1"> <thead> <tr> <th></th> <th>R'000</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>191 038 504</td> </tr> <tr> <td>Investments balance as per the Statement of Net Assets and Funds</td> <td>191 009 357</td> </tr> <tr> <td>Difference</td> <td>(29 147)</td> </tr> </tbody> </table> <p>The difference is as a result of a mis-match in accounting treatment between the administrators of the Fund and the external asset managers.</p>		R'000	Total as per the list of investment balances	191 038 504	Investments balance as per the Statement of Net Assets and Funds	191 009 357	Difference	(29 147)
	R'000									
Total as per the list of investment balances	191 038 504									
Investments balance as per the Statement of Net Assets and Funds	191 009 357									
Difference	(29 147)									
1.1.1	<p>a) Obtain external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the investment managers / insurers / collective investments managers as at 30 June 2023. Where the auditor is unable to obtain these external confirmations, note this fact.</p> <p>b) For external confirmations that are in a foreign currency, obtain the exchange rate(s) applied by the Fund administrator to translate the investment value to South African rands (ZAR) from the Fund administrator and recalculate the ZAR value using the exchange rate. Agree the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and note any differences.</p> <p>c) For external confirmations, that are in ZAR agree the values of the investments per the external confirmations obtained to the investment balances as per the list of</p>	<p>a) We obtained external confirmations of all investment balances, per the list of investments obtained in procedure 1.1, from the external investment managers and collective investments managers as at 30 June 2023 with no exceptions.</p> <p>We could not obtain confirmations for local internal portfolios as these are managed internally. The global external manager is State Street and they manage the portfolio's and serve as an administrator simultaneously.</p> <p>b) For external confirmations that are in a foreign currency, we obtained the exchange rate applied by the Fund administrator to translate the investment value to South African rands (ZAR) from Fund administrator and recalculated the ZAR values of the investments per the external confirmations obtained and agreed the recalculated values to the investment balances as per the list of investments obtained in procedure 1.1 and noted the following differences:</p>								

	Procedures	Findings																								
	<p>investments obtained in procedure 1.1 and note any differences.</p>	<table border="1" data-bbox="940 293 1447 831"> <thead> <tr> <th></th> <th>R'000</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>37 163 088</td> </tr> <tr> <td>Accrued income and expenses</td> <td>-</td> </tr> <tr> <td>Subtotal</td> <td>37 163 088</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers</td> <td>37 199 798</td> </tr> <tr> <td>Difference</td> <td>36 710</td> </tr> </tbody> </table> <p>c) For external confirmations that are in ZAR, we agreed the values of the investments per the external confirmations obtained to the investment balances as per the list of investments obtained in procedure 1.1.</p> <table border="1" data-bbox="916 1099 1426 1615"> <thead> <tr> <th></th> <th>R'000</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>55 772 943</td> </tr> <tr> <td>Accrued income and expenses</td> <td>34 148</td> </tr> <tr> <td>Subtotal</td> <td>55 807 091</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers</td> <td>55 774 697</td> </tr> <tr> <td>Difference</td> <td>(32 394)</td> </tr> </tbody> </table> <p>The differences identified above are a result of a mis-match in accounting treatment between the administrators of the Fund and the external asset managers.</p>		R'000	Total as per the list of investment balances	37 163 088	Accrued income and expenses	-	Subtotal	37 163 088	Total as per the external confirmations obtained from the investment managers	37 199 798	Difference	36 710		R'000	Total as per the list of investment balances	55 772 943	Accrued income and expenses	34 148	Subtotal	55 807 091	Total as per the external confirmations obtained from the investment managers	55 774 697	Difference	(32 394)
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1.1.2	<p>From the list of investments obtained in procedure 1.1, by inspection of the list or inquiry with the Fund administrator, note new investments made during the year ended 30 June 2023. Select a sample of 10 of the largest value new investments (if there are less than 10 new investments, select all) from the list of investments obtained in</p>	<p>We inspected the list obtained in procedure 1.1, and also inquired with the Fund administrator, and noted new investments made during the year ended 30 June 2023.</p>																								

	Procedures	Findings
	procedure 1.1, and perform the following procedures:	We selected all new investments from the list of investments obtained in procedure 1.1, and performed the following procedures:
1.1.2.1	Inquire from the Principal Officer the date on which the investment policy statement of the Fund was last reviewed/approved by the Board of Fund. Note the date.	We inquired from the Principal Officer and noted that the investment policy statement of the Fund was reviewed/approved by the Board of Fund on 04 September 2023 for the IPS dated 30 June 2023 governing the 2024 financial year and IPS dated 30 June 2022 was approved on 8 September 2022 governing the 2023 financial year.
1.1.2.2	Obtain the latest approved policy statement from the Principal Officer / and inspect the investment policy statement and document the different categories of investments that are within the scope of the investment policy statement.	We obtained the latest approved policy statement from the Principal Officer. We inspected the investment policy statement from the Principal Officer and the different categories of investments within the scope of the investment policy statement are as follows: <ul style="list-style-type: none"> - Equities - Nominal and Inflation Linked Bonds - Local and International Cash - Local and International Property - Private Equity
1.1.2.3	Inspect the investment note 3 of the audited annual financial statements for the year ended 30 June 2023 and document the categories of investments that the Fund has invested in.	We inspected the investment note 3 of the audited annual financial statements for the year ended 30 June 2023 and the categories of investments that the Fund has invested in are as follows: <ul style="list-style-type: none"> - Cash - Debt Instruments - Investment properties - Equities - Collective investment schemes - Hedge Funds - Private equity funds - Investment in participating employer(s)
1.1.2.4	Compare the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and note the instances where the investment categories per the audited annual financial statements do not agree to the investment policy statement.	We compared the categories documented in procedure 1.1.2.2 with the categories documented in procedure 1.1.2.3 and noted no instances where the investment categories per the audited annual financial statements do not agree with the investment policy statement.
1.2.1	Calculate the total value of direct investments held by the Fund in the participating employer as	We calculated the total value of direct investments held by the Fund in the

	Procedures	Findings
	reflected in the investment note 3 of the audited annual financial statements, as a percentage of the total assets reflected in the Statement of Net Assets and Funds per the audited annual financial statements and note the calculated percentage.	participating employer as reflected in the investment note 3 of the audited annual financial statements, as a percentage of the total assets reflected in the audited annual financial statements. The calculated percentage is 1.14%
1.2.2	<p>Where the calculated percentage in procedure 1.2.1 exceeds 5%, obtain from the Fund administrator the exemption letter received by the Fund from the Authority for these investments.</p> <p>Note the date of the exemption letter; alternatively, note if no exemption letter could be obtained.</p>	Not applicable. The calculated percentage in procedure 1.2.1 did not exceed 5%.
1.3	<p>Section 19(5B) Investments</p> <p>Inquire from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2023 and note the following:</p> <ol style="list-style-type: none"> i. Any loans or guarantees have been granted to a member of the Fund other than for the purposes of Section 19(5); and ii. Any loans have been granted to and investments were made in the shares of the following: <ol style="list-style-type: none"> a. A company controlled by an officer or a member of the Fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company. <p>Where loans of this nature have been granted, note the following details of the loans granted: date, amounts and name of the borrower.</p>	<p>Section 19(5B) Investments</p> <p>We inquired from the Principal Officer about the matters specified below, as they relate to the year ended 30 June 2023. Based on our inquiries performed, we noted the following:</p> <ol style="list-style-type: none"> i. There were no loans or guarantees granted to a member of the Fund; and ii. There were no loans granted to and investments made in the shares of the following: <ol style="list-style-type: none"> a. A company controlled by an officer or a member of the Fund or a director of a company which is an employer participating in the scheme or arrangement whereby the fund has been established; or b. A subsidiary (as defined in the Companies Act) of such a first-mentioned company.
1.4	<p>Section 19(5D) Investments</p> <p>Inquire from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2023 and document the responses obtained:</p> <ol style="list-style-type: none"> a. The Fund, directly or indirectly, acquired or held shares or any other financial interest in another entity at 30 June 2023, which resulted in the Fund exercising control over that entity, 	<p>Section 19(5D) Investments</p> <p>We inquired from the Principal Officer about the matters specified below as they relate to the year ended 30 June 2023. Based on our inquiries performed, the following responses were obtained:</p> <ol style="list-style-type: none"> a. The Fund has not acquired or held any shares or financial interest in another entity which results in the exercising of control.

	Procedures	Findings																		
	<p>without obtaining the prior approval from the Authority; and</p> <p>b. The approval referred to in paragraph (a) was given, subject to any conditions, and note these conditions.</p>	b. Not Applicable.																		
2.	Member individual accounts (defined contribution funds as well as the defined contribution section of hybrid funds)																			
2.1	Obtain a list of the member individual accounts for defined contribution members (including contributing, paid-up and deferred members) as at 30 June 2023 and as at 1 July 2022 from the Fund administrator, and perform procedure 2.3:	We obtained a list of the member individual accounts for members forming part of the Additional Voluntary Contribution Scheme (“AVCS”) and Performance Bonus Scheme (“PBS”) for defined contribution members (including contributing, paid-up and deferred members) as 30 June 2023 and as at 1 July 2022 from the Fund administrator, and performed procedure 2.3:																		
2.2	Obtain a reconciliation of the total value of the list of member individual accounts as at 30 June 2023 obtained in procedure 2.1 to the Members’ individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator. Note the reconciling items.	<p>We obtained a reconciliation of the total value of the list of member individual accounts as at 30 June 2023 obtained in procedure 2.1 to the Members’ individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator. The following reconciling items were noted:</p> <table border="1" data-bbox="917 1160 1391 1218"> <tr> <td></td> <td>R’000</td> </tr> </table> <table border="1" data-bbox="917 1249 1391 1482"> <tr> <td>Total as per the list of member individual accounts</td> <td>5 958 580</td> </tr> <tr> <td>ACCS</td> <td>541 826</td> </tr> <tr> <td>PBS</td> <td>5 416 754</td> </tr> </table> <table border="1" data-bbox="917 1514 1391 1630"> <tr> <td>add: re-allocation of back dated transaction on Fund administration system</td> <td>0</td> </tr> </table> <table border="1" data-bbox="917 1662 1391 1720"> <tr> <td>Subtotal</td> <td>5 416 754</td> </tr> </table> <table border="1" data-bbox="917 1751 1391 2011"> <tr> <td>Member individual account as reflected on the Statement of Net Assets and Funds as at 30 June 2023</td> <td>5 958 580</td> </tr> <tr> <td>ACCS</td> <td>541 826</td> </tr> <tr> <td>PBS</td> <td>5 416 748</td> </tr> </table>		R’000	Total as per the list of member individual accounts	5 958 580	ACCS	541 826	PBS	5 416 754	add: re-allocation of back dated transaction on Fund administration system	0	Subtotal	5 416 754	Member individual account as reflected on the Statement of Net Assets and Funds as at 30 June 2023	5 958 580	ACCS	541 826	PBS	5 416 748
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	Procedures	Findings	
		Difference	(6)
2.3	<p>Select a sample of the lesser of 25 or 10% of the number of members from the list of members at the end of the year obtained in procedure 2.1 (selected based on the selection criteria provided above) and perform the following procedures for each member selected and for each of the following three months selected, based on the sample selection criteria described below:</p> <ul style="list-style-type: none"> • [Insert month x; • Insert month y; and • Insert the last month of the year]. <p>[Specify the basis of the sample selection for the 2 months, other than the last month of the year, as agreed with the Fund.]</p>	We selected all members from the list of members at the end of the year obtained in procedure 2.1 for the months July 2022 to June 2023 (the full financial year) and performed the following procedures for each member selected:	
2.3.1	Obtain a list of the member and employer contributions received and allocated for the respective months from the Fund administration system, by accessing the administration system and extracting this list, or by obtaining this list from the Fund administrator and perform procedure 2.3.3.	We accessed the administration system and extracted from the Fund administrator a list of the member and employer contributions received and allocated for the respective months from the Fund administration system and performed procedure 2.3.3 below.	
2.3.2	Obtain the payroll supplied by the participating employers to the Fund administrator for the respective months and perform procedure 2.3.3.	We obtained the payroll supplied by the participating employers to the Fund administrator for the respective months and performed procedure 2.3.3 below.	
2.3.3	Agree the member and employer contributions per the list obtained in procedure 2.3.1 with the member and employer contributions per the documents obtained in procedure 2.3.2 and note any differences.	The member and employer contributions obtained in procedure 2.3.1 agreed with the member and employer contributions obtained in procedure 2.3.2.	
2.4	Obtain the registered rules of the Fund from the Fund administrator and perform the procedure below.	We obtained the registered rules of the Fund from the Fund administrator and performed the procedure below.	
2.4.1	Calculate the member and employer contribution rates for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the payroll obtained in procedure 2.3.2. Agree the calculated member and employer contribution rates to the rate per the rules of the Fund obtained in procedure 2.4. Note any differences.	We calculated the member and employer contribution rates, as applicable, for each member selected in procedure 2.3 by dividing the contribution obtained in 2.3.1 by the salary per the payroll obtained in procedure 2.3.2. The calculated member and employer contribution rates, as applicable, agreed to the contribution rates per the rules of the Fund obtained in procedure 2.4.	
2.5	Inquire from the Fund administrator whether the Fund is a unitised or non-unitised fund and note the type of fund.	We inquired from the Fund administrator whether the Fund is a unitised or non-unitised	

	Procedures	Findings
		fund and noted that the fund is a non-unitised fund.
2.5.1	<p>If the fund is a unitised fund, as noted in procedure 2.5:</p> <p>For the sample of members selected in procedure 2.3, perform the following procedures:</p>	<p>If the fund is a unitised fund, as noted in procedure 2.5:</p> <p>Not applicable. The Fund does not offer unitised investment products.</p>
2.5.1.1	Recalculate the units allocated to the member for the specific month, as per the fund administration system, by dividing the contributions by the unit price using both inputs as per the administration system on the dates that the contributions were unitised. Agree the recalculated units to the units allocated to the member for the specific month, as per the fund administration system. Note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.2	Obtain an external confirmation of the unit prices from [insert the name and specify the authority of the investment manager / actuary / other party who provides the external confirmation] throughout the year ended 30 June 2023. Note any exceptions of confirmations not obtained.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.3	Agree the unit price per the administration system in 2.5.1.1 to the unit price per the external confirmation in 2.5.1.2 and note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.4	Recalculate the member's fund credit as at 30 June 2023 by multiplying the number of units with the unit price, using both inputs as per the administration system. Agree the recalculated amount to the member's fund credit per the listing obtained in procedure 2.1 and note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.1.5	Agree the year-end unit price as per the administration system used in procedure 2.5.1.1 to the unit price obtained from the [insert the name of the investment manager / actuary / specify other authorised party] in procedure 2.5.1.2 and note any differences.	Not applicable. The Fund does not offer unitised investment products.
2.5.2	If the fund is a non-unitised fund, as noted in procedure 2.5, for the sample of members selected in procedure 2.3, perform the following procedures:	For the sample of members selected in procedure 2.3, we performed the following procedures:
2.5.2.1	Obtain the resolution of the Board of Fund that indicates the rate of investment returns to be allocated to members from the Fund administrator.	We obtained the resolution of the Board of Fund that indicates the rate of investment returns to be allocated to members from the Fund administrator.

	Procedures	Findings
2.5.2.2	Inquire from the Fund administrator about how the investment returns as per the resolution of the Board of Fund obtained in procedure 2.5.2.1 are allocated to the members of the Fund.	We inquired from the Fund administrator about how the investment returns as per the resolution of the Board of Fund obtained in procedure 2.5.2.1 are allocated to the members of the Fund.
2.5.2.3	<p>Recalculate the member's closing fund credit as at 30 June 2023 by:</p> <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1. • Adding the contributions allocated as per the administration system; and • Adding/subtracting the returns allocated to the member as calculated using the basis provided by Fund administrator obtained in procedure 2.5.2.2. <p>Agree the recalculated amount to the member's fund credit per the closing listing obtained in procedure 2.1 and note any differences.</p>	<p>We recalculated the member's closing fund credit as at 30 June 2023 by:</p> <ul style="list-style-type: none"> • Taking the member's opening fund credit from the opening listing obtained in procedure 2.1; • Adding the contributions allocated as per the administration system; and • Adding/subtracting the returns allocated to the member as calculated using the basis provided by the Fund administrator in procedure 2.5.2.2. <p>The recalculated amount agreed to the member's fund credit per the closing listing obtained in procedure 2.1.</p>
2.6	<p>Switches</p> <p>Obtain a list from the Fund administrator of the members who switched investment portfolios during the 30 June 2023 (including Lifestage switches). Select a sample of the lesser of 25 or 10% of the members who switched between investment portfolios during the year (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Switches</p> <p>Not applicable, there is no member level investment choice or life stage model.</p>
2.6.1	<p>Obtain the [service level agreement / client mandate between the administrator and the Fund] from the Fund administrator and note the following terms:</p> <ul style="list-style-type: none"> • Days indicated to process a member-elected switch. • Timing to effect a Lifestage switch. • Fees deductible from the member individual accounts to process a switch. 	Not applicable, there is no member level investment choice or life stage model.
2.6.2	<p>Member-elected switches</p> <p>For member-elected switches included in the sample selected in procedure 2.6, obtain the member's instruction to switch investment portfolios from the Fund administrator, and perform the following procedures:</p>	<p>Member-elected switches</p> <p>Not applicable, as no member-elected switches.</p>

	Procedures	Findings
2.6.2.1	<p>Inspect the member’s instruction for details of the required switch and note the following details per the instruction:</p> <ul style="list-style-type: none"> • Date of receipt of the member’s instruction by the Fund administrator; • Effective date of the switch; and • Investment portfolio to be switched into. 	Not applicable, as no member-elected switches.
2.6.2.2	<p>Inspect the member’s fund credit transactions from the administration system obtained from the Fund administrator and note the following details about the switch:</p> <ul style="list-style-type: none"> • Date when the switch was processed by the Fund administrator; • Effective date of the switch; and • Investment portfolios switched into. 	Not applicable, as no member-elected switches.
2.6.2.3	<p>Agree the effective date of the switch and the investment portfolios switched into, as noted in procedure 2.6.2.1, to the effective date of the switch and the investment portfolios switched into and noted in procedure 2.6.2.2, and note any exceptions with regard to the date of switch and/or the portfolios switched.</p>	Not applicable, as no member-elected switches.
2.6.2.4	<p>Calculate the number of days taken to process the switch, using the following:</p> <ul style="list-style-type: none"> • Date of receipt of the member’s instruction by the Fund administrator noted in procedure 2.6.2.1. • Date when the switch was processed by the Fund administrator noted in procedure 2.6.2.2. 	Not applicable, as no member-elected switches.
2.6.2.5	<p>Agree the number of days taken to process the switch, per 2.6.2.4, with the number of days per the terms per the [service level agreement / client mandate between the administrator and the Fund] in 2.6.1.</p> <p>Note any difference in timing where the number of days taken to process the switch is greater than the terms per the [service level agreement / client mandate between the administrator and the Fund].</p>	Not applicable, as no member-elected switches.
2.6.3	<p>Lifestage switches</p> <p>Obtain the Fund’s Lifestage investment strategy from the Fund administrator.</p>	<p>Lifestage switches</p> <p>Not applicable, as there are no Lifestage switches.</p>

	Procedures	Findings
2.6.3.1	For Lifestage switches included in the sample selected in procedure 2.6, perform the following procedures:	Not applicable, as there are no Lifestage switches.
2.6.3.2	Inspect the member's fund credit transactions on the administration system obtained from the Fund administrator and note the following details about the Lifestage switch: <ul style="list-style-type: none"> • Date when the Lifestage switch was processed by the Fund administrator; and • Investment portfolios switched into. 	Not applicable, as there are no Lifestage switches.
2.6.3.3	Agree the investment portfolios switched into and noted in procedure 2.6.3.2 to the Fund's Lifestage investment strategy obtained in procedure 2.6.3.	Not applicable, as there are no Lifestage switches.
2.6.3.4	Agree the timing of the Lifestage switch per 2.6.3.2 with the terms per the [service level agreement / client mandate between the administrator and the Fund] in 2.6.1. Note any difference in timing.	Not applicable, as there are no Lifestage switches.
2.6.4	For all switches selected in procedure 2.6, inspect the member's record on the administration system for fees deducted for switches, and agree the fees deducted to the fee due in terms of the [service level agreement / client mandate] (obtained in procedure 2.6.1). Note any differences.	Not applicable, there is no member level investment choice or life stage model.
2.7	Obtain the Asset Liability Match ("ALM") reconciliation per investment portfolio / product / category as at 30 June 2023, from the Fund administrator and perform the following procedures:	Not applicable as the AVCS and PBS are not backed by specific investment portfolios.
2.7.1	Obtain a reconciliation of the total investment balance per investment portfolio / product / category, as reflected on the ALM reconciliation, to the total balance per the list of investments obtained in procedure 1.1 from the Fund administrator. Note any reconciling items.	Not applicable as the AVCS and PBS are not backed by specific investment portfolios.
2.7.2	Obtain a reconciliation of the total member individual accounts value per investment portfolio / product / category, as reflected on the ALM reconciliation, to the total member individual accounts value as per the listing obtained in procedure 2.1. from the Fund administrator. Note any reconciling items.	Not applicable as the AVCS and PBS are not backed by specific investment portfolios.
2.7.3	Inspect the total difference between assets and liabilities reflected on the ALM and note whether the variance is larger than 2% of total assets of the Fund per the Statement of Net Assets and Funds.	Not applicable as the AVCS and PBS are not backed by specific investment portfolios.

	Procedures	Findings
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.1	Obtain a list of defined benefit members as at 30 June 2023 from the Fund administrator and perform the following procedures:	We obtained a list of defined benefit members as at 30 June 2023 from the Fund administrator and performed the following procedures:
3.2	Select a sample of the lesser of 25 or 10% of the number of defined benefit members at 30 June 2023 from the list of members provided by the Fund administrator (selected based on the selection criteria provided above). Perform the following procedures for each member, for each of the following three months: <ul style="list-style-type: none"> • [Insert Month x; • Insert Month y; and • 30 June 2023. [Specify the basis of the sample selection for the 2 months, other than the last month of the year, as agreed with the Fund].	We selected all defined benefit members at 30 June 2023 from the list of members provided by the Fund administrator for the months July 2022 to June 2023 (the full financial year) and performed the following procedures for each member:
3.2.1	Obtain a list of the member contributions received and allocated for the respective months on the administration system from the Fund administrator.	We obtained a list of the member contributions received and allocated for the respective months on the administration system from the Fund administrator.
3.2.2	Obtain the payroll files supplied by the participating employers to the Fund administrator for the respective months.	We obtained the payroll files supplied by the participating employers to the Fund administrator for the respective months.
3.2.3	Agree the member contributions received and allocated as obtained in 3.2.1 with 3.2.2 and note any differences.	The member contributions received and allocated as obtained in 3.2.1 agreed with the member contributions obtained in 3.2.2.
3.2.4	Calculate the member contribution rates for each member selected by dividing the contribution by the salary per the payroll obtained in procedure 3.2.2. Agree the calculated member contribution rate(s) to the rate(s) noted in rule 5 obtained in procedure 2.4, and note any differences.	We calculated the member contribution rates for each member selected by dividing the contribution by the salary per the payroll obtained in procedure 3.2.2. The calculated member contribution rate(s) agreed to the rate(s) noted in rule 5 obtained in procedure 2.4.
3.3	Inquire from the Fund administrator when the actuarial valuation of the Fund was last performed and approved by the Board of Fund. Note the date of the last valuation and when it was approved by the Board of Fund.	We inquired from the Fund administrator and noted that the statutory actuarial valuation of the Fund was last performed as at 30 June 2021 and approved by the Board of Fund on 11 November 2021. The Fund performed a voluntary interim valuation as at 30 June 2023.

	Procedures	Findings
3.4	Obtain the actuarial valuation report of the Fund from the Fund administrator and inspect the actuarial valuation report for the employer contribution rate recommended by the valuator. Note the employer contribution rate recommended by the actuary in the report.	We obtained the latest actuarial valuation report of the Fund from the Fund administrator. The employer contribution rate recommended by the valuator was 13.5% as per the Fund rules.
3.5	Calculate the employer contribution rates for each member selected by dividing the contribution obtained in 3.2.2 by the salary per the payroll obtained in procedure 3.2.2. Agree the calculated employer contribution rates to the rate per actuarial valuation report obtained in procedure 3.4. Note any differences.	We calculated the employer contribution rates for each member selected by dividing the contribution obtained in 3.2.2 by the salary per the payroll obtained in procedure 3.2.2. The calculated employer contribution rates agreed to the rate per actuarial valuation report obtained in procedure 3.4.
4	Surplus apportionment in terms of Sections 15B and 15C (this will include reserve account distributions)	
4.1	Inspect the latest actuarial valuation report obtained in procedure 3.4 for (a) Section(s) 15B [and 15C] surplus apportionment. If applicable, note the surplus apportionment amount/value.	Not applicable. We noted no Section(s) 15B [and 15C] surplus apportionment in the actuarial valuation report obtained in procedure 3.4.
4.1.1	If a surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the minutes of meetings of the Board of Fund from Fund administrator and inspect for the approval of the Section 15B [and 15C] surplus.	Not applicable. We noted no Section(s) 15B [and 15C] surplus apportionment in the actuarial valuation report obtained in procedure 3.4.
4.1.2	If a Section 15B surplus apportionment was recommended per the actuarial valuation report in procedure 4.1, obtain the approval of the Authority for the Section 15B surplus from the Fund administrator.	Not applicable. No Section 15B surplus apportionment was recommended by the actuary per the actuarial valuation report in procedure 4.1.
4.2	Surplus apportionment allocation Obtain a list of the approved surplus allocations to active and/or former members and/or pensioners in the current year noted in procedure 4.1, from the Fund administrator, and perform the following procedures:	Surplus apportionment allocation Not applicable. No surplus allocations to active and/or former members and/or pensioners in the current year were noted in procedure 4.1.
4.2.1	Active members: Select a sample of the lesser of 25 or 10% of the number of active members to whom surplus has been allocated in the current year per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	Active members: Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.

	Procedures	Findings
4.2.1.1	Inspect the listing for the date of allocations to active members in the current year and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.1.2	Agree the surplus amount allocated as per the listing (including investment return) in the current year per member to the allocation on the member records per the administration system, and note any differences.	Not applicable. No surplus allocations to active members in the current year were noted in procedure 4.2.
4.2.2	Former members and pensioners allocations: Select a sample of the lesser of 25 or 10% of the number of former members and/or pensioners to whom surplus has been allocated in the current year per the approved surplus apportionment listing obtained in procedure 4.2 (selected based on the selection criteria provided above) and perform the following procedures:	Former members and pensioners allocations: Not applicable. No surplus allocations to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.2.1	Inspect the listing for the date of allocations to former members and pensioners in the current year and note whether any investment return was allocated from the surplus apportionment approval date to the date of allocation.	Not applicable. No surplus allocations made to former members/pensioners in the current year were noted in procedure 4.2.
4.2.2.2	Agree the surplus amount allocated (including the investment return) in the current year per former member and/or pensioner to the allocation on the member records per the administration system and note any differences.	Not applicable. No surplus allocations made to former members and/or pensioners in the current year were noted in procedure 4.2.
4.2.3	In respect of Section 15B surplus apportionments noted in procedure 4.1, inquire from the Fund administrator and/or inspect [include details of the document inspected] whether the Fund has maintained the Section 15B surplus apportionment for former members who could not be traced in a contingency reserve account and note the response.	Not applicable. We noted no Section 15B surplus apportionments in procedure 4.1.
4.3	Surplus apportionment payments: Obtain a list of all surplus apportionment payments made to members during the year from the Fund administrator and select a sample of the lesser of 25 or 10% of the number of payments (selected based on the selection criteria provided above) and perform the following procedures:	Surplus apportionment payments: Not applicable. No surplus apportionment payments were made to members during the year.
4.3.1	Agree the amount paid to the member as per the list of surplus apportionment payments obtained in procedure 4.3 to the member's record on the administration system and note any differences.	Not applicable. No surplus apportionment payments were made to members during the year.

	Procedures	Findings
4.3.2	Obtain the [insert the name of the document(s) that indicates authorisation of the payment] from the Fund administrator and agree the amount authorised to the amount paid as per the list of surplus apportionment payments obtained in procedure 4.3. Note any differences.	Not applicable. No surplus apportionment payments were made to members during the year.
5	Member and employer surplus accounts	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account (including debit and credit transactions) for the period as disclosed in the member and employer surplus note [insert the note number] to the audited annual financial statements from the Fund administrator, and perform the following procedures:	Not applicable. No member and/or employer surplus accounts were noted.
5.1.1	Inspect the registered rules of the Fund as obtained in procedure 2.4 and note the debit and credit transactions allowed in the member and employer surplus accounts listed in rule [insert the rule number of the registered rules].	Not applicable. No member and/or employer surplus accounts were noted.
5.1.2	Compare the description of all of the debit and credit transactions allocated to the member and/or employer surplus accounts per the analysis obtained in procedure 5.1 to the categories of transactions that are permitted to be allocated to surplus accounts as noted in procedure 5.1.1. Note any exceptions.	Not applicable. No member and/or employer surplus accounts were noted.
6	Reserves	
6.1	Obtain a list of reserves and other related accounts (e.g. pensioner accounts) and the movements (including debit and credit transactions) per the reserves note 19 to the audited annual financial statements from the Fund administrator, and perform the following procedures:	We obtained a list of reserves and other related accounts and the movements (including debit and credit transactions) per the reserves note 19 to the audited annual financial statements from the Fund administrator, and performed the following procedures:
6.1.1	Inspect the registered rules of the Fund obtained in procedure 2.4 and note the reserve and other related accounts (e.g. pensioner accounts) and the debit and credit transactions allowed in the reserves and other related accounts (e.g. pensioner accounts) listed in rule 11.	We inspected the registered rules of the Fund obtained in procedure 2.4 and noted reserve and other related accounts and the debit and credit transactions allowed in the reserve and other related accounts listed in rule 11.
6.1.2	Compare the description of the reserve and other related accounts (e.g. pensioner accounts) held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserves and other	We compared the description of the reserve and other related accounts held by the Fund, as reflected in the listing obtained in 6.1 above, to the categories of reserve and other related

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	related accounts that are permitted as noted in procedure 6.1.1. Note any exceptions.	accounts permitted as noted in procedure 6.1.1 and found no exceptions.
6.1.3	Compare the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in procedure 6.1 above, to the categories of transactions that are permitted to be allocated to the reserves and other related accounts as noted in procedure 6.1.1. Note any exceptions.	We compared the description of all the debit and credit transactions allocated to the reserve and other related accounts, as reflected in the listing obtained in 6.1 above, to the categories of transactions that are permitted to be allocated to reserves and other related accounts as noted in procedure 6.1.1 and found no exceptions.
7	Other assets, liabilities and guarantees	
7.1	Housing loans Obtain a list of housing loans (comprising both new and previously issued loans) granted to members by the Fund in terms of Section 19(5) of the Act as at 30 June 2023 from the Fund administrator, and perform the following procedure:	Housing loans Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.1.1	Agree the total value of housing loans on the above list to the corresponding amount disclosed in the housing loans note [insert the note number] to the audited annual financial statements. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2	From the list in 7.1, select a sample of the lesser of 25 or 10% of the number of members' housing loans (sample to include a combination of new and previously issued loans and selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1	For new housing loans issued, perform the following procedures:	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.1	Obtain the home loan agreement from the Fund administrator and inspect the agreement for the loan amount and date of granting of the loan.	We obtained the home loan agreement from the Fund administrator and inspected the agreement for the loan amount and date of granting of the loan.
7.2.1.2	Agree the home loan amount from the list in 7.1 to the actual loan amount from 7.2.1.1. Note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.1.3	Inspect the home loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules] and/or the home loan agreement and note the percentage.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.

	Procedures	Findings
7.2.1.4	<p>Obtain the member individual account balance at the date of granting the loan from the Fund administrator.</p> <p>Divide the loan amount granted as noted in 7.2.1.1 with the member individual account balance at the date of granting the loan as noted in 7.2.1.1 and note where the percentage calculated exceeds the maximum allowable percentage noted in 7.2.1.3. Note any differences.</p>	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.2	For all loans selected in 7.2, inspect the member's home loan movement report from the administration system obtained from the Fund administrator for the interest rate(s) used and agree the rate(s) used to the prescribed rate(s) issued by the Authority on the Authority's website, and note any differences.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.2.3	Obtain the National Credit Act (NCA) registration certificate from the Fund administrator and/or inspect the NCA website for the Fund's name and registration number as evidence that the Fund is registered as a credit provider under the National Credit Act, 2005 ("the NCA").	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
7.3	<p>Housing loan guarantees</p> <p>Obtain the loan agreement between the Fund and the financial institution from the Fund administrator. Inspect the loan agreement and/or the registered rules as obtained in procedure 2.4 for the maximum allowable percentage of member individual accounts as allowed in terms of rule [insert the rule number of the registered rules and/or the loan agreement] and note the percentage.</p>	<p>Housing loan guarantees</p> <p>Not applicable. The Fund does not grant housing loan guarantees to its members in terms of Section 19(5) of the Act.</p>
7.3.1	<p>Defined contribution funds</p> <p>Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at 30 June 2023 from the Fund administrator, and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Defined contribution funds</p> <p>Not applicable. The Fund does not grant housing loan guarantees to its members.</p>
7.3.2	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	Not applicable. The Fund does not grant housing loan guarantees to its members.
7.3.3	Divide the loan amount granted, as noted on the listing in 7.3.1 above, with the member's individual account balance as per the listing in 2.1 and note where the percentage calculated	Not applicable. The Fund does not grant housing loan guarantees to its members.

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	exceeds the maximum allowable percentage noted in 7.3. Note any differences.	
7.4	<p>Defined benefit funds</p> <p>Obtain a list of housing loan guarantees granted to defined benefit fund members from the loan provider as at 30 June 2023 from the Fund administrator, and select a sample of the lesser of 25 or 10% of the number of new housing loan guarantees issued in the current year (selected based on the selection criteria provided above), and perform the following procedures:</p>	Not applicable. The Fund does not grant housing loan guarantees to its members.
7.4.1	Inspect the member's record on the administration system for a flagging of the housing loan guarantee being recorded against the member's name.	Not applicable. The Fund does not grant housing loan guarantees to its members.
7.4.2	Obtain the withdrawal benefit calculated by the Fund administrator as at the date of issuing of the guarantee, and perform the following procedure:	Not applicable. The Fund does not grant housing loan guarantees to its members.
7.4.3	Recalculate the percentage by dividing the loan amount granted, as noted on the listing in procedure 7.4, with the amount noted on the withdrawal benefit noted in procedure 7.4.2 and note where the percentage calculated exceeds the maximum allowable percentage noted in procedure 7.3. Note any exceptions.	Not applicable. The Fund does not grant housing loan guarantees to its members.
	Statement of Changes in Net Assets and Funds	
8	Contributions	
8.1	Obtain a list of the number of pay points, from the Fund administrator, that reconciles to the contributions note 10 of the audited annual financial statements and select a sample of the lesser of 25 or 10% of the number of pay points (selected based on the selection criteria provided above), and for each pay point perform the following procedures for each of the three months selected under procedure 2.3 and/or 3.2:	We obtained a list of the number of pay points from the Fund administrator that reconciled to the contributions note 10 of the audited annual financial statements and selected a sample of one of the pay points, and performed the following procedures for the months November 2022, March 2023, June 2023
8.2	Agree the total amount of the list above to the general ledger account number 4000-0, 4000-14, 4000-16, 4000-17, 4000-18, 400-1, 4000-6 and note any differences.	The total amount of the list above agreed to the general ledger account number 4000-0, 4000-14, 4000-16, 4000-17, 4000-18, 4000-1 and 4000-6.
8.3	For the pay points selected in procedure 8.1 above, obtain the bank statements from the Fund administrator and inspect the bank statements for a description/identification of the bank where the contributions were deposited, and perform the following procedures:	For the pay points selected in procedure 8.1 above, we obtained the bank statements from the Fund administrator and inspected the bank statements for a description/identification of the bank where the contributions were

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		deposited, and performed the following procedures:
8.3.1	Agree the total contribution amount per the documentation received in procedure 2.3.2 and/or 3.2.2 to the total amount reflected on the bank statement obtained in procedure 8.3, and note any differences.	No instances were noted where the total contribution amount received did not reconcile to the amount per the bank statement.
8.3.2	Inspect the date of receipt of the contributions as per the bank statements obtained in procedure 8.3 and note the dates and number of contributions received after seven days of the following month. Note any exceptions.	No instances were noted where contributions were received after 7 days.
8.3.3	For the exceptions noted in 8.3.2 above (receipts after seven days), inquire from the Fund administrator whether Late Payment interest has been raised in terms of Regulation 33 of the Act.	No instances were noted where contributions were received after 7 days.
9.	Benefits	
9.1	Obtain a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2023 from the Fund administrator, and perform the following procedure:	We obtained a list from the administration system of lump sum benefits per exit type reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for 30 June 2023 from the Fund administrator, and performed the following procedure:
9.1.1	Agree the list of lump sum benefits per exit type to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator. Note any differences.	The list of lump sum benefits per exit type agreed to the respective general ledger benefit expense accounts reconciliation prepared by the Fund administrator.
9.2	Select a sample of the lesser of 25 or 10% of the total number of lump sum benefits (as per the selection criteria noted above) pro-rated on the number of exits per exit type from the list. Obtain the member statements from the administration system and perform the following procedures on the sample selected:	A sample of 45 was selected pro-rated on the number of exits per exit type from the list. We obtained the member statements from the administration system and performed the following procedures on the sample selected:
9.2.1	For each selected benefit, compare the following fields: <ul style="list-style-type: none"> • gross benefit amount; • tax amount; • net benefit amount; • exit date; and • type of benefit 	We compared each benefit selected to the administration system and the signed claim form and the IRP5 in accordance with the procedures of the Fund for the following fields: <ul style="list-style-type: none"> • the gross benefit amount; • tax amount; • net benefit amount; • exit date; and • type of benefit.

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	<p>to the administration system and the signed claim form, and the IRP5 determined by the procedures of the Fund. Note any differences.</p> <p>Exit date:</p> <p>i. Agree the exit date per the member's withdrawal form obtained from the Fund administrator to the exit date reflected on the administration system. Note any differences.</p> <p>Tax amount:</p> <p>i. Agree the tax amount related to the benefit per the Tax directive obtained from the Fund administrator</p> <p>ii. to the tax amount deducted as reflected on the administration system. Note any differences.</p>	<p>We noted no differences.</p> <p>Exit date:</p> <p>i. The exit date as reflected on the member's withdrawal form obtained from the Fund administrator agreed to the exit date reflected on the administration system.</p> <p>Tax amount:</p> <p>The tax amount related to the benefit per the tax directive obtained from the Fund administrator and agreed to the tax amount deducted as reflected on the administration system.</p>
9.2.2	<ul style="list-style-type: none"> • For death benefits, and where applicable, disability benefits, where a portion of the benefit had been reinsured by the Fund (reinsurance proceeds): <ul style="list-style-type: none"> ○ Note the portion of the benefit that had been reinsured as reflected on the administration system. ○ Obtain a copy of the confirmation letter from the insurer which reflects the amount of the benefit from the Fund administrator. ○ Recalculate the reinsurance proceed amount by multiplying the member's latest salary with the factor both that can be obtained from the member's record on the administration system and compare the recalculated amount with the amount on the confirmation letter, and note any differences. ○ Obtain a listing of reinsurance proceeds, reflecting all proceeds received per death benefit for the year, from the Fund administrator and agree the amount per the confirmation letter obtained above to the listing, and note any exceptions. 	<p>Not applicable. The Fund does not reinsure a portion of the death/disability benefits.</p>
9.2.3	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>Obtain the gross benefit as calculated by the Fund Actuary [insert the name of the actuary] from the Fund administrator.</p>	<p>For a defined benefit fund and hybrid funds with a defined benefit underpin:</p> <p>The gross benefit amount is not calculated by the Fund Actuary, it is an automated system driven calculation that was reviewed by the Fund Actuary upon set-up.</p>

	Procedures	Findings
	<p>Agree the gross benefit amount from 9.2.1 to the gross benefit from the calculation obtained.</p> <p>Note any differences.</p> <p>For a defined contribution fund:</p> <p>For members who were active during the year ended, perform the following procedures:</p> <ul style="list-style-type: none"> i. Obtain the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that monthly contributions were added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements and note any differences. iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable). <p>For members who were paid up and/or deferred:</p> <ul style="list-style-type: none"> i. Obtain the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. Inspect the member record on the administration system to confirm that interest was added, for the period up to the date of exit as per 9.2.1. Note any exceptions. iii. Obtain the bank statements reflecting the benefit payment(s) from the Fund administrator and agree the net benefit amount(s) as per procedure 9.2.1 to the bank statements and note any differences. iv. Inquire with the Fund administrator about the nature of any differences noted in iii and detail the responses provided (e.g. interest, where applicable). 	<p>We agreed the gross benefit amount from 9.2.1 on the benefit schedule, to the amount calculated on the Fund administration system.</p> <p>For a defined contribution fund:</p> <p>For members who were active, we performed the following procedures:</p> <ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. We inspected the member records on the administration system and noted that monthly contributions up to the date of exit as per 9.2.1 were added to the member record. iii. We obtained the bank statements reflecting the benefit payment(s) from the Fund administrator. The net benefit amount(s) as per procedure 9.2.1 agreed to the bank statements. iv. Not applicable, there were no differences. <p>For members who were paid up and/or deferred:</p> <ul style="list-style-type: none"> i. We obtained the opening fund credit amount as at the beginning of the year from the member record on the administration system. ii. We noted that interest for the period up to the date of exit as per 9.2.1 were added to the member record as per the administration. iii. We obtained the bank statements reflecting the benefit payment(s) from the Fund administrator. The net benefit amount(s) as per procedure 9.2.1 agreed to the bank statements. iv. Not applicable
9.2.4	<p>In cases where a fund has a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution) and the member was due a</p>	<p>Not applicable. The Fund does not have a member surplus account (defined benefit and defined contribution) or investment reserve account (defined contribution).</p>

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	surplus amount as per the surplus account listing noted in 4.2, inspect the member's fund credit transactions on the administration system obtained from the Fund administrator to note that the member record was updated with the surplus amount.	
9.3	Obtain a list of current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator, and select a sample of the lesser of 25 or 10% of the total number of benefits from the list (selected based on the selection criteria provided above), and perform the following procedure:	We obtained a list of the current and unclaimed benefits payable as disclosed in the Statement of Net Assets and Funds as at 30 June 2023 from the Fund administrator, selected a sample 25 of the total number of benefits from the list, and performed the following procedure:
9.3.1	For the sample selected above, (excluding death benefits), calculate the number of months that benefit has been unpaid, using the date of exit as the starting month. If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit. If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable. Note any exceptions, if incorrectly classified.	For the sample selected, we calculated the number of months that the benefit has been unpaid, using the date of exit as the starting month and noted the following: No exceptions were noted where the benefits were not classified in the correct category.
9.3.2	For the sample selected above relating to death benefits, calculate the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator. If the benefit is older than 24 months, inspect the listing to confirm that the benefit is classified as an unclaimed benefit. If the benefit is less than 24 months unpaid, inspect the listing to confirm that the benefit is classified as benefits payable. Note any exceptions if incorrectly classified.	For the sample selected relating to death benefits, we calculated the number of months that benefit has been unpaid using the date of the approved death benefit distribution per the Board of Fund approval, obtained from the Fund administrator: No exceptions were noted where the benefits were not classified in the correct category.
10	Transfers	
10.1	Obtain separate lists of Section 14 transfers to and from the Fund throughout the year from the Fund administrator and agree the totals of the lists to the amounts reflected in the "Transfers into the Fund" and "Transfers from the Fund" notes [insert the note numbers] to the audited annual financial statements. Note any differences.	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.

	Procedures	Findings
10.2	From the list of Section 14 transfers to and from the Fund throughout the year, select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.
10.2.1	<p>Obtain the following Section 14 documentation from the Fund administrator:</p> <p>a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G in respect of each transfer; and/or</p> <p>b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed.</p> <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> • Name of transferor/transferee fund; • Effective date; • Approval date; • Number of members; • Transfer amount; and • Growth and investment return. <p>Note any exceptions.</p>	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.
10.2.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator.</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions, where the Section 14 transfers to and from the Fund were:</p> <ul style="list-style-type: none"> • Not received/paid within 60 days of Authority approval for Section 14(1) transfers; • Not received/paid within 180 days from the effective date for Section 14(8) transfers; and • Not received/paid within the period as noted in the blanket transfer documentation, but not after 60 days from the blanket transfer end date. 	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.
10.2.3	Inquire from the Fund administrator if the growth and investment return had been allocated from	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.

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	the effective date of the transfer to the date of the final settlement. Note any exceptions.	
10.3	From the list of Section 14 transfers from other funds, as per procedure 10.2, select a sample of the lesser of 25 or 10% of the number of members (selected based on the selection criteria provided above), and perform the following procedures:	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.
10.3.1	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by the unit price per the administration system on the date of receipt. Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any differences.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.
10.4	<p>Individual transfers in</p> <p>Obtain the list of individual transfers in throughout the year ended 30 June 2023 from the Fund administrator, select a sample of the lesser of 25 or 10% of the number of individual transfers (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Individual transfers in</p> <p>We obtained the list of individual transfers in throughout the year ended 30 June 2023 from the Fund administrator, selected a sample of two of the number of individual transfers, and performed the following procedures:</p>
10.4.1	Obtain the recognition of transfer documentation submitted by the transferor fund to the Fund from the Fund administrator. Agree the effective date and amount transferred to the recognition of transfer documentation. Note any exceptions.	<p>We obtained the recognition of transfer documentation submitted by the transferor fund to the Fund from the Fund administrator. The effective date and amount transferred agreed to the recognition of transfer documentation.</p> <p>We however noted that for member no 4429597 an individual transfer to the Fund to the value of R372 553 was received from Transnet during 2012. It is our understanding that the recognition of transfer documentation was not received. Therefore, the transfer in was not allocated to the member record. The Fund credit was allocated during the current financial year, inclusive of growth.</p>
10.4.2	<p>In respect of unitised funds</p> <p>Recalculate the purchase of units for the amount received by dividing the amount transferred per the listing by using the unit price per the administration system on the date of receipt.</p>	<p>In respect of unitised funds</p> <p>Not applicable, this is a non-unitised fund.</p> <p>In respect of non-unitised funds</p>

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	<p>Agree the recalculated units to the number of units allocated to the member's individual account on the administration system. Note any exceptions.</p> <p>In respect of non-unitised funds</p> <p>Agree the transfer amount received per the listing to the amount allocated to the member's individual account on the administration system. Note any differences.</p>	<p>The transfer amount received per the listing agreed to member's individual account on the administration system.</p>
10.5	<p>Unclaimed benefit payments</p> <p>Obtain a list of unclaimed benefits paid during the year from the Fund administrator, and perform the following procedures:</p>	<p>Unclaimed benefit payments</p> <p>We obtained a list of unclaimed benefits paid during the year from the Fund administrator, and performed the following procedures:</p>
10.5.1	<p>Agree the total of the list of payments to the respective general ledger unclaimed benefit accounts reconciliation prepared by the Fund administrator.</p>	<p>The total of the list of payments agreed to the respective general ledger unclaimed benefits accounts reconciliation prepared by the Fund administrator.</p>
10.5.2	<p>Select a sample of the lesser of 25 payments or 10% of the total number of unclaimed benefits paid from the list (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>We selected a sample of 10 of the total number of unclaimed benefits paid from the list, and performed the following procedures:</p>
10.5.2.1	<p>For each selected unclaimed benefit paid, compare the following fields as reflected on the administrator's listing:</p> <ul style="list-style-type: none"> • Gross benefit amount; • Tax amount; and • Late payment interest (if applicable) <p>to the administration system and the claim forms, tax directives and bank account details.</p>	<p>We compared each unclaimed benefit paid, selected, to the claim forms, tax directives and bank account details for the following fields:</p> <ul style="list-style-type: none"> • The gross benefit amount; • tax amount; and • Late payment interest (if applicable).
10.6	<p>Unclaimed benefit transfers</p> <p>Obtain a list of unclaimed benefits Section 14 transfers during the year from the Fund administrator and from the list of unclaimed benefits Section 14 transfers paid/accrued from the Fund throughout the year, select a sample of the lesser of 25 or 10% of the number of transfers out (selected based on the selection criteria provided above), and perform the following procedures:</p>	<p>Unclaimed benefit transfers</p> <p>Not applicable, there were no unclaimed benefit Section 14 transfers during the year.</p>
10.6.1	<p>Obtain the following Section 14 documentation from the Fund administrator:</p>	<p>Not applicable, there were no unclaimed benefit Section 14 transfers during the year.</p>

	Procedures	Findings
	<p>a. Section 14 (1) transfers: the Section 14(1) application, approval letter from the Authority and Form G, in respect of each transfer; and/or</p> <p>b. Section 14 (8) transfers: the Section 14(8) Form H and J, as prescribed.</p> <p>Agree the following information per the listings to the documentation received:</p> <ul style="list-style-type: none"> • Name of transferor/transferee fund; • Effective date; • Approval date; • Number of members; • Transfer amount; and • Growth and investment return. <p>Note any exceptions.</p>	
10.6.2	<p>Obtain the bank statements for the date of receipt/payment of the Section 14 transfers from the Fund administrator.</p> <p>Recalculate the number of days between the date of approval, as per the Authority approval obtained in 10.2.1, and the day of receipt/payment as per the bank statement.</p> <p>Note any exceptions where the unclaimed benefits Section 14 transfers from the Fund were:</p> <ul style="list-style-type: none"> • Not paid within 60 days of Authority approval for Section 14(1) transfers; and • Not paid within 180 days from the effective date for Section 14(8) transfers. 	Not applicable, there were no unclaimed benefit Section 14 transfers during the year.
10.6.3	<p>Inquire from the Fund administrator if the growth and investment return had been allocated from the effective date of the transfer to the date of the final settlement. Note any exceptions.</p>	Not applicable, there were no unclaimed benefit Section 14 transfers during the year.
11	Pensioners paid	
11.1	<p>Obtain the pensioner payment reconciliation (inclusive of in-fund annuities purchased in the name of the fund and living annuities) for pensions reflected as expenses in the Benefits note 7.1 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2023, and perform the following procedures:</p>	<p>We obtained the pensioner payment reconciliation for pensions reflected as expenses in the Benefits note 7.1 as reflected in the audited annual financial statements from the Fund administrator for the year ended 30 June 2023, and performed the following procedures:</p>

	Procedures	Findings
11.1.1	Agree the total pension expense per the reconciliation to the total pension expense per the pension expenses general ledger account (3050-369). Note any differences and/or unexplained reconciliation items.	The total pension expense per the reconciliation agreed to the pension expenses general ledger account 3050-369.
11.2	<p>In-fund pensioners</p> <p>Obtain a detailed pensioner payroll listing reflecting the pensioner’s name, identification number and monthly pension amount for the year ended 30 June 2023 from the Fund administrator and agree the total pensions amount paid to the total pension amount paid on the reconciliation obtained in procedure 11.1.</p> <p>From the above list, select a sample of the lesser of 25 or 10% of the number of pensioners (selected based on the selection criteria provided above) and perform the following procedures:</p>	<p>In-fund pensioners</p> <p>We obtained a detailed pensioner payroll listing reflecting the pensioner’s name, identification number and monthly pension amount for the year ended 30 June 2023 from the Fund administrator. The total pension amount on the detailed pensioner payroll listing totals agreed to the reconciliation obtained in procedure 11.1.</p> <p>From the above list, we selected a sample of 25 and performed the following procedures:</p>
11.2.1	Obtain the Board of Fund minutes or resolution from the Fund administrator, and note the pension increase percentage and the effective date of the pension increase.	We obtained the Board of Fund minutes and we noted that the pension increase percentage was 4% with an effective date of the pension increase was 1 January 2023.
11.2.2	Inspect the administration system or observe the Fund administrator indicating on the administration system the pension increase granted to the pensioners. Note the percentage increase granted to the pensioners and the effective date of the pension increase.	We inspected the administration system indicating on the administration system the pension increase granted to the pensioners. We noted a percentage increase granted to the pensioners of 4%, as applicable, with an effective date of 1 January 2023.
11.2.3	Agree the percentage increase and effective date noted in procedure 11.2.1 to the percentage increase and effective date noted in procedure 11.2.2.	<p>The percentage increase noted in procedure 11.2.1 agreed to the percentage increase noted in procedure 11.2.2.</p> <p>The effective date noted in procedure 11.2.1 agreed to the effective date noted in procedure 11.2.2.</p>
11.2.4	Inquire from the Fund administrator when the most recent (closest to year-end of the Fund) Certificate of Existence or the Department of Home Affairs [Evidence of Survival form/USSD confirmation trail on Fund administration system/EPPF website] that indicates the alive status of the pensioners was obtained for the Fund and note the date.	We inquired from the Fund administrator when the most recent (closest to year-end of the Fund) Certificate of Existence or the Department of Home Affairs (Evidence of Survival form/USSD confirmation trail on Fund administration system/RPPF Website confirmation) that indicates the alive status of the pensioners was obtained for the Fund. We noted that the Certificate of Existence or Department of Home Affairs (Evidence of Survival form/USSD confirmation trail on Fund administration system/RPPF Website confirmation) that indicates the alive status of the pensioners was obtained on June 2023.

	Procedures	Findings
11.2.5	Obtain the Certificate of Existence or the Department of Home Affairs documentation noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioners' names and/or identification numbers of the sample of pensioners.	We obtained the Certificate of Existence or the Department of Home Affairs documentation noted in procedure 11.2.4 from the Fund administrator. We inspected the Certificate of Existence or Department of Home Affairs documentation for the pensioners' names and/or identification numbers. No instances were noted where pensioners' names and/or identification numbers did not appear on the Certificate of Existence or Department of Home Affairs documentation.
11.3	Annuities purchased in the name of the Fund Obtain an external confirmation from the annuity providers summarising the movements from the opening market value to the closing market value for the year, and perform the following procedures:	Annuities purchased in the name of the Fund Not applicable, there were no purchased annuities in the name of the Fund.
11.3.1	Agree the closing market value of the annuity per the external confirmation from the annuity providers to the annuities purchased general ledger account [insert the general ledger account number]. Note any differences.	Not applicable, there were no purchased annuities in the name of the Fund.
11.3.2	Agree the pension expense per the external confirmation from the annuity providers to the pension expense on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Not applicable, there were no purchased annuities in the name of the Fund.
11.4	Living annuities in the Fund Obtain a detailed pensioner payroll listing reflecting the pensioner's name, identification number, monthly pension and pension payment start date of pensioners in receipt of a living annuity from the Fund administrator and agree the total pension amount on the detailed pensioner payroll listing of pensioners in receipt of a living annuity to the pension amount paid on the pensioner reconciliation obtained in procedure 11.1. Note any differences.	Living annuities in the Fund Not applicable, there were no living annuities in the Fund.
11.4.1	New Living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 25 or 10% of the number of new pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	New living annuities in the Fund Not applicable, there were no living annuities in the Fund.

	Procedures	Findings
11.4.1.1	Obtain the [insert the name of the document reflecting the pensioners' chosen drawdown rate at retirement] of the new pensioners in receipt of a living annuity.	Not applicable, there were no living annuities in the Fund.
11.4.1.2	Agree the drawdown rate reflected on the pensioner record/statement obtained in procedure 11.4.1 to the drawdown rate obtained in procedure 11.4.1.1, Note any differences.	Not applicable, there were no living annuities in the Fund.
11.4.2	All living annuities in the Fund From the listing obtained in procedure 11.4, select a sample (selected based on the selection criteria provided above) of the lesser of 25 or 10% of the number of pensioners in receipt of a living annuity; obtain the detailed pensioner record/statement for the year reflecting the drawdown rate, monthly pensions paid, the balance of the pension from the Fund administrator; and perform the following procedures:	All living annuities in the Fund Not applicable, there were no living annuities in the Fund.
11.4.2.1	Compare the drawdown rate as reflected in the detailed pensioner record/statement obtained in procedure 11.4.2 to the living annuities drawdown rates as defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities. Note any exceptions where the drawdown rate, as per the administration system, is higher or lower than the one defined in Section 1 of the Income Tax Act and/or the Authority's Conduct Standard on Living Annuities.	Not applicable, there were no living annuities in the Fund.
11.4.2.2	Recalculate the drawdown rate by dividing the monthly pension paid by the balance of pensions, as reflected in the pensioner record/statement obtained in procedure 11.4.2. Agree the recalculated drawdown rate to the drawdown rate reflected on the record/statement obtained in procedure 11.4.2. Note any exceptions.	Not applicable, there were no living annuities in the Fund.
11.4.2.3	Obtain the Certificate of Existence or the Department of Home Affairs [insert the name of the documentation] noted in procedure 11.2.4 from the Fund administrator and inspect for the pensioner's name and/or identification number. Note any exceptions.	Not applicable, there were no living annuities in the Fund.
12	General	
12.1	Obtain a copy/copies of the fund's fidelity insurance cover/policy from the Fund administrator for the year ended 30 June 2023 and	We obtained a copies of the Fund's fidelity insurance cover/policy from the Fund administrator and inspected the period of the cover from 1 July 2022 to 30 June 2023, 1 August

	Procedures	Findings
	<p>inspect the period of the cover 1 July 2022 to 30 June 2023 and 1 August 2023 to 31 July 2024.</p> <p>Note instances where the cover period does not extend to the year-end. Note the date on which the cover is in place.</p>	<p>2023 to 31 July 2024. The period of the cover per the policy extended to the year-end. The Fund's fidelity insurance cover was in place until 31 July 2024.</p>
12.2	<p>Inquire from the Fund administrator the date(s) of the latest approved Group Life Assurance (GLA) and/or disability benefit policies of the Fund and note the period of cover(s) and whether the cover(s) extended subsequently to the 30 June 2023. Note the end date of the cover(s).</p>	<p>Not applicable. The Fund did not have GLA and/or disability benefit policies.</p>
12.3	<p>Inquire from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority. Note the date of the valuation and the date of submission to the Authority.</p> <p>Where the Fund is valuation exempt, inquire from the Fund administrator when the valuation exemption was approved by the Authority and note the date.</p>	<p>We inquired from the Fund administrator the date of the latest statutory actuarial valuation and when it was submitted to the Authority and noted that the date of the valuation was 30 June 2021 and it was submitted to the Authority on 14 December 2021.</p> <p>The Fund performed a voluntary interim valuation as at 30 June 2023.</p>
12.3.1	<p>Obtain a copy of the latest statutory valuation from the Fund administrator, as noted in procedure 12.3, and inspect the valuation note for the funding status of the Fund (whether the Fund was under-funded or fully funded).</p>	<p>We obtained the latest statutory valuation from the Fund administrator as noted in procedure 12.3, and inspected the valuation note for the funding status of the Fund. We noted that the funding status was fully funded.</p>
12.3.2	<p>Where the Fund is under-funded per the valuation report, inquire from the Fund administrator, as to whether a scheme, as required in terms of Section 18 of the Act, has been approved by the Authority. Note any exceptions.</p>	<p>Not applicable. Per procedure 12.3.1, the Fund was not under-funded.</p>
12.3.3	<p>Where a scheme as required by Section 18 of the Act has been approved by the Authority, inquire from the Fund administrator as to whether the recommendations/corrective action of the scheme, as required in terms of Section 18 of the Act, have/has been implemented. Note any exceptions.</p>	<p>Not applicable. Per procedure 12.3.1, the Fund was not under-funded.</p>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
AT FRIDAY, 30 JUNE 2023

INVESTMENTS

	Notes	Direct Investments	Non-compliant Collective investment schemes Note M1	Total	Local	Foreign	Foreign Africa	Total Foreign	Total percentage of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Cash (including cash at bank)	A	4 887 016	1 028 738	5 915 754	3 827 322	1 863 925	224 507	2 088 432	35,30	5 915 754
Commodities	B	16 095	-	16 095	16 095	-	-	-	-	16 095
Debt instruments including Islamic debt Instruments	C	38 296 360	110 921	38 407 281	31 992 557	6 303 804	110 920	6 414 724	16,70	38 407 281
Investment and owner occupied properties	D	11 112 797	260 211	11 373 008	10 630 791	739 523	2 694	742 217	6,53	11 373 008
Equities	E	100 599 666	17 361 144	117 960 810	64 951 365	50 043 983	2 965 462	53 009 445	44,94	117 960 810
Investments in participating employers	H	2 173 314	-	2 173 314	2 173 314	-	-	-	-	2 173 314
Hedge Funds	J	1 587 802	-	1 587 802	1 587 802	-	-	-	-	1 587 802
Private Equity Funds	K	13 594 639	-	13 594 639	6 994 332	-	6 600 307	6 600 307	48,55	13 594 639
Total investments		172 267 689	18 761 014	191 028 703	122 173 578	58 951 235	9 903 890	68 855 125	36,04	191 028 703

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

A CASH

Instrument	Fair Value R'000
Local	
Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	3 827 323
<i>Total of issuers not exceeding 5%</i>	2 265 592
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument	-
<i>Total of issuers not exceeding 5%</i>	1 048 171
Any positive net balance in a margin account with an exchange	-
<i>Total of issuers not exceeding 5%</i>	513 560
Foreign	
Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	1 059 693
Any balance or deposit held with a foreign bank	1 059 693
<i>Total of issuers not exceeding 5%</i>	1 059 693
Any balance or deposit held with an African bank	-
Total	4 887 016

B COMMODITIES

Instrument	Holding number	Holding %	Fair value R'000
Local			
Gold (including Kruger Rands)			
	-	0,01	16 095
			16 095
			16 095
Total			16 095

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

C DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS

Instrument	Local or foreign	Secured/ Unsecured	Issued/ Guaranteed	Redemption value R'000	Fair value R'000
Government debt:					
Debt instruments issued by the government of the Republic and any debt or loan guaranteed by the Republic					
Total					29 234 759
<i>Total of issuers not exceeding 5%</i>					29 234 759
Debt instruments issued or guaranteed by the government of a foreign country:					
Total	Local	Secured	Issued		6 303 804
<i>Total of issuers not exceeding 5%</i>					6 303 804
Bank debt :					
Debt instruments issued or guaranteed by a South African Bank against its balance sheet:- Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed					
Total					1 899 514
<i>Total of issuers not exceeding 5%</i>					1 899 514
Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed					
Total	Local	Secured	Issued		9 182
<i>Total of issuers not exceeding 5%</i>					9 182
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange					
Total	Local	Secured	Issued		539 645
<i>Total of issuers not exceeding 5%</i>					539 645
Not listed on an exchange					
Total					46 016
<i>Total of issuers not exceeding 5%</i>					46 016
Other					
Listed on an exchange:					
Total	Local	Secured	Issued		263 440
<i>Total of issuers not exceeding 5%</i>					263 440
Total debt instruments including Islamic debt instruments					
					38 296 360

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument	Fair value R'000
Owner occupied properties	Local 112 000
Total of issuer/entity more than 5% of total assets	<u>112 000</u>
Total	<u><u>112 000</u></u>

Instrument	Local/ Foreign	Issued shares	Holding number	Ordinary/ Preference shares	Holding %	Fair value R'000
Shares and linked units in property companies, or units in a collective investment scheme in property, listed on an exchange:						
Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed						
	Local	-	-	Ordinary		<u>8 846 216</u>
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed						
	Local	-	-	Ordinary		<u>1 818 539</u>
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed						
	Local	-	-	Ordinary		<u>332 122</u>
Total						<u><u>10 996 877</u></u>
		-	-	Ordinary		<u>3 920</u>
Total						<u>3 920</u>
Total						<u><u>11 000 797</u></u>
Total						<u><u>11 112 797</u></u>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

E EQUITIES

Instrument	Local/ Foreign	Issued shares	Ordinary/ Preference shares	Holding number	Holding in issuer/ entity %	Fair value R'000
Listed equities						
Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	Local	-	Ordinary	-		95 934 343
Total						95 934 343
<i>Total of issuers not exceeding 5%</i>						-
Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	Local	-	Ordinary	-		4 548 082
Total						4 548 082
<i>Total of issuers not exceeding 5%</i>						-
Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	Local	-	Ordinary	-		117 134
Total						117 134
<i>Total of issuers not exceeding 5%</i>						-
Unlisted equities						
Total	Local	-	Ordinary	-		107
Total equities						100 599 666

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

F SECURITIES LENDING

Securities on lend	Maximum of Fair value of security	Transaction date	Collateral	Fair value R'000	No. of shares lent	Name of counterparty	Scrip custodian	Manufactured dividend R'000
Equities – Top 100 of companies (by market cap) listed on an exchange	75%							
Equity		30 Jun 23		2 592 038	-	Standard Bank		-
Equity		30 Jun 23		3 234 163	-	Nedbank		-
Bonds		30 Jun 23		15 381 358	-	Standard Bank		-
Total				21 207 559				-

Included in the value above are the following script lending transactions:

Name of lender	Description	% of total assets	Value of transaction R'000
Standard Bank	Equity & Bond Loan	-	17 973 396
Nedbank		-	3 234 163
Total			21 207 559

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

H INVESTMENTS IN PARTICIPATING EMPLOYER/S

Instrument	Listed or not listed	Issued/ Guaranteed	Fair value R'000
Debt instruments		Issued	2 173 314
Subtotal			<u>2 173 314</u>
Total for investments in participating employers			<u>2 173 314</u>

J HEDGE FUNDS

Instrument	Period into contract	Total value of commitment R'000	Current value of commitment R'000
Hedge Funds MATRIX NCIS FIX INC HEDGE FND B3		-	1 587 802
Total Hedge funds commitment		<u>-</u>	<u>1 587 802</u>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

K PRIVATE EQUITY FUNDS

Instrument	Local or Foreign	Structure	Category 2 approval	FAIS approval number	Holding %	Term of contract	Total value of commitment R'000	Current value of commitment R'000	
Private Equity Fund									
ADP III Mauritius Feeder 1 L.P	Foreign		LP	No	N/A	2,24 %	10 years	333 188	263 464
ALPINVEST AFOF	Foreign		LP	No	N/A	6,00 %	10 years	566 737	385 684
Africa Development Partners 3	Local		LP	Yes	N/A	6,79 %	10 years	338 696	290 206
AlpInvest CO-Investment Fund (OFFSHORE FEEDER) VIII, L.P	Foreign		LP	No	N/A	0,90 %	10 years	571 150	328 446
AlpInvest Secondaries Fund (Offshore Feeder) VII, L.P.	Foreign		LP	No	N/A	1,40 %	10 years	356 968	724 248
BGO REAL ESTATE OPPORT FD	Foreign		LP	No	N/A	99,01 %	10 years	472 781	146 494
Busamed PROP LTD	Local		LP	No	N/A	19,00 %	10 years	540 681	358 190
CAPITAL HARVEST PROP LTD	Local		LP	No	N/A	- %	10 years	250 000	55 755
CARLYLE PROPERTY INVESTOR	Foreign		LP	No	N/A	0,50 %	10 years	1 039 018	167 425
Capital Alliance P E Iii	Foreign		LP	No	N/A	1,86 %	10 years	92 811	14 761
Capital Alliance Pvt Eq 4	Foreign		LP	No	N/A	5,96 %	10 years	428 363	492 054
Capitalworks Private Equity	Local		LP	No	45888	3,86 %	10 years	50 000	100
Capitalworks Prvte Equity 2	Local		LP	No	45890	21,73 %	10 years	200 000	219 372
Capitalworks Prvte Equity 3	Local		LP	Yes	45891	22,46 %	10 years	450 000	114 336
Crossfin Technology Holdings	Local	Subscription Agreement		No	N/A	15,00 %	10 years	115 731	139 565
Eaglecrest Infrastructure SCSP	Foreign		LP	No	N/A	16,44 %	10 years	832 790	977 865
Ethos Mid Market Fund I	Local		LP	Yes	46595	14,00 %	10 years	185 000	224 720
Ethos Pvte Eq Fund V	Local		LP	Yes	9254	2,00 %	10 years	350 000	5 142
Ethos Pvte Equity Fund Vi	Local		LP	Yes	9254	8,01 %	10 years	100 000	88 344
FUTGROWTH INFRA DEV BD FD	Local	Subscription Agreement		No	N/A	2,27 %	10 years	400 000	401 608
Gammatek	Local		LP	No	4307	9,00 %	10 years	44 496	62 368
Helios Private Equity	Foreign		LP	No	45737	0,78 %	10 years	108 286	47 311
Helios Private Equity Fnd 3	Foreign		LP	Yes	45737	2,69 %	10 years	428 363	676 934
Housing Impact Fund SA	Local		LP	Yes	45255	1,64 %	10 years	150 000	69 208
IHS SOCIAL HOUSING SA	Local		LP	No	N/A	51,00 %	10 years	300 000	209
INTUTHUKO EQUITY FUND	Local		LP	No	N/A	66,67 %	10 years	50 000	23 673
Ihs Fund Ii Sa Feeder Lp	Local		LP	Yes	35579	6,95 %	10 years	100 000	72 055
Kleoss Fund 1	Local		LP	Yes	45656	8,84 %	10 years	75 000	57 735
LANGO REAL ESTATE LIMITED	Foreign		LP	No	N/A	9,08 %	10 years	666 376	729 620
Medu Iii Capital Fund	Local		LP	Yes	40187	23,26 %	10 years	150 000	169 279
Mpande Property Fund	Local		LP	Yes	43242	36,84 %	10 years	350 000	347 689
NOVA PIONEER SCH FOR INV	Local		LP	No	N/A	9,05 %	10 years	27 147	105 541
Neoma Africa Fund	Foreign		LP	Yes	44310	1,58 %	10 years	85 672	1 039
Neoma Africa Fund III	Foreign		LP	Yes	44310	5,04 %	10 years	571 150	125 664
Ninety One Africa Private Equity Fund 2 LP	Foreign		LP	Yes	587	8,48 %	10 years	356 968	169 356
Nova Pioneer Property SPV1(RF) PROP - ZAR	Local		LP	Yes	N/A	33,00 %	10 years	27 147	114 959
Novare Africa Property Fund Ii	Foreign		LP	Yes	41836	20,94 %	10 years	499 756	314 226

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023**

OLD MUT LIFE ASS - FG PL	Local	Subscription Agreement	No	N/A	100,00 %	10 years	250 000	258 723
Ompe Fund Iv	Local	LP	Yes	45255	2,71 %	8 years	100 000	67 799
PAPE 3 Fund Managers (Pty) Ltd	Local	LP	Yes	46337	13,91 %	10 years	150 000	136 623
Pan African Infra Dev Fun	Foreign	LP	Yes	31473	0,79 %	15 years	83 297	70 287
Pantheon ASIA SLP SICAV SIF	Foreign	LP	No	N/A	0,42 %	10 years	1 227 930	286 134
Plumbago Investment-DSV Campus	Local	Company	No	N/A	49,00 %	10 years	703 150	640 336
REIMAGINE SOC IMP RET F I	Local	LP	No	N/A	25,00 %	10 years	200 000	9 089
REVEGO AFRICA ENERGY LIMITED	Local	Company	No	N/A	23,33 %	10 years	350 000	441 311
SOUTH AFRICAN SME DEBT FD	Local	LP	Yes	N/A	- %	10 years	350 000	73 729
STANLIB Infrastructure Fund II	Local	LP	Yes	N/A	19,49 %		138 632	130 863
Schools And Education Investment Impact Fund Of South Africa	Local	LP	Yes	45255	14,28 %	10 years	200 000	133 318
South African Student Accommodation Impact Investment	Local		Yes	N/A	40,46 %	No expiry	350 000	172 424
Sphere Holdings	Local	Subscription Agreement	No	N/A	23,42 %	No expiry	249 966	267 623
Stanlib Infrastructure Fund	Local	LP	Yes	719	4,87 %	10 years	400 000	427 519
TOP TIER FEEDER MANAGEMENT	Foreign	LP	No	N/A	4,00 %	10 years	755 649	174 659
TRUEBRIDGE DIR FD I L.P	Foreign	LP	No	N/A	0,90 %	10 years	850 106	26 843
TRUEBRIDGE DIR FD III L.P	Foreign	LP	No	N/A	0,60 %	10 years	113 347	37 471
TRUEBRIDGE EPPF I TRUCAYM	Foreign	LP	No	N/A	4,50 %	10 years	170 021	62 735
TUHF Term Loan	Local	LP	No	N/A	- %	10 years	200 000	189 378
Thuso Private Markets Incubation Fund I Partnership	Local	LP	No	N/A	99,50 %	10 years	2 000 000	853 979
Transflow (RF) PROPRIETARY LIMITED - SATAXI	Local	N/A	No	N/A	- %	10 years	175 000	156 056
Trinitas Private Eqt Fund	Local	LP	Yes	43242	7,49 %	10 years	50 000	69 681
VANTAGE MEZ IV SA SF PART	Foreign	LP	Yes	45610	17,04 %	10 years	86 628	67 486
Van Schaick Book Stores	Local	Subscription Agreement	Yes	N/A	18,13 %	10 years	100 000	4 888
Vantage Capital Fund 1 Tr	Local	LP	Yes	28711	26,67 %	10 years	20 000	223
Vantage GreenX Fund AD II	Local	LP	Yes	48166	6,66 %	10 years	200 000	173 248
Vantage Mezz3 Pan Af Fund	Foreign	LP	Yes	45610	3,40 %	10 years	74 249	87 378
Vantage Mezzanine Fund 1	Local	LP	No	25807	5,03 %	10 years	50 000	53
Vantage Mezzanine Fund 2	Local	LP	No	25807	5,41 %	10 years	100 000	64 594
Vantage Mezzanine Fund 3 Southern African	Local	LP	Yes	45610	10,63 %	10 years	187 600	25 544

Total Private Equity Funds commitment

21 549 850 13 594 639

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Foreign

EMIM AFRICA OPPORTUNITIES	0,98	1 877 263
SGMF PAC BA EJP EQ USD IN	0,10	199 570
SGMF EMG MKTS EQ USD INST	0,31	584 050
SGMF JAPAN EQ USD INST	0,11	219 597
SGMF US LRG CO EQ USD INS	1,22	2 327 109
PINEBRIDGE CLASS E-1	0,12	233 041
PINEBRIDGE CLASS E-0815	0,12	231 475
PINEBRIDGE CLASS E-0116	0,10	188 474
PINEBRIDGE CLASS E-0216	0,11	203 204
ICS-INST USD LIQ-PREM DIS	0,21	396 295
AFRICA EMG MK F - G CL USD	0,29	561 043
AFRICA EMRG MKT - S SP INV	-	9 084
BLK DV WRLD IN FLX AC USD	3,94	7 519 320
SGMF EU EX-UK EQ USD INST	0,30	575 679
SGIF GLB UN ALP EQ USD IN	1,82	3 470 089
SGMF UK EQ USD INST	0,09	165 721

18 761 014

Total Non-compliant collective investment schemes

18 761 014

The Fund's assets disclosed as non-compliant collective investment schemes have been disclosed as such because the Fund has not obtained the audit certificates from the investment manager's auditors as these are not available. The Fund has obtained a regulation 28 certificate from the investment manager and the look through to the underlying investments is shown in Schedule IB.

Total certified Regulation 28 non-compliant investments

18 761 014

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

O ENTITY / COUNTERPARTY EXPOSURE

Credit / Counterparty risk

Counterparty	Total per counterparty R'000	Exposure to counterparty as a % of the fair value of the assets of the fund
Banks	2 683 193	1,40%
ABSA GROUP LIMITED	665 266	0,35%
FIRSTRAND LIMITED	150 062	0,08%
STANDARD BANK	568 149	0,30%
INVESTEC BANK	276 451	0,14%
NEDBANK	995 099	0,52%
HONG KONG AND SHANGHAI BANKING CORPORATION	28 166	0,01%
Asset managers - local	54 736	0,03%
PRIME MONEY MARKET C	15 836	0,01%
STANLIB INST MMKT B4	37 177	0,02%
NINETY ONE MONEY MARKET Z	1 723	-%
Asset managers - foreign	18 761 016	9,77%
EMIM AFRICA OPPORTUNITIES	1 877 263	0,98%
SGMF PAC BA EJP EQ USD IN	199 570	0,10%
SGMF EMG MKTS EQ USD INST	584 050	0,30%
SGMF JAPAN EQ USD INST	219 597	0,11%
SGMF US LRG CO EQ USD INS	2 327 109	1,21%
PINEBRIDGE CLASS E-1	233 041	0,12%
PINEBRIDGE CLASS E-0815	231 475	0,12%
PINEBRIDGE CLASS E-0116	188 474	0,10%
PINEBRIDGE CLASS E-0216	203 204	0,11%
ICS-INST USD LIQ-PREM DIS	396 297	0,21%
AFRICA EMG MK F - G CL USD	561 043	0,29%
AFRICA EMRG MKT - S SP INV	9 084	-%
BLK DV WRLD IN FLX AC USD	7 519 320	3,92%
SGMF EU EX-UK EQ USD INST	575 679	0,30%
SGIF GLB UN ALP EQ USD IN	3 470 089	1,81%
SGMF UK EQ USD INST	165 721	0,09%
Participating employers		
ESKOM Holding SOC LTD	2 173 314	1,13%
	23 672 259	12,33 %

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023**

Market risk	
EQUITY HOLDINGS	Market movement by 5%
Investment	R'000
ABSA GROUP LIMITED	86 441
FIRSTRAND LIMITED	179 079
GOLD FIELDS LIMITED	89 754
MTN GROUP LIMITED	170 272
NASPERS LIMITED-N SHS	303 714
STANDARD BANK GROUP LIMITED	158 794
ANGLO AMERICAN PLC	132 407
BRITISH AMERICAN TOBACCO PLC	123 931
COMPAGNIE FINANCIERE RICHMONT SA	129 976
PROSUS	206 378
Total value of 10 largest equity holdings	1 580 746
Total movement as % of non-current assets plus bank	0,83 %
OTHER FINANCIAL INSTRUMENTS	
Instrument	Market movement by 5%
	R'000
R2037	47 366
R210	53 424
RDF	56 310
GRT	73 112
R2048	78 851
MTFIB3	79 390
NRP	97 451
I2038	160 005
I2046	357 275
I2050	452 341
Total value of 10 largest other instruments	1 455 525
Total movement as % of non-current assets plus bank	0,76 %

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT FRIDAY, 30 JUNE 2023

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE HA AND SCHEDULE IA

	Fair value current period (as per Schedule HA 3.1) R'000	Cash at bank R'000	Property split (Schedule IAD) R'000	Non-compliant CIS R'000	Total R'000
Cash	4 868 075	18 940	-	1 028 739	5 915 754
Commodities	16 095	-	-	-	16 095
Debt instruments including Islamic debt instruments	38 296 361	-	-	110 920	38 407 281
Investment properties and Owner occupied properties*	112 000	-	11 000 798	260 210	11 373 008
Equities	111 600 464	-	(11 000 798)	17 361 144	117 960 810
Investment in participating employer (s)	2 173 314	-	-	-	2 173 314
Hedge funds	1 587 802	-	-	-	1 587 802
Private equity funds	13 594 639	-	-	-	13 594 639
Collective investment schemes	18 761 013	-	-	(18 761 013)	-
Total investments	191 009 763	18 940	-	-	191 028 703

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT FRIDAY, 30 JUNE 2023

		Fair value R'000
A	Total assets (Schedule IA -Total investments)	191 028 703
B1	Less: Reg 28 compliant investments (certificate received from issuing entity):-	-
B.1.1	Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2	Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3	Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4	Entity regulated by FSCA (Reg 28(8)(b)(iv))	-
B2	Less: Reg 28 excluded investments	-
B2.1	Insurance Policies (Reg 28(3)(c))	-
C	Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]	-
D	TOTAL ASSETS FOR REGULATION 28 DISCLOSURE	191 028 703

Categories of kinds of assets	%	Fair value R'000	Fair value %
1 CASH		5 915 754	3,10%
1.1 Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%	3 827 323	2,00%
(a) Notes and coins; any balance or deposit in an account held with a South African bank;		1 016 006	0,53%
ABSA	25%	333 496	0,17%
Other Issuers	25%	682 510	0,36%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		2 297 757	1,20%
ABSA	25%	331 770	0,17%
Other Issuers	25%	716 401	0,38%
Unsettled Trades	25%	1 249 586	0,65%
(c) Any positive net balance in a margin account with an exchange		513 560	0,27%
Margin @ JSE	25%	513 560	0,27%
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		-	0,00%
1.2 Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	45%	2 088 431	1,09%
(a) Any balance or deposit held with a foreign bank		1 887 821	0,99%
StateStreet Bank & Trust Company	5%	859 083	0,45%
Other Issuers	5%	1 028 738	0,54%
(b) Any balance or deposit held with an African bank		-	0,00%
(c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument		200 610	0,11%
StateStreet Bank & Trust Company	5%	200 610	0,11%
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		38 407 281	20,11%
2.1 Inside the Republic	100%	31 992 557	16,75%
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	29 234 759	15,30%
South African Government	100%	29 234 759	15,30%
(b) Debt instruments issued or guaranteed by the government of a foreign country	75%	1 899 514	0,99%
First Rand Bank	10%	1 212 306	0,63%
Other Issuers	10%	687 208	0,36%
Carried forward		37 050 027	19,39%

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT FRIDAY, 30 JUNE 2023**

Categories of kinds of assets		%	Fair value R'000	Fair value %
Brought forward			37 050 027	19,39%
(c)	Debt instruments issued or by a South African bank against its balance sheet	75%	9 182	0,00%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	-	0,00%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	-	0,00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	-	0,00%
c(iv)	Not listed on an exchange	25%	9 182	0,00%
	First Rand Bank	5%	7 032	0,00%
	Other Issuers	5%	2 150	0,00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed	50%	585 661	0,31%
d(i)	Listed on an exchange	50%	539 645	0,28%
	Transnet Soc Limited	10%	123 086	0,06%
	Other Issuers	10%	416 559	0,22%
d(ii)	Not listed on an exchange	25%	46 016	0,02%
	Tran-Caledon Tunnel Authority	5%	23 151	0,01%
	Other Issuers	5%	22 865	0,01%
(e)	Other debt instruments:-	25%	263 441	0,14%
e(i)	Listed on an exchange	25%	257 854	0,13%
	City of Cape Town	5%	43 634	0,02%
	Other Issuers	5%	214 220	0,11%
e(ii)	Not listed on an exchange	15%	5 587	0,00%
	Ndala Investments	5%	5 587	0,00%
		45%		
2.2	Foreign		6 414 724	3,36%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	45%	-	0,00%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	45%	-	0,00%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	45%	-	0,00%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	-	0,00%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	-	0,00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	45%	-	0,00%
c(iv)	Not listed on an exchange		-	0,00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	45%	6 414 724	3,36%
d(i)	Listed on an exchange	45%	1 739 224	0,91%
	Republic of Nigeria	10%	267 219	0,14%
	Other Issuers	10%	1 472 005	0,77%
d(ii)	Not listed on an exchange	25%	4 675 500	2,45%
	ABSA Bank Limited	5%	2 373 787	1,24%
	Other issuers	5%	2 301 713	1,20%
(e)	Other debt instruments	25%	-	0,00%
e(i)	Listed on an exchange	25%	-	0,00%
e(ii)	Not listed on an exchange	25%	-	0,00%
Carried forward			44 323 035	23,17%

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT FRIDAY, 30 JUNE 2023**

Categories of kinds of assets	%	Fair value R'000	Fair value %
Brought forward		44 323 035	23,17%
3 EQUITIES		117 960 810	61,75%
3.1 Inside the Republic	75%	64 951 365	34,00%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	64 951 258	34,00%
a(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	60 330 089	31,58%
Naspers	15%	6 074 281	3,18%
Other Issuers	15%	54 255 808	28,40%
a(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	4 504 034	2,36%
Sun International	10%	349 379	0,18%
Other Issuers	10%	4 154 655	2,17%
a(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	117 135	0,06%
Adcorp Holdings	5%	33 509	0,02%
Other Issuers	5%	83 626	0,04%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	107	0,00%
Cycad Financial Holdings	2,5%	107	0,00%
3.2 Foreign		53 009 445	27,75%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	45%	52 989 488	27,74%
a(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	51 103 596	26,75%
Microsoft Corp	15%	1 367 720	0,72%
Other Issuers	15%	49 735 876	26,04%
a(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	1 380 046	0,72%
National Microfinance Bank	10%	135 849	0,07%
Other Issuers	10%	1 244 197	0,65%
a(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	45%	505 846	0,26%
Macro Pharmaceuticals	5%	19 236	0,01%
Other Issuers	5%	486 610	0,25%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	19 957	0,01%
Dashen Brewery	2,5%	19 957	0,01%
4 IMMOVABLE PROPERTY		11 373 008	5,95%
4.1 Inside the Republic	25%	10 630 792	5,57%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	10 514 872	5,50%
a(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	8 618 165	4,51%
Nepi RockCastle	15%	1 949 028	1,02%
Other Issuers	15%	6 669 137	3,49%
a(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	1 818 328	0,95%
Equities Property Fund Ltd	10%	408 681	0,21%
Other Issuers	10%	1 409 647	0,74%
a(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	78 379	0,04%
Octodec Investments Ltd	5%	48 924	0,03%
Other Issuers	5%	29 455	0,02%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	75%	115 920	0,06%
Hampton Park South	5%	112 000	0,06%
Carried forward		172 910 717	90,48%

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT FRIDAY, 30 JUNE 2023**

Categories of kinds of assets	%	Fair value R'000	Fair value %
Brought forward		172 910 717	90,48%
Other Issuers	5%	3 920	0,00%
4.2 Foreign	25%	742 216	0,39%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	742 216	0,39%
a(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	485 388	0,25%
China Resources Land Ltd	15%	95 236	0,05%
Other Issuers	15%	390 152	0,20%
a(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	392	0,00%
Sichuan Languang Development	10%	210	0,00%
Other Issuers	10%	182	0,00%
a(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	256 436	0,13%
Grit Real Estate	5%	256 436	0,13%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	-	0,00%
5 COMMODITIES		16 095	0,01%
5.1 Inside the Republic	10%	16 095	0,01%
(a) Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	16 095	0,01%
a(i) Gold (including Kruger Rands)	10%	-	0,00%
a(ii) Other commodities	5%	16 095	0,01%
	5%	16 095	0,01%
5.2 Foreign	10%	-	0,00%
(a) Gold and other commodities on an exchange, including exchange traded commodities	10%	-	0,00%
a(i) Gold	10%	-	0,00%
a(ii) Other commodities	5%	-	0,00%
6 INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-		2 173 314	1,14%
(a) Section 19(4) of the Pension Funds Act	5%	2 173 314	1,14%
		2 173 314	1,14%
(b) To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act		-	0,00%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	95%	-	0,00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		15 182 441	7,95%
8.1 Inside the Republic	15%	8 582 134	4,49%
(a) Hedge fund	10%	1 587 802	0,83%
a(i) Funds of hedge funds	10%	-	0,00%
a(ii) Hedge funds	10%	1 587 802	0,83%
Matrix Fixed Income Hedge Fund	2,5%	1 587 802	0,83%
(b) Private equity funds	10%	6 994 332	3,66%
b(i) Funds of private equity funds	10%	1 281 497	0,67%
Thuso Private Market Fund	5%	853 979	0,45%
Other Issuers	5%	427 519	0,22%
Carried forward		178 715 562	93,51%

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT FRIDAY, 30 JUNE 2023

Categories of kinds of assets		%	Fair value R'000	Fair value %
Brought forward			178 715 562	93,51%
b(ii)	Private equity funds	10%	5 712 835	2,99%
	Plumbargo Investment	2,5%	640 336	0,34%
	Other Issuers	2,5%	5 072 499	2,66%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2,5%	-	0,00%
8.2	Foreign	15%	6 600 307	3,46%
(a)	Hedge fund	10%	-	0,00%
a(i)	Funds of hedge funds	10%	-	0,00%
a(ii)	Hedge funds	10%	-	0,00%
(b)	Private equity funds	10%	6 600 307	3,46%
b(i)	Funds of private equity funds	10%	1 640 538	0,86%
	Alpinvest Secondary Fund	5%	724 248	0,38%
	Other Issuers	5%	916 289	0,48%
b(ii)	Private equity funds	10%	4 959 769	2,60%
	Eaglecrest Infrastructure	2,5%	977 865	0,51%
	Other Issuers	2,5%	3 981 904	2,08%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2,5%	-	0,00%
TOTAL ASSETS – REGULATION 28			191 028 703	100,00%

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT FRIDAY, 30 JUNE 2023**

INVESTMENT SUMMARY (Regulation 28)

	Local	Fair value	Foreign	Fair value	Africa	Fair value	Total
	R'000	%	(Excluding Africa) R'000	%	R'000	%	R'000
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	3 827 323	2,00	2 088 431	1,09	-	-	5 915 754
2 Debt instruments including Islamic debt instruments	31 992 557	16,75	6 414 724	3,36	-	-	38 407 281
3 Equities	64 951 365	34,00	53 009 445	27,75	-	-	117 960 810
4 Immovable property	10 630 792	5,57	742 216	0,39	-	-	11 373 008
5 Commodities	16 095	0,01	-	-	-	-	16 095
6 Investment in the business of a participating employer	2 173 314	1,14	-	-	-	-	2 173 314
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	8 582 134	4,49	6 600 307	3,46	-	-	15 182 441
TOTAL	122 173 580	63,96	68 855 123	36,04	-	-	191 028 703

SCHEDULE IB

Independent Auditor's Reasonable Assurance Report on Assets Held in Compliance with Regulation 28 of the Pension Funds Act No. 24 of 1956, as amended

To the Board of Fund of

Eskom Pension and Provident Fund

Report on Compliance of Schedule IB with Regulation 28 of the Act

We have undertaken our engagement in accordance with Section 15 of the Pension Funds Act No. 24 of 1956, as amended (the Act) in order to provide the Board of Fund of Eskom Pension and Provident Fund (the Fund) with a reasonable assurance opinion that Schedule IB "Assets held in compliance with Regulation 28" (the Schedule) on pages 91 - 96 at 30 June 2023 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2023.

The Board of Fund's Responsibility for the Schedule

The Board of Fund is responsible for ensuring that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and for compliance of the Fund with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9). This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

The Firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) based on performing a reasonable assurance engagement.

We performed our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (Revised)) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9).

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain sufficient appropriate evidence that the Schedule is prepared in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) and that the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9). The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of non-compliance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9), whether due to fraud and error. In making those risk assessments we consider internal control relevant to the engagement in order to design procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

Summary of Work Performed

We completed our audit of the annual financial statements of the Eskom Pension and Provident Fund for the year ended 30 June 2023, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified on 3 November 2023. That audit was performed in accordance with International Standards on Auditing. Where appropriate, we have drawn on evidence obtained regarding information contained in the Schedule that has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement.

We have performed such additional procedures as we considered necessary which included:

- Evaluating whether confirmations from financial institutions are in support of the records made available to us;
- Inspecting the required documentation in terms of Regulation 28(8)(b) for investments excluded from total assets in terms of Regulation 28(8)(b));
- Evaluating whether the investments are classified correctly per the categories of Schedule IB based on information obtained about the nature of investments from the financial institutions;
- Recalculating the percentages of assets held in relation to total assets; and
- Comparing the percentages calculated to the prescribed limits.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified opinion.

Opinion

In our opinion, the Schedule IB "Assets held in compliance with Regulation 28" at 30 June 2023 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(j), (4), (8) and (9) as at 30 June 2023.

Restriction on use

Without modifying our opinion, we emphasise that Schedule IB is designed to meet the information needs of the Board of Fund for the purpose of reporting to the Financial Sector Conduct Authority (FSCA). As a result, our report is not suitable for another purpose. Our report is presented solely for the information of the Board of Fund for the purpose of reporting to the FSCA.

BDO South Africa Incorporated
Registered Auditors

BDO South Africa Inc.
BDO South Africa Inc. (Nov 3, 2023 13:39 GMT+2)

Terri Weston
Director
Registered Auditor

3 November 2023

123 Hertzog Boulevard
Foreshore
Cape Town, 8001