

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 2023 to 30 JUNE 2024

CONTENTS

Schedule	Page	Schedule	Page	
A	1 - 6	HA	Notes to the Annual Financial Statements	24 - 46
B	7 - 9	HB	Report of the Valuator *	47
C	10	I	Report of the Independent Auditor of the Eskom Pension and Provident Fund of factual findings to the Board of Fund and Authority of Pension Funds	48 - 78
D	11 - 12	IA	Investment schedule pertaining to the Annual Financial Statements *	79 - 92
E	13 - 21	IB	Assets held in compliance with Regulation 28	93 - 98
F	22		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	99 - 100
G	23			

* Not subject to any engagement by an auditor

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2024**

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 2023 to 30 June 2024
Prior year: 1 July 2022 to 30 June 2023

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 June 2024	
Mr Ndabezikhona Khehla Shandu	Khehla@eppf.co.za	M	1 June 2020	31 May 2024
Mr Barend Izak Steyn	Ben@eppf.co.za	M	1 June 2020	31 May 2024
Ms Helen Diatile	Helen@eppf.co.za	M	1 June 2020	31 May 2024
Ms Liza Brown	Liza@eppf.co.za	E	1 June 2020	31 May 2024
Mr Sincedile Ebenezer Shweni	Sincedile@eppf.co.za	E	1 June 2024	
Ms Hasha Tlhotlhamajane	Hasha@eppf.co.za	E	1 June 2020	31 May 2024
Mr Izak David du Plessis	Izak@eppf.co.za	M	1 June 2024	
Ms Molibudi Anah Makgopa	Anah@eppf.co.za	M	1 June 2024	
Mr Deon Jenkins	Deon@eppf.co.za	M	1 June 2024	
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 2024	
Ms Natasha Salis	NatashaS@eppf.co.za	E	1 June 2024	
Ms Nazley Sallie	Nazley@eppf.co.za	E & I	1 June 2024	
Ms Winile Madonsela	Winile@eppf.co.za	E	1 June 2024	
Mr Snehal Nagar	Snehal@eppf.co.za	E	1 June 2024	
Mr Johannes Hendrik Petrus Aucamp	Johannes@eppf.co.za	M	1 June 2024	
Mr Thandwayinkosi Phillip Goqo	Thandwayinkosi@eppf.co.za	M	1 June 2024	
Mr Modumaele Theodore Nthongoa	Modumaele@eppf.co.za	M	1 June 2024	
Mr Johannes Hendrik Sauerma	Johannes@eppf.co.za	M	1 November 2023	31 May 2024
Ms Asanda Penny	Asanda@eppf.co.za	M	1 June 2024	

- '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)
27 July 2023	MS Teams	Yes
28 September 2023	MS Teams and EPPF Office Park, Executive Boardroom, Khumo House	Yes
13 October 2023	MS Teams	Yes
1 November 2023	MS Teams and EPPF Office Park, Executive Boardroom, Khumo House	Yes
29 February 2024	MS Teams	Yes
28 March 2024	MS Teams and EPPF Office Park, Executive Boardroom, Khumo House	Yes
24 May 2024	MS Teams	Yes
30 May 2024	MS Teams	Yes
20 June 2024	MS Teams	Yes
27 June 2024	MS Teams and EPPF Office Park, Executive Boardroom, Khumo House	Yes

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

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2024**

FUND OFFICERS

Principal Officer

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 7411	Shafeeq@epf.co.za	1 April 2021

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 7403	Lebogangm@epf.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 7411	Shafeeq@epf.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@wtwco.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 30 JUNE 2024**

Investment Administrator

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Apex Group Limited	Apex House, Gloucester Road, Mowbray, 7800, South Africa	Apex House, Gloucester Road, Mowbray, 7800, 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 30 JUNE 2024**

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	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
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
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

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 30 JUNE 2024**

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	Oxford Corner, Rosebank, Johannesburg, 2196	(+27) 11 646 2994	24919
Mergence Investment Managers (Pty) Ltd	PO Box 8275, Roggebaai, 8012	2nd Floor Cape Town Cruise Terminal, Duncan Road, V&A Waterfront, Cape Town	(+27) 21 433 2960	16134
Mianzo Asset Management (Pty) Ltd	PO Box 1210, Milnerton, 7435	4 Century Way, The Colosseum, Foyer 3, 2nd Floor, Unit 206, Century City, Cape Town, 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
NinetyOne SA (Pty) Ltd	PO Box 1655, Cape Town, 8000	Merchant House, 19 Dock Road, Victoria and Alfred Waterfront, 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 30 JUNE 2024**

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

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
- National Transmission Company of South Africa SOC Ltd (with effect from 1 July 2024)

ESKOM PENSION AND PROVIDENT FUND

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ESKOM PENSION AND PROVIDENT FUND

SCHEDULE B STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2024

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 46 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

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ESKOM PENSION AND PROVIDENT FUND

SCHEDULE B STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

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. Securities lending fees became VAT exempt effective 1 April 2023, however due to an administrative oversight the Fund did not de-register for VAT, nor file Nil VAT returns for the period July 2023 to September 2024.	None.	A request for deregistration as a VAT vendor was made with the South African Revenue Services on 11 September 2024.

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
2. 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.	On 27 September 2024, the Fund filed an application to court seeking an order to deem as eligible, the individuals who were identified as ineligible. This application is in respect of the Fund as an employer. The affected individuals have until the end of November 2024 to oppose the application. Thereafter the Fund will apply to court for the matter to be set down for hearing. The courts may allocate a date for 2025 if the matter is unopposed. The Fund is also in the process of preparing similar applications in respect of its other participating employers. These will be filed in due course.
3. 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 incorrect reduced tax deductions 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 is in the process of remediating the issue and has also taken measures to recover the under-deducted amounts from affected employees.

ESKOM PENSION AND PROVIDENT FUND

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ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2024**

These annual financial statements:

- were approved by the Board of Fund on 11 November 2024;
- 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 2024 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:

DocuSigned by:
Caroline Mary Henry
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DocuSigned by:
Izak David du Plessis
6002A8F72EF545D...

Signed by:
Anah Makgopa
CF0B5057B50140C...

Ms Caroline Mary Henry
Chairman
11 November 2024

Mr Izak David du Plessis
Board Member
11 November 2024

Ms Molibudi Anah Makgopa
Board Member
11 November 2024

ESKOM PENSION AND PROVIDENT FUND

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ESKOM PENSION AND PROVIDENT FUND

SCHEDULE C STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER FOR THE YEAR ENDED 30 JUNE 2024

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 has conducted an assurance exercise on membership records to determine and affirm membership. The Fund has filed an application to deem as eligible, the participants who were identified as ineligible in respect of the Fund as an employer.
Incorrect tax deductions (PAYE) on staff bonus payments in tax years 2019 to 2021.	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 is in the process of remediating the issue and has also taken measures to recover the under-deducted amounts from affected employees.
Securities lending fees became VAT exempt effective 1 April 2023, however due to an administrative oversight the Fund did not de-register for VAT, nor file Nil VAT returns for the period July 2023 to September 2024.	A request for deregistration as a VAT vendor was made with the South African Revenue Services on 11 September 2024.

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Mogomoet Shafeeq Abrahams
Principal Officer
11 November 2024



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 22 to 46, which comprise the statement of net assets and funds as at 30 June 2024 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 2024 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 2023 to 30 June 2024, 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. \(Nov 14, 2024 18:21 GMT+2\)](#)

Terri Weston
Director
Registered Auditor

14 November 2024

123 Hertzog Boulevard
Foreshore
Cape Town, 8001

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND FOR THE YEAR ENDED 30 JUNE 2024

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.

- Two-pot

With effect from 1 September 2024 the Two-Pot system was introduced by legislation for eligible active members from that date onwards. The legislation introduced three components to the retirement savings of each member: a savings component which will comprise of 1/3 of a member's monthly contributions, a retirement component which comprises 2/3 of a member's monthly contributions as well as a vested component which comprises a member's accumulated retirement savings up to 31 August 2024.

A member may make a withdrawal of a minimum of R2000 from his/her savings component once in a tax year should he/she wish to do so. The withdrawal value will be subject to a member's marginal rate of tax.

The retirement savings accumulated in the retirement component may only be accessed on retirement, a member may however choose to transfer the retirement savings to another approved retirement fund or preservation fund should a member resign or be dismissed from employment.

The value in the vested component may be transferred to the retirement component at the election of a member. Should a member resign from employment he/she may choose to withdraw the value in the vested component in cash or transfer it to another approved retirement or preservation fund. On retirement, the vested component will be utilised to provide retirement benefits in line with the provisions of the rules.

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.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

- 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 subsequent increases.

If there is no spouse's pension payable, the percentage payable to eligible children increases 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.

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.

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.

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 30 JUNE 2024**

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
3	To enable the Fund to allow its employees to elect whether to make retirement fund contributions to the Fund from their performance bonuses.	1 November 2023	7 November 2023	7 November 2023
4	To clarify that Eskom may appoint as a minimum, at least two Employer-appointed Board Members who are independent experts and to correct reference to Rule 3.3.2, which does not exist in the Rules.	1 November 2023	7 February 2024	7 February 2024
5	To introduce the two-pot retirement system as provided for in the Income Tax Act, as amended by the Revenue Laws Amendment Act of 2024, and the Pension Funds Act of 1956, as amended by the Pension Funds Amendment Act of 2024.	30 May 2024	1 September 2024	25 August 2024

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

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 is 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 returns 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.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

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.

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. Sustainability of investments

As a responsible investor, the Fund adheres to the guiding principles of CRISA (Code for Responsible Investing South Africa). The Fund is a signatory of the PRI (Principles for Responsible Investing) and is a member of the NZAOA (Net Zero Asset Owner Alliance). The UN-convened NZAOA is a member-led initiative of institutional investors committed to transitioning their investment portfolios to net zero GHG (Greenhouse gases) emissions by 2050 – consistent with a maximum temperature rise of 1.5°C.

The Fund and its role-players are cognisant of the environmental, social and governance (ESG) factors that impact its operating environment. The Board of Fund recognises responsible investing (including proxy voting and high-impact investments) as part of the Fund's investment strategy and will review it from time to time. The Fund's Sustainability Policy emphasizes the capacity to meet present needs without compromising future generations. It adopts a holistic view of social, economic, and environmental factors to promote resilience, equity, and prosperity. The Fund aims to address the current economic, financial, and societal challenges through the following three sustainability pillars: Environmental, Social Injustice and Economic Disparity.

All investments should meet responsible investment guidelines. Investment managers are expected to consider and apply responsible investment principles. Investment managers are expected to provide a written report, on request, on their responsible investment approach, including sustainability considerations and the application thereof.

The Fund follows a holistic approach to responsible investing and ownership. The Sustainability Policy provides a robust framework; implementation is driven by a proxy voting policy and guidelines and a focused engagement policy and programme. Our responsible investing policy is based on three pillars: Active ownership through proxy voting and engagement; Environmental, Social and Governance (ESG) integration through external investment managers; and Allocation to targeted impact investments.

The Fund's sustainability policy is available on the website at www.eppf.co.za.

2.1.3. Unclaimed benefits

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

2.1.4. Reserve accounts

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

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

2.1.5. 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.

2.1.6. 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.

2.1.7. 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.

2.1.8. 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.

2.1.9. Unsettled trades

The gross unsettled trades are disclosed in Investments (Schedule HA note 3), Accounts Receivable (Schedule HA note 4) and Accounts Payable (Schedule HA note 9).

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

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 in a 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 41% (2023 - 40%) 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:

	2024	2023
	R'000	R'000
Aeon Investment Management (Pty) Ltd	1 159 928	1 105 983
Allianz Global Investments Europe GMBH	7 320 905	7 442 130
Aluwani Capital Partners (Pty) Ltd	5 394 093	4 694 197
Ashmore Group Plc	578 746	570 127
Benguela Global Fund Managers (Pty) Ltd	1 305 531	1 191 749
Black Rock Investment Management (UK) Ltd	10 658 567	10 013 928
Camissa Asset Management (Pty) Ltd	2 316 697	2 177 052
Catalyst Fund Managers SA (Pty) Ltd	3 216 776	2 762 647
Coronation Fund Managers (Pty) Ltd	8 718 767	7 802 393
Drakens Capital (Pty) Ltd	-	2
Emerging Markets Investment Management Ltd	1 946 812	1 877 263
Excelsia Capital (Pty) Ltd	1 152 184	1 083 162
In house managed assets	83 649 700	76 475 333
Lima Mbeu Investment Managers(Pty) Ltd	282 755	261 179
Matrix Fund Managers (Pty) Ltd	1 906 951	1 587 802
Mazi Capital (Pty) Ltd	5 892 812	5 587 412
Meago Asset Management (Pty) Ltd	2 301 531	2 091 259
Mergence Investment Managers (Pty) Ltd	1 738 942	1 627 743
Mianzo Asset Management (Pty) Ltd	2 298 201	2 122 348
Morgan Stanley Investment Management Ltd	8 286 823	8 166 952
NinetyOne SA (Pty) Ltd	7 885 118	7 270 085
Old Mutual Investment Group (Pty) Ltd	5 658 588	5 168 653
Perpetua Investment Managers (Pty) Ltd	3 780 125	3 422 749
Robeco Institutional Asset Management B.V.	4 111 028	3 830 436
SEI Investments (Europe) Ltd	5 693 879	7 541 814
Sanlam Investments (Pty) Ltd	5 976 111	5 586 658
Stanlib Asset Management Ltd	1 487 386	1 310 328
State Street Global Advisors Limited	5 636 519	4 594 769
UBS Asset Management (UK) Ltd	5 156 539	5 019 025
Unsettled Trades	877 082	1 249 585
Value Capital Partners (Pty) Ltd	1 635 352	1 363 537
Veritas Asset Management (Pty) Ltd	6 387 610	6 011 463
Total value of investments managed	204 412 058	191 009 763

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

3. MEMBERSHIP

	Active members	Deferred pensioners	Pensioners	Other beneficiaries	Unclaimed benefits
Number at the beginning of year	38 718	1 663	33 598	3 499	2 001
Additions	2 475	353	1 846	245	10
Transfers out	(42)	(117)	-	-	-
Withdrawals	(669)	(315)	-	-	-
Retirements and disability	(731)	(47)	-	-	-
Deaths	(152)	(2)	(1 317)	-	-
Settled in full	-	-	(428)	(194)	-
Suspension	-	-	(62)	-	-
Unclaimed benefits paid	-	-	-	-	(62)
Number at the end of the year	39 599	1 535	33 637	3 550	1 949
Number at end of year (South African citizens)	39 572	1 519	32 680	3 519	1 949
Number at end of year (non-South African citizens)	27	16	957	31	-

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 year.
- (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 previous triennial actuarial valuation was carried out on 30 June 2021. The Board of Fund has resolved to file annual actuarial valuations with the Authority as a voluntary annual valuation submission on a statutory basis.

The last triennial actuarial valuation was performed on 30 June 2024, and based on this, 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 statutory triennial actuarial valuation will be performed on 30 June 2027.

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.

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.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

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. 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 feedback was provided to the participating employers regarding the number of ineligible participants identified. The Fund is in the process of contacting 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.

The Fund filed its first declarator application on 27 September 2024. Affected individuals have until the end of November 2024 to oppose the application. Thereafter, the Fund will apply to court for the matter to be set down for hearing.

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 matter is set for hearing in early 2025.

The rules of the Fund have since been revised to clarify that fixed term employees are not eligible to participate in the Fund. The Fund has since further revised its processes to vet new entrants for eligibility.

8.3 The two-pot Retirement System

The Revenue Laws Amendment Act of 2024, and the Pension Funds Amendment Act of 2024 introduced changes to the Income Tax Act of 1962 as well as the Pension Funds Act of 1956 that introduce the "two-pot retirement system". The two-pot retirement system overhauls the existing regulatory regime of retirement funds by enabling members of retirement funds to access a third of their retirement savings as accumulated from 1 September 2024. Retirement funds had to overhaul their administration systems, processes and rules to comply with the legislative requirements.

The Fund's Board approved the draft rules intended to enable this change on 30 May 2024. The draft rules were submitted to the FSCA in June 2024 and approved in time for the implementation date of 1 September 2024.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 30 JUNE 2024

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 declined from 155% to 143% 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 two-pot Retirement system was effective 1 September 2024 allowing in-service pension Fund members to access a portion of their pension savings in advance of retirement.

The National Transmission Company of South Africa (NTCSA) officially began trading as an Eskom subsidiary on 1 July 2024. The NTCSA is now a participating employer in the Fund, in line with the provisions of EPPF's Rules. There are no changes to the retirement fund arrangements for NTCSA employees as they continue as members of EPPF.

The Fund is not aware of any other subsequent events that warrant disclosure.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 30 JUNE 2024

	Note	2024 R'000	2023 R'000
ASSETS			
Non-current assets		204 432 021	191 030 380
Plant and equipment	2	19 963	20 617
Investments	3	204 412 058	191 009 763
Current assets		1 802 670	1 030 666
Accounts receivable	4	1 459 682	720 353
Arrear contributions	10	317 116	291 373
Cash at bank		25 872	18 940
Total assets		206 234 691	192 061 046
FUNDS, SURPLUS AND LIABILITIES			
Funds and surplus account			
Accumulated funds		178 451 972	162 616 926
- Normal retirement		172 217 756	156 658 352
- Additional voluntary contribution scheme		594 330	541 826
- Performance bonus scheme		5 639 886	5 416 748
Total reserves			
Reserve accounts	19	23 814 000	25 967 000
Total funds and reserves		202 265 972	188 583 926
Non-current liabilities			
Unclaimed benefits	8	247 207	245 586
Current liabilities		3 721 512	3 231 534
Transfers payable	6	92 076	42 666
Benefits payable	7	1 425 148	1 346 850
Accounts payable	9	2 120 815	1 770 509
Accruals	15	83 473	71 509
Total funds and liabilities		206 234 691	192 061 046

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED 30 JUNE 2024

		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 2024	Total 2023
	Note	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Contributions received and accrued	10	4 130 803	49 084	68 617	4 248 504	-	4 248 504	4 014 965
Net investment income	11	16 960 799	44 312	424 048	17 429 159	-	17 429 159	23 179 784
Allocated to unclaimed benefits	8	(25 770)	-	-	(25 770)	-	(25 770)	(30 795)
Other income	12	23 684	-	-	23 684	-	23 684	19 741
Less:								
Administration expenses	13	(275 497)	-	-	(275 497)	-	(275 497)	(223 638)
Net income before transfers and benefits		20 814 019	93 396	492 665	21 400 080	-	21 400 080	26 960 057
Transfers and benefits		(7 338 178)	(43 344)	(325 536)	(7 707 058)	-	(7 707 058)	(7 028 823)
Transfer from other funds	5	7 299	-	-	7 299	-	7 299	13 663
Transfer to other funds	6	(477 737)	-	-	(477 737)	-	(477 737)	(392 267)
Benefits	7	(6 867 740)	(43 344)	(325 536)	(7 236 620)	-	(7 236 620)	(6 650 219)
Net income/(loss) after transfers and benefits		13 475 841	50 052	167 129	13 693 022	-	13 693 022	19 931 234
Funds and reserves								
Balance at the beginning of the year	19	156 658 352	541 826	5 416 748	162 616 926	25 967 000	188 583 926	168 613 448
Transfer between accumulated funds	19	-	-	-	-	-	-	-
Prior period adjustment	14	(10 976)	-	-	(10 976)	-	(10 976)	39 244
Transfers between reserve accounts	19	2 094 539	2 452	56 009	2 153 000	(2 153 000)	-	-
Balance at the end of the year		172 217 756	594 330	5 639 886	178 451 972	23 814 000	202 265 972	188 583 926

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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.

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.

1.3.1. Impairment of intangible assets

At each reporting date, the Fund reviews the carrying amounts of its 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).

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

1.3. INTANGIBLE ASSETS (continued)

The recoverable amount is the higher of the 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.

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.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

1.4.1. *Investments (continued)*

Investment property

A property held for long-term yields or capital appreciation is classified as investment property. Investment properties comprise freehold land and buildings, which are carried at fair value, and a solar plant which is initially measured at cost and subsequently measured at fair value once appraised.

At the statement of net assets and funds date investment properties are reflected at valuation on the basis of open-market fair value and any work-in-progress capital projects are reflected at cost. 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 30 JUNE 2024

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.

1.5. **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 30 JUNE 2024

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 under current assets as contributions receivable. Any contributions received in advance at the end of the reporting year are recognised under current liabilities as accounts payable.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

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 30 JUNE 2024

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 other than those relating to intangible assets, 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 30 JUNE 2024

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	15 136	17 562	1 512	7 377	305	41 892
Additions	2 628	873	-	2 000	-	5 501
Disposals	-	(339)	-	-	-	(339)
At end of year	17 764	18 096	1 512	9 377	305	47 054
Accumulated depreciation and impairment						
At beginning of year	(690)	(12 768)	(1 163)	(6 518)	(137)	(21 276)
Depreciation charges	(2 663)	(2 577)	(231)	(541)	(61)	(6 073)
Accumulated depreciation on disposals	-	258	-	-	-	258
At end of year	(3 353)	(15 087)	(1 394)	(7 059)	(198)	(27 091)
Net carrying amount at end of year	14 411	3 009	118	2 318	107	19 963

Note 1

Capitalised development costs

Description	Net carrying amount at end of year
Application Testing Tool	4 463
Cloud Transformation	1 509
Member Administration System	5 604
Website Development	2 835
Total	14 411

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2024

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	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 period	-	(10 204)	(884)	(5 648)	(76)	(16 812)
Depreciation charges	(690)	(2 647)	(279)	(870)	(61)	(4 547)
Accumulated depreciation on disposals	-	83	-	-	-	83
At end of year	(690)	(12 768)	(1 163)	(6 518)	(137)	(21 276)
Net carrying amount at end of period	14 446	4 794	349	859	168	20 616

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024**

3. INVESTMENTS

3.1. Investment summary

	Note	A Local R'000	B Foreign R'000	A+B Total 2024 R'000	Total 2023 R'000	Fair value current year R'000	Categorised per Reporting Framework
Cash		2 775 862	2 059 170	4 835 032	4 868 075	4 835 032	At fair value through statement of changes in net assets and funds
Commodities		27 915	-	27 915	16 095	27 915	At fair value through statement of changes in net assets and funds
Debt instruments including Islamic debt instruments		34 323 953	3 124 968	37 448 921	38 296 361	37 448 921	At fair value through statement of changes in net assets and funds
Investment properties and Owner occupied properties*	3.3.	127 550	-	127 550	112 000	127 550	At fair value through statement of changes in net assets and funds
Equities (including demutualisation shares)		82 357 331	42 012 559	124 369 890	111 600 464	124 369 890	At fair value through statement of changes in net assets and funds
Collective investment schemes		-	17 768 637	17 768 637	18 761 013	17 768 637	At fair value through statement of changes in net assets and funds
Hedge funds		1 906 951	-	1 906 951	1 587 802	1 906 951	At fair value through statement of changes in net assets and funds
Private equity funds		7 844 446	8 126 492	15 970 938	13 594 639	15 970 938	At fair value through statement of changes in net assets and funds
Investment in participating employer(s)	3.2.	1 956 224	-	1 956 224	2 173 314	1 956 224	At fair value through statement of changes in net assets and funds
Total		131 320 232	73 091 826	204 412 058	191 009 763	204 412 058	

* Property consists of an office block situated on Erf 21 Bryanston East. The land and buildings were revalued by an independent valuator, Peter Parfit (professional valuer). The valuation was performed as at 30 June 2024. 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 R73 963 284. Capital costs incurred on the installation of solar panels amounting to R10 550 151 were capitalised to the property for the period ended 30 June 2024.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2024

3.2. Investment in participating employer/s

	At beginning of year R'000	Redemption of bonds R'000	At end of year R'000
Debt instruments	2 173 314	(217 090)	1 956 224
Total	2 173 314	(217 090)	1 956 224

3.3. Investment properties and owner occupied investments

3.3.1. Current year
Instrument

Address	Valuation method	Date of last valuation	Pledged as a guarantee	At beginning of year R'000	Additions	Fair value adjustments R'000	At end of year R'000	
R'000								
Investment Properties								
Office Complex	EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	Discounted cash flow	30 Jun 2024	No	112 000	-	5 000	117 000
Solar Plant	EPPF Office Park, 24 Georgian Crescent East, Bryanston East, 2191	Cost		No	-	10 550	-	10 550
Total of properties					112 000	10 550	5 000	127 550

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024

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	30 Jun 2023	No	113 000	(1 000)	112 000
Total of properties					113 000	(1 000)	112 000

4. ACCOUNTS RECEIVABLE

	2024 R'000	2023 R'000
Accrued investment income	29 320	36 727
Pensioner payroll (prepaid)	361 538	318 065
Eskom Holdings SOC Ltd	-	5 209
Prepaid expenses	8 268	3 185
Other receivables	13 450	39
Recovery of ineligible member pay-out: Mr B Molefe*	12 692	11 961
Unsettled trades receivable**	1 034 414	345 167
Total	1 459 682	720 353

*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 R714 594 (2023: R687 000) was added to the outstanding amount.

**Unsettled trades (securities brought and/or sold but not yet settled at reporting date) are classified and included in accounts receivable and payable. Also refer to schedule HA notes 9 (Accounts Payable).

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2024

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	-	7 299	-	(7 299)	-
Total		15	-	7 299	-	(7 299)	-
Transfers approved (B)							7 299
Return on transfers (C)							-
Statement of changes in net assets and funds							7 299

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	177	42 666	477 573	164	(428 327)	92 076
Total		177	42 666	477 573	164	(428 327)	92 076
Transfers approved (B)							477 573
Return on transfers (C)							164
Statement of changes in net assets and funds							477 737

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 30 JUNE 2024

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	122 092	5 418 525	-	(5 399 413)	-	141 204
Lump sums on retirements						
- Pensions commuted	125 281	698 950	-	(714 041)	-	110 190
Lump sums before retirement						
- Death and disability benefits	221 389	113 294	1 669	(130 899)	(5 367)	200 086
- Withdrawal benefits	142 369	692 959	25	(671 002)	-	164 351
Divorce payments	18 571	178 221	73	(160 663)	-	36 202
Other						
Instalment lumpsums*	717 148	67 254	65 650	(76 937)	-	773 115
Total	1 346 850	7 169 203	67 417	(7 152 955)	(5 367)	1 425 148

Benefits for current year (B)

7 169 203

Return allocated (C)

67 417

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.

7 236 620

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024

8. UNCLAIMED BENEFITS

	2024 R'000	2023 R'000
Balance at the beginning of the year	245 586	274 987
Transferred from benefits payable	5 367	2 505
Adjustment - Opening balance correction*	(203)	(34 270)
Investment income allocated	25 770	30 795
Less:		
• Benefits paid	(29 313)	(28 431)
Balance at the end of the year	247 207	245 586

9. ACCOUNTS PAYABLE

	2024 R'000	2023 R'000
Contributions refundable to Eskom Holdings SOC Ltd*	14 398	13 178
PAYE	63 475	48 723
Unsettled trades payable**	1 911 496	1 594 752
Investment expenses payable	76 578	68 151
Operational suppliers	49 562	40 704
Amounts refundable to Mr BM Molefe*	5 306	5 001
Total	2 120 815	1 770 509

*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 R1 220 591 (2023: R0) was added to the interest refundable to Eskom SOC Ltd and R305 041 (2023: R316 000) to the ineligible member.

**Unsettled trades (securities bought and/or sold but not yet settled at reporting date) are classified and included in accounts receivable and accounts payable. Also refer to schedule HA notes 4 (Accounts Receivable) for the gross effect.

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	100 619	1 449 749	(1 439 072)	111 296
Employer contributions received and accrued	186 077	2 681 214	(2 661 471)	205 820
Additional voluntary contributions - members	4 677	48 923	(53 600)	-
Performance bonus scheme member contributions	-	24 618	(24 618)	-
Performance bonus scheme employer contributions	-	44 000	(44 000)	-
Total	291 373	4 248 504	(4 222 761)	317 116
Towards retirement				4 248 504
Towards reinsurance and expenses				-
Statement of Changes in Net Assets and Funds				4 248 504

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024

11. NET INVESTMENT INCOME

	2024 R'000	2023 R'000
Income from investments	7 131 510	6 920 058
• Dividends	4 567 313	4 662 110
• Interest	2 551 547	2 126 547
• Rentals	12 650	8 457
• Collective investment schemes distribution	-	122 944
Net profit on sale/ redemption of investments	5 878 101	2 183 823
Fair value adjustment on investments*	5 343 907	14 970 032
	18 353 518	24 073 913
Less: Expenses incurred in managing investments**	(924 359)	(894 129)
Total	17 429 159	23 179 784

*The decrease in net investment income is largely attributable to lower fair value gains on financial assets in the current financial year compared to the previous year, which is driven by market performance. Included in the fair value adjustments 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.

**The Fund has an inhouse investment management capability and during the current and previous years direct management expenses relating to this capability of R132,8m (2023: R120,3m) have been allocated to expenses incurred in managing investments (refer note 13).

12. OTHER INCOME

	2024 R'000	2023 R'000
Net securities lending fees	23 180	19 741
*Other income	504	-
Total	23 684	19 741

*Other income includes board fees paid to the Fund for non-executive directorship positions held in entities where the Fund is an investor.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024

13. ADMINISTRATION EXPENSES

	2024 R'000	2023 R'000
Actuarial fees	1 680	2 274
Audit services	6 083	5 735
Audit fees - external	3 077	2 961
Audit fees - Internal	3 006	2 774
Consultancy fees and legal fees	21 508	21 350
Depreciation	6 072	4 547
Fidelity Insurance	1 703	1 135
FSCA levies	1 982	1 870
Other Expenses	140 312	101 742
Bank charges	2 972	2 862
Member interaction and related costs	3 390	2 926
Office Rental	10 888	9 936
IT services and rental*	73 615	61 785
Membership, development and other administration expenses	12 995	8 626
Travel expenses	5 861	5 155
Telephone, postage, printing and stationery	1 030	3 988
Project costs**	29 561	6 464
Governance expenses	13.1	8 928
Staff expenses	13.2	216 232
Principal Officer expenses	13.3	3 765
Inhouse Investment Management Expenses***	(132 768)	(120 332)
Total	275 497	223 638

*IT service and rental costs increased during the year mainly as a result of R8m in cloud hosting services and R4m in contractual increases.

**During the financial year the Fund incurred once-off project expenditure amounting to R29,6m. These are mostly related to; strategic project costs of R8,4m incurred in implementing Two-pot, DC feasibility and implementation costs, Sustainability and Other strategic projects. Other I.T and infrastructure enhancements costs contributed R6m, while Trustee election costs amounted to R3,1m and Legal Fees relating to member ineligibility R2,7m.

***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 R132,8m (2023: R120,3m) was reallocated to the costs of managing investments.

13.1. Governance expenses

	2024 R'000	2023 R'000
Board of Fund remuneration	5 530	4 896
External expert fees	2 827	2 660
Travel, training and other expenses	571	346
Total	8 928	7 902

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. External expert fees have grown in line with inflation expectations.

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024**

13.2. Staff expenses

	2024 R'000	2023 R'000
Remuneration	116 094	104 344
Contributions to retirement fund	18 483	16 485
Training expenses	4 880	3 713
Provision for bonuses	48 047	52 938
Long term incentive provision	24 797	12 984
Levies and insurance	1 449	1 442
Recruitment costs	2 482	2 529
Total	216 232	194 435

In the prior year, the Fund benefited from staff attrition. The current financial year includes the full impact of these roles, as well as inflationary increases. The decrease in the bonus provision is due to lower investment performance compared to the prior year. Long term incentives accruing to additional eligible members vested during the current financial year.

13.3. Principal Officer expenses

	2024 R'000	2023 R'000
Principal Officer expenses - remuneration	1 338	1 140
Principal Officer expenses - allowances	7	7
Principal Officer expenses - contributions to retirement fund	195	119
Principal Officer expenses - incentive remuneration	2 225	1 714
Total	3 765	2 980

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.

14. PRIOR PERIOD ADJUSTMENTS

	2024 R'000	2023 R'000
Unclaimed benefits adjustment correction*	203	34 270
Incorrect intangible costs expensed**	-	650
Correction of incorrect interest on ineligible payables***	-	165
Single-premiums adjustments****	(1 990)	3 576
Accumulated fund adjustment*****	(9 189)	583
Total	(10 976)	39 244

*In the current year a correction of a members record which was included in the 2023 unclaimed benefit balance was corrected. The members death benefits had been accruing to his identified/existing beneficiaries in 2023.

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

***The prior year Accounts payable balances relating to ineligible members were restated to correct interest raised on these balances.

****In the current year, member records were updated to adjust for transfers into the Fund that were receivable and recognized as income accrued in 2023, however in the current year the funds are no longer expected to be received and therefore written off.

*****Correction of prior year accumulated funds closing balance per the financial statements to agree to the current year opening balance per the trial balance, due to differences in year-end adjustments posted.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

15. ACCRUALS

	2024 R'000	2023 R'000
Leave pay accruals	8 705	7 901
Incentive bonus accrual (Note a)	74 768	63 608
	<u>83 473</u>	<u>71 509</u>

Note a: Includes a long term incentive accrual of R24.8m (2023: R18,6m).

Incentive bonus accrual increased due to 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 30 JUNE 2024

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 30 JUNE 2024

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 R8.9 m (2023: R7.9 m) 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 R2.7 bn (2023: R2.6 bn) and refunded R829 m (2023: R744 m) medical aid contributions for pensioners.
- The Fund has investments in the participating employer to the value of R1.96 bn (2023: R2.2 bn).
- The participating employers had outstanding contributions of R317 m at year end (2023: R291 m).

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

Related party	Relationship	Description	2024 R'000	2023 R'000
Eskom Holdings SOC Ltd	Participating Employer	Contributions for employer appointed board members	1 656	1 147
Eskom Holdings SOC Ltd	Participating Employer	Contributions for employee appointed board members	550	702
Board of Fund	Board members	Pension payments	2 274	1 849
Board of Fund	Board members	Board members remuneration paid to individuals	5 530	4 896
Outside experts	Outside experts appointed by Board of Fund	Outside expert fees paid to individuals	2 827	2 660
Total			12 837	11 254

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

Participating employers	Contributions	Fund expenses
Eskoms Holding SOC Ltd	2 303 992	5 308
Eskom Rotek Industries SOC Ltd	409 636	-
Eskom Pension and Provident Fund	11 586	-
Total	2 725 214	5 308

Eskom Holdings SOC Ltd had undertaken to subsidise a portion of the costs relating to the member eligibility assurance exercise. To date the Fund has invoiced and received the total amount from Eskom.

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

	2024 R'000
Remuneration	19 728
Contribution to retirement fund	2 374
Incentive remuneration	23 452
Total amount contributed	45 554

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

Total executive management remuneration has increased by 22% (2023: R30.33m) mainly due to the vesting of long term incentives that were accruing to additional eligible members, as well as the annualization effect of vacancies on remuneration.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 JUNE 2024

18. OPERATING LEASE COMMITMENTS

	2024 R'000	2023 R'000
Within one year	33 740	39 577
Between one and five years	69 372	109 050
Total	103 112	148 627

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 Apex 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 Northern Trust Company for an investment administration system. The lease will expire in September 2027.

A lease with StatPro Limited for investment information which expired on 31 March 2023 was renewed for a further 3 years and will expire in March 2026 .

A lease with FIS Systems South Africa (Pty)Ltd for a treasury system which will expire in February 2027.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 JUNE 2024

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	156 658 352	541 826	5 416 748	162 616 926	25 967 000	8 763 000	17 204 000
Prior period adjustment (1)	(10 976)	-	-	(10 976)	-	-	-
Contributions received and accrued	4 130 803	49 084	68 617	4 248 504	-	-	-
Net investment income	16 960 799	44 312	424 048	17 429 159	-	-	-
Allocated to unclaimed benefits	(25 770)	-	-	(25 770)	-	-	-
Other income:	23 684	-	-	23 684	-	-	-
- Security Lending fee	23 180	-	-	23 180	-	-	-
- *Other income	504	-	-	504	-	-	-
Less:	(275 497)	-	-	(275 497)	-	-	-
- Administration costs	(275 497)	-	-	(275 497)	-	-	-
Net income before transfers and benefits	177 461 395	635 222	5 909 413	184 006 030	25 967 000	8 763 000	17 204 000
Transfers and benefits	(7 338 178)	(43 344)	(325 536)	(7 707 058)	-	-	-
Transfers from other funds	7 299	-	-	7 299	-	-	-
Transfers to other funds	(477 737)	-	-	(477 737)	-	-	-
Benefits	(6 867 740)	(43 344)	(325 536)	(7 236 620)	-	-	-
Net income after transfers and benefits	170 123 217	591 878	5 583 877	176 298 972	25 967 000	8 763 000	17 204 000
Transfer between reserve accounts	2 094 539	2 452	56 009	2 153 000	(2 153 000)	1 923 000	(4 076 000)
At end of year	172 217 756	594 330	5 639 886	178 451 972	23 814 000	10 686 000	13 128 000

*Other income includes board fees paid to the Fund for non-executive directorship positions held in entities where the Fund is an investor.

ESKOM PENSION AND PROVIDENT FUND

REPORT OF THE VALUATOR FOR THE YEAR ENDED 30 JUNE 2024

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE HB REPORT OF THE VALUATOR

FINANCIAL YEAR: 30 June 2024

Particulars of financial condition of the Fund as at 30 June 2024

An annual actuarial valuation was carried out as at 30 June 2024. 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 – R202 267 million.
2. The actuarial value of the net assets for the purposes of comparison with the accrued liabilities of the Fund – R202 267 million.
3. The actuarial present value of promised retirement benefits – R117 613 million vested, and R0 non-vested.
4. Contingency reserve account balances total – R23 814 million.

At 30 June 2024 the individual contingency reserve balances are as follows:

Solvency Reserve – Active members: R10 686 million
Solvency Reserve – Pensioners: R11 629 million
Contribution Reserve: nil
Pension Increase Affordability Reserve: R1 499 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 6.1% per annum (7.0% 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 7.0% per annum (8.4% 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 4.18% of pensionable salaries (compared with an excess of 6.37% at the previous statutory valuation).
8. In my opinion the Fund was in a sound financial condition as at 30 June 2024 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.
12 November 2024

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 2024

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 2024, 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 2024.

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 2024.

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 14, 2024 18:21 GMT+2)

Terri Weston
Partner
Registered Auditor

14 November 2024

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 2024 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 2024 and note any differences.	<p>We obtained a list of all investments as at 30 June 2024 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 2024 and noted the following difference:</p> <table border="1" data-bbox="917 645 1417 1003"> <thead> <tr> <th></th> <th>R'000</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>204 437 931</td> </tr> <tr> <td>Investments balance as per the Statement of Net Assets and Funds</td> <td>204 412 058</td> </tr> <tr> <td>Difference</td> <td>25 873</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	204 437 931	Investments balance as per the Statement of Net Assets and Funds	204 412 058	Difference	25 873
	R'000									
Total as per the list of investment balances	204 437 931									
Investments balance as per the Statement of Net Assets and Funds	204 412 058									
Difference	25 873									
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 2024. 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 2024 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>38 793 431</td> </tr> <tr> <td>Accrued income and expenses</td> <td>-</td> </tr> <tr> <td>Subtotal</td> <td>38 793 431</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers</td> <td>38 858 713</td> </tr> <tr> <td>Difference</td> <td>(65 282)</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 1425 1615"> <thead> <tr> <th></th> <th>R'000</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of investment balances</td> <td>61 423 877</td> </tr> <tr> <td>Accrued income and expenses</td> <td>-</td> </tr> <tr> <td>Subtotal</td> <td>61 423 877</td> </tr> <tr> <td>Total as per the external confirmations obtained from the investment managers</td> <td>61 433 937</td> </tr> <tr> <td>Difference</td> <td>(10 061)</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	38 793 431	Accrued income and expenses	-	Subtotal	38 793 431	Total as per the external confirmations obtained from the investment managers	38 858 713	Difference	(65 282)		R'000	Total as per the list of investment balances	61 423 877	Accrued income and expenses	-	Subtotal	61 423 877	Total as per the external confirmations obtained from the investment managers	61 433 937	Difference	(10 061)
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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 2024. 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 2024.</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 05 July 2024 for the IPS dated 30 June 2024 governing the 2025 financial year and IPS dated 30 June 2023 was approved on 04 September 2023 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 2024 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 2024 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 0.96%
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 2024 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 2024. 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 2024 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 2024, 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 2024. 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 2024 and as at 1 July 2023 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 2024 and as at 1 July 2023 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 2024 obtained in procedure 2.1 to the Members’ individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2024 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 2024 obtained in procedure 2.1 to the Members’ individual accounts balance as per the Statement of Net Assets and Funds as at 30 June 2024 from the Fund administrator. The following reconciling items were noted:</p> <table border="1" data-bbox="917 1160 1391 2040"> <thead> <tr> <th></th> <th>R’000</th> </tr> </thead> <tbody> <tr> <td>Total as per the list of member individual accounts</td> <td>6 234 216</td> </tr> <tr> <td>ACCS</td> <td>594 330</td> </tr> <tr> <td>PBS</td> <td>5 639 886</td> </tr> <tr> <td>add: re-allocation of back dated transaction on Fund administration system</td> <td>0</td> </tr> <tr> <td>Subtotal</td> <td>6 234 216</td> </tr> <tr> <td>Member individual account as reflected on the Statement of Net Assets and Funds as at 30 June 2024</td> <td>6 234 216</td> </tr> <tr> <td>ACCS</td> <td>594 330</td> </tr> <tr> <td>PBS</td> <td>5 639 886</td> </tr> </tbody> </table>		R’000	Total as per the list of member individual accounts	6 234 216	ACCS	594 330	PBS	5 639 886	add: re-allocation of back dated transaction on Fund administration system	0	Subtotal	6 234 216	Member individual account as reflected on the Statement of Net Assets and Funds as at 30 June 2024	6 234 216	ACCS	594 330	PBS	5 639 886
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	Procedures	Findings	
		Difference	(0)
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 2023 to June 2024 (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 2024. 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 2024 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:	The fund is a non-unitised fund, as noted in procedure 2.5, 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 2024 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 2024 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 2024 (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. 	<p>Not applicable, there is no member level investment choice or life stage model.</p>
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 2024, 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 2024 from the Fund administrator and perform the following procedures:	We obtained a list of defined benefit members as at 30 June 2024 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 2024 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 2024. [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 2024 from the list of members provided by the Fund administrator for the months July 2023 to June 2024 (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 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. The Fund performed a statutory actuarial valuation as at 30 June 2024 which is pending submission to FSCA.

	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 15.50% 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 related accounts that are permitted as noted in procedure 6.1.1. Note any exceptions.	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 accounts permitted as noted in procedure 6.1.1 and found no exceptions.

	Procedures	Findings
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 2024 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.	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.
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.
7.2.1.4	Obtain the member individual account balance at the date of granting the loan from the Fund administrator. Divide the loan amount granted as noted in 7.2.1.1 with the member individual account balance at	Not applicable. The Fund does not grant housing loans to its members in terms of Section 19(5) of the Act.

	Procedures	Findings
	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.	
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	Housing loan guarantees 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.	Housing loan guarantees Not applicable. The Fund does not grant housing loan guarantees to its members in terms of Section 19(5) of the Act.
7.3.1	Defined contribution funds Obtain a list of all housing loan guarantee balances granted to members from the loan provider as at 30 June 2024 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:	Defined contribution funds Not applicable. The Fund does not grant housing loan guarantees to its members.
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 exceeds the maximum allowable percentage noted in 7.3. Note any differences.	Not applicable. The Fund does not grant housing loan guarantees to its members.

	Procedures	Findings
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 2024 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>	<p>Defined benefit funds</p> <p>Not applicable. The Fund does not grant housing loan guarantees to its members.</p>
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 September 2023, February 2024, June 2024.
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 deposited, and performed the following procedures:

	Procedures	Findings
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 2024 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 2024 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 reconciled 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 to the administration system and the signed claim form, and the IRP5 determined by the procedures of the Fund. Note any differences. Exit date:	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. We noted no differences. Exit date:

	Procedures	Findings
	<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>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. 	Not applicable. The Fund does not reinsure a portion of the death/disability benefits.
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>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 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> <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>

	Procedures	Findings
	<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>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 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.</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>

	Procedures	Findings
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 2024 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 2024 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.
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	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.

	Procedures	Findings
	criteria provided above), and perform the following procedures:	
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 the effective date of the transfer to the date of the final settlement. Note any exceptions.	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.
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	Not applicable. There were no Section 14 transfers to and from the Fund during the current year.

	Procedures	Findings
	(selected based on the selection criteria provided above), and perform the following procedures:	
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 2024 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 2024 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>No exceptions were noted.</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. 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>In respect of unitised funds</p> <p>Not applicable, this is a non-unitised fund.</p> <p>In respect of non-unitised funds</p> <p>The transfer amount received per the listing agreed to member’s individual account on the administration system.</p>

	Procedures	Findings
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 reconciled 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 9 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). <p>No exceptions were noted.</p>
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>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; 	<p>Not applicable, there were no unclaimed benefit Section 14 transfers during the year.</p>

	Procedures	Findings
	<ul style="list-style-type: none"> • 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	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.	Not applicable, there were no unclaimed benefit Section 14 transfers during the year.
11	Pensioners paid	
11.1	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 2024, and perform the following procedures:	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 2024, and performed the following procedures:
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 2024 from the Fund administrator and agree the total pensions amount paid to the</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 2024 from the Fund administrator. The total pension amount on the</p>

	Procedures	Findings
	<p>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>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 CPI catch-up increase of 3.6% and a normal pension increase of 5.4% (overall increase 9%), with an effective date of the pension increase was 1 January 2024.
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 a CPI catch-up increase of 3.6% and a normal pension increase of 5.4% (overall increase 9%), as applicable, with an effective date of 1 January 2024.
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 2024.
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

	Procedures	Findings
		Certificate of Existence or Department of Home Affairs documentation.
11.3	<p>Annuities purchased in the name of the Fund</p> <p>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:</p>	<p>Annuities purchased in the name of the Fund</p> <p>Not applicable, there were no purchased annuities in the name of the Fund.</p>
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	<p>Living annuities in the Fund</p> <p>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.</p>	<p>Living annuities in the Fund</p> <p>Not applicable, there were no living annuities in the Fund.</p>
11.4.1	<p>New Living annuities in the Fund</p> <p>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:</p>	<p>New living annuities in the Fund</p> <p>Not applicable, there were no living annuities in the Fund.</p>
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.

	Procedures	Findings
11.4.2	<p>All living annuities in the Fund</p> <p>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:</p>	<p>All living annuities in the Fund</p> <p>Not applicable, there were no living annuities in the Fund.</p>
11.4.2.1	<p>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.</p> <p>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.</p>	Not applicable, there were no living annuities in the Fund.
11.4.2.2	<p>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.</p>	Not applicable, there were no living annuities in the Fund.
11.4.2.3	<p>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.</p>	Not applicable, there were no living annuities in the Fund.
12	General	
12.1	<p>Obtain a copy/copies of the fund's fidelity insurance cover/policy from the Fund administrator for the year ended 30 June 2024 and inspect the period of the cover from 1 July 2023 to 31 July 2023, 1 August 2023 to 31 July 2024 and 1 August 2024 to 31 July 2025.</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>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 2023 to 31 July 2023, 1 August 2023 to 31 July 2024 and 1 August 2024 to 31 July 2025. 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 2025.</p> <p>The insurers provided an endorsement for EPPF covering the period from 1 July 2023 to 31 July 2023 while they were finalising the terms of the 2024 financial year coverage.</p>

	Procedures	Findings
12.2	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 2024. Note the end date of the cover(s).	Not applicable. The Fund did not have GLA and/or disability benefit policies.
12.3	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. Where the Fund is valuation exempt, inquire from the Fund administrator when the valuation exemption was approved by the Authority and note the date.	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. The Fund performed a statutory actuarial valuation as at 30 June 2024 which is pending submission to FSCA.
12.3.1	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).	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.
12.3.2	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.	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.
12.3.3	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.	Not applicable. Per procedure 12.3.1, the Fund was not under-funded.

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
AT 30 JUNE 2024

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	4 860 904	717 095	5 577 999	2 801 734	2 636 975	139 290	2 776 265	49,77	5 577 999
Commodities	B	27 915	-	27 915	27 915	-	-	-	-	27 915
Debt instruments including Islamic debt Instruments	C	37 448 921	145 902	37 594 823	34 323 953	3 124 968	145 902	3 270 870	8,70	37 594 823
Investment and owner occupied properties	D	12 146 601	246 999	12 393 600	11 762 550	631 050	-	631 050	5,09	12 393 600
Equities	E	112 350 840	16 658 641	129 009 481	70 722 332	54 987 437	3 299 712	58 287 149	45,18	129 009 481
Investments in participating employers	H	1 956 224	-	1 956 224	1 956 224	-	-	-	-	1 956 224
Hedge Funds	J	1 906 951	-	1 906 951	1 906 951	-	-	-	-	1 906 951
Private Equity Funds	K	15 970 938	-	15 970 938	7 844 446	8 126 492	-	8 126 492	50,88	15 970 938
Total investments		186 669 294	17 768 637	204 437 931	131 346 105	69 506 922	3 584 904	73 091 826	35,75	204 437 931

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

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	2 801 734
Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets	816 632
Nedbank	387 470
Other issuers	429 162
A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument	1 939 709
Nedbank	427 061
Other issuers	1 512 648
Any positive net balance in a margin account with an exchange	45 393
Margin @ JSE	45 393
Foreign	
Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments	2 059 170
Any balance or deposit held with a foreign bank	1 865 797
StateStreet Bank & Trust Company	1 865 797
Other issuers	-
<i>Total of issuers not exceeding 5%</i>	-
Any balance or deposit held with an African bank	-
A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument - exceeding 5% of total assets	193 373
StateStreet Bank & Trust Company	193 373
Total	4 860 904

B COMMODITIES

Instrument	Holding number	Holding %	Fair value R'000
Other		Holding %	
Other commodities	-	0,01	27 915
			27 915
			27 915
Total			27 915

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

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					
	Local	Secured	Issued		32 219 613
	Foreign	Secured	Issued		3 124 968
Total					<u>35 344 581</u>
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					
	Local	Secured	Issued		1 497 495
Total					<u>1 497 495</u>
Corporate debt (excluding debentures):					
Debt instruments issued or guaranteed by an entity that has equity listed on an exchange					
Listed on an exchange					
	Local	Secured	Issued		247 955
Total					<u>247 955</u>
Not listed on an exchange					
	Local	Secured	Issued		59 395
Total					<u>59 395</u>
Other					
Listed on an exchange:					
	Local	Secured	Issued		285 588
Total					<u>285 588</u>
Not listed on an exchange					
	Foreign	Secured	Issued		13 907
Total					<u>13 907</u>
Total debt instruments including Islamic debt instruments					
					<u><u>37 448 921</u></u>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

D INVESTMENT AND OWNER OCCUPIED PROPERTIES

Instrument	Fair value R'000
Owner occupied properties	
	Local 127 550
Total of issuer/entity more than 5% of total assets	<u>127 550</u>
Total	<u><u>127 550</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		9 999 041
	Foreign	-	-	Ordinary		<u>384 051</u>
Total of issuers exceeding 5%						10 383 092
Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed						
	Local	-	-	Ordinary		<u>1 576 058</u>
Total of issuers exceeding 5%						1 576 058
Issuer market capitalisation of less than R3 billion, or an amount or conditions as prescribed						
	Local	-	-	Ordinary		<u>59 079</u>
Total of issuers exceeding 5%						59 079
Total						<u><u>12 018 229</u></u>
Shares in property companies and linked units in property companies, not listed on an exchange:						
	Local	-	-	Ordinary		<u>822</u>
Total						822
Total						<u><u>12 019 051</u></u>
Total						<u><u>12 146 601</u></u>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

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	-		64 780 405
	Foreign	-	Ordinary	-		40 935 364
Total						<u>105 715 769</u>
Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed						
	Local	-	Ordinary	-		5 813 417
	Foreign	-	Ordinary	-		696 349
Total						<u>6 509 766</u>
Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed						
	Local	-	Ordinary	-		125 305
Total						<u>125 305</u>
Total equities						<u>112 350 840</u>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

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 24		4 057 844	-			-
Equity		30 Jun 24		6 717 646	-			-
Bonds		30 Jun 24		13 643 850	-			-
Total				24 419 340				-

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 and Bond Loan	-	17 701 694
Nedbank		-	6 717 646
Total			24 419 340

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 AT 30 JUNE 2024

H INVESTMENTS IN PARTICIPATING EMPLOYER/S

Instrument	Listed or not listed	Issued/ Guaranteed	Fair value R'000
Debt instruments		Issued	1 956 224
Subtotal			<u>1 956 224</u>
Total for investments in participating employers			<u>1 956 224</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		-	1 906 951
Total Hedge funds commitment		<u>-</u>	<u>1 906 951</u>

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

K PRIVATE EQUITY FUNDS

Instrument	Local or Foreign	Structure	Category 2 approval	FAIS approval number	Holding	Term of contract	Total value of commitment	Current value of commitment
					%		R'000	R'000
Private Equity Fund								
ADP III MAURITIUS FEEDER 1 L.P	Foreign	LP	No	N/A	2,24 %	10 years	322 229	389 980
ALPINVEST CO-INVESTMENT FUND (OFFSHORE FEEDER) VIII, L.P	Foreign	LP	No	N/A	0,07 %	10 years	552 365	487 464
ALPINVEST SECONDARIES FUND (OFFSHORE FEEDER) VII	Foreign	LP	No	N/A	1,10 %	10 years	1 365 075	1 117 731
ALPINVEST/AAF CI-B(CAYMAN)	Foreign	LP	No	N/A	100,00 %	10 years	522 898	371 842
ALPINVEST/ALPINVEST ATOM FUND (OFFSHORE FEEDER)	Foreign	LP	Yes	N/A	6,90 %	10 years	548 097	557 394
BGO EPPF REAL ESTATE OPPORTUNITIES FUND,L.P.	Foreign	LP	No	N/A	77,70 %	No expiry	459 575	329 179
BUSAMED PTY LTD	Local	LP	No	N/A	18,96 %	10 years	540 681	360 579
CAPITAL ALLIANCE PRIVATE EQUITY III	Foreign	LP	No	N/A	1,86 %	10 years	118 307	8 292
CAPITAL ALLIANCE PRIVATE EQUITY IV	Local	LP	No	45888	5,67 %	10 years	546 030	509 353
CAPITAL HARVEST PROP LTD	Foreign	LP	No	N/A	0,50 %	10 years	1 039 018	31 360
CAPITALWORKS PRIVATE EQUITY PARTNERSHIP II	Local	LP	No	45890	21,73 %	10 years	200 000	-
CAPITALWORKS PRIVATE EQUITY PARTNERSHIP III	Local	LP	Yes	45891	22,08 %	10 years	450 000	187 020
CAPITALWORKS PRIVATE EQUITY PARTNERSHIP III	Local	Subscription agreement	No	45891	22,46 %	10 years	450 000	168 945
CARLYLE ASIA PARTNERS GROWTH II	Foreign	LP	No	N/A	5,78 %	No expiry	1 001 055	372 874
CARLYLE PROPERTY INVESTORS-B	Foreign	LP	No	N/A	0,62 %	10 years	89 758	87 668
CROSSFIN TECHNOLOGY HOLDINGS	Foreign	LP	No	N/A	9,30 %	10 years	832 790	142 842
EAGLECREST INFRASTRUCTURE SCSP	Local	LP	Yes	46595	8,19 %	10 years	805 399	998 330
ETHOS CAPITAL V GP SA (PTY) LTD	Local	LP	Yes	9254	9,29 %	10 years	100 000	5 422
ETHOS FUND VI EN COMMANDITE PARTNERSHIP SA	Local	Subscription agreement	No	N/A	7,99 %	10 years	400 000	55 624
ETHOS MID MARKET FUND I	Local	LP	Yes	9254	10,42 %	10 years	350 000	255 093
FUTGROWTH INFRA DEV BD FD	Local	LP	No	4307	2,29 %	10 years	44 496	460 529
GAMMATEK	Foreign	LP	No	45737	0,78 %	10 years	108 286	71 147
GROWTHPOINT STUDENT ACCOMMODATION HLDNG (RF) LTD	Local	LP	No	N/A	12,00 %	No expiry	300 000	307 380
HELIOS INVESTORS II	Foreign	LP	Yes	45737	2,69 %	10 years	118 307	34 621
HELIOS INVESTORS III	Local	LP	Yes	45255	2,69 %	10 years	546 030	524 394
HOUSING IMPACT FUND SOUTH AFRICA	Local	LP	No	N/A	1,64 %	10 years	300 000	67 260
IHS FUND II SA COLLECTOR	Local	LP	Yes	45656	49,87 %	10 years	75 000	74 847
IHS SOCIAL HOUSING SA	Local	LP	No	N/A	49,90 %	10 years	50 000	35 960
INTUTHUKO EQUITY FUND	Local	LP	Yes	35579	-	10 years	100 000	47 923
KLEOSS FUND I	Foreign	LP	No	N/A	12,54 %	10 years	666 376	46 971
LANGO REAL ESTATE LIMITED	Local	LP	Yes	40187	9,08 %	10 years	644 459	607 969

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024**

MEDU III SA PARTNERSHIP	Local	LP	Yes	43242	14,50 % 10 years	350 000	27 715
MPANDE PROPERTY FUND	Local	LP	No	51556	36,66 % 10 years	27 147	473 251
NEOMA AFRICA FUND	Foreign	LP	Yes	44310	1,58 % 10 years	552 365	1 735
NEOMA AFRICA FUND III	Foreign	LP	Yes	587	4,04 % 10 years	345 227	157 639
NINETY ONE AFRICA PRIVATE EQUITY FUND 2	Local	LP	Yes	N/A	8,24 % 10 years	344 291	131 738
NOVA PIONEER-NP PROPERTY SPV1B	Foreign	LP	Yes	41836	- % 10 years	499 756	113 627
NOVA PIONEER SCHOOL FOR INV	Foreign	LP	Yes	43310	- % 10 years	200 000	215 179
NOVARE AFRICA PROPERTY FUND II	Foreign	LP	Yes	41836	9,95 % 10 years	482 588	229 012
OLD MUTUAL LIFE ASS FG PL	Local	Subscription agreement	No	N/A	100,00 % 10 years	250 000	285 489
OLD MUTUAL PRIVATE EQUITY FUND IV	Local	LP	Yes	45255	2,71 % 8 years	100 000	75 213
PAN AFRICAN INFRASTRUCTURE DEVELOPMENT FUND	Foreign	LP	Yes	31473	0,79 % 15 years	80 557	58 272
PANTHEON ASIA SLP SICAV SIF	Foreign	LP	No	N/A	0,42 % 10 years	1 187 543	656 525
PAPE FUND 3	Local	LP	Yes	46337	13,70 % 10 years	150 000	155 417
PLUMBAGO INVESTMENTS DSV-CAMPUS	Local	Company	No	N/A	49,00 % 10 years	703 150	891 422
REIMAGINE SOCIAL IMPACT RETAIL FUND I	Local	LP	No	N/A	15,31 % 10 years	200 000	44 980
REVEGO AFRICA ENERGY LIMITED	Local	Company	No	N/A	19,30 % 10 years	350 000	369 911
SCHOOLS AND EDUCATION INVESTMENT IMPACT FUND OF SOUTH AFRICA	Local	LP	Yes	45255	14,28 % 10 years	200 000	125 623
SOUTH AFRICAN SME DEBT FUND	Local	LP	Yes	579	70,00 % 10 years	350 000	143 071
SOUTH AFRICAN STUDENT ACCOMMODATION IMPACT INVESTMENTS (SASAI)	Local	Subscription agreement	Yes	N/A	27,67 % No expiry	350 000	197 063
SPHERE HOLDING PROPRIETARY LTD	Local	Subscription agreement	Yes	22327	24,25 % No expiry	249 966	256 776
STANLIB INFRASTRUCTURE FUND II	Local	LP	Yes	719	7,00 % 15 years	400 000	429 065
STANLIB INFRASTRUCTURE PRIVATE EQUITY FUND 1 PARTNERSHIP	Local	LP	No	719	7,00 % 10 years	400 000	130 475
THUSO PRIVATE MARKETS INCUBATION FUND I PARTNERSHIP	Local	LP	No	N/A	99,50 % 10 years	2 000 000	967 194
TOP TIER VENTURE CAPITAL X-B FEEDER	Foreign	LP	Yes	N/A	4,00 % 10 years	730 795	259 069
TRANSFLOW (RF) PROPRIETARY LIMITED - SATAXI	Local	LP	No	N/A	- % 10 years	175 000	117 807
TRINITAS PRIVATE EQUITY EN COMMANDITE PARTNERSHIP	Local	LP	Yes	43242	7,49 % 10 years	50 000	10 640
TRUEBRIDGE DIRECT FUND III	Foreign	LP	No	N/A	0,60 % 10 years	109 619	44 789
TRUEBRIDGE EPPF I (CAYMAN)	Foreign	LP	No	N/A	4,50 % 10 years	164 429	55 886
TRUEBRIDGE SECONDARIES I (CAYMAN)	Foreign	LP	No	N/A	0,90 % 10 years	822 146	57 675
TUHF TERM LOAN	Local	LP	No	N/A	- % 10 years	200 000	160 860
VAN SCHAICK BOOK STORE	Local	Subscription agreement	Yes	N/A	23,26 % 10 years	100 000	3 960
VANTAGE CAPITAL FUND I TRUST	Local	LP	Yes	28711	3,39 % 10 years	20 000	240
VANTAGE GREEN X NOTE II	Local	LP	Yes	48166	6,66 % 10 years	200 000	175 396
VANTAGE MEZZANINE FUND I	Local	LP	Yes	25807	5,03 % 10 years	50 000	53

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024**

VANTAGE MEZZANINE FUND II PARTNERSHIP	Local	LP	No	25807	5,41 % 10 years	100 000	48 685
VANTAGE MEZZANINE III PAN AFRICAN SUB FUND	Foreign	LP	Yes	45610	3,40 % 10 years	94 645	77 506
VANTAGE MEZZANINE III SOUTHERN AFRICAN SUB FUND	Local	LP	No	45610	10,63 % 10 years	187 600	19 885
VANTAGE MEZZANINE IV SOUTHERN AFRICAN SUB FUND PARTNERSHIP	Local	LP	No	45610	20,00 % 10 years	86 628	86 102
Total Private Equity Funds commitment						<u>26 509 683</u>	<u>15 970 938</u>

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024**

M REGULATION 28 NON-COMPLIANT INVESTMENTS

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

Foreign

BLK DV WRLD IN FLX AC USD	4,19	8 565 342
SGIF GLB UN ALP EQ USD IN	2,51	5 132 454
SGMF EMG MKTS EQ USD INST	0,28	568 543
ICS-INST USD LIQ-PREM DIS	0,10	199 718
EMERG MARK INV MAN LTD	0,95	1 946 812
AFRICA EM MK F - G CL USD	0,28	575 877
AFRICA EM MKT - S SP INV	-	2 868
PINEBRIDGE CLASS E-1	0,10	211 492
PINEBRIDGE CLASS E-0815	0,10	210 071
PINEBRIDGE CLASS E-0116	0,08	171 046
PINEBRIDGE CLASS E-0216	0,09	184 414

17 768 637

Total Non-compliant collective investment schemes

17 768 637

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

17 768 637

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

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	9 587 609	4,65 %
ABSA BANK LIMITED	1 901 309	0,92 %
FIRSTRAND BANK LTD	872 248	0,42 %
STANDARD BANK OF SOUTH AFRICA	3 886 384	1,88 %
INVESTEC BANK LTD	1 147 538	0,56 %
NEDBANK LIMITED	1 749 747	0,85 %
HSBC BANK PLC	30 383	0,01 %
Asset managers - local	17 293	0,01 %
PRIME MONEY MARKET C	16 913	0,01 %
STANLIB INST MMKT B4	379	-
NINETY ONE MONEY MARKET Z	1	-
Asset managers - foreign	17 768 637	8,62 %
EMIM AFRICA OPPORTUNITIES	1 946 812	0,94 %
SGMF EMG MKTS EQ USD INST	568 543	0,28 %
PINEBRIDGE CLASS E-1	211 492	0,10 %
PINEBRIDGE CLASS E-0815	210 071	0,10 %
PINEBRIDGE CLASS E-0116	171 046	0,08 %
PINEBRIDGE CLASS E-0216	184 414	0,09 %
ICS-INST USD LIQ-PREM DIS	199 718	0,10 %
AFRICA EMG MK F - G CL USD	575 877	0,28 %
AFRICA EMRG MKT - S SP INV	2 868	-
BLK DV WRLD IN FLX AC USD	8 565 342	4,15 %
SGIF GLB UN ALP EQ USD IN	5 132 454	2,49 %
Participating employers		
ESKOM HOLDINGS SOC LTD	1 956 224	0,95 %
	29 329 763	14,22 %

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024**

Market risk

EQUITY HOLDINGS

**Market movement by
5%**

Investment

R'000

NASPERS LIMITED-N SHS	309 383
FIRSTRAND LIMITED	224 343
STANDARD BANK GROUP LIMITED	194 319
PROSUS	191 312
ANGLO AMERICAN PLC	142 074
BRITISH AMERICAN TOBACCO PLC	116 775
GOLD FIELDS LIMITED	115 077
ANGLOGOLD ASHANTI PLC	112 004
COMPAGNIE FINANCIERE RICHMONT SA	110 942
CAPITEC BANK HOLDINGS LIMITED	101 445

Total value of 10 largest equity holdings

1 617 674

Total movement as % of non-current assets plus bank

0,79 %

OTHER FINANCIAL INSTRUMENTS

**Market movement by
5%**

Instrument

R'000

I2050	504 600
I2046	401 649
NPN	309 383
FSR	224 343
SBK	194 319
PRX	191 312
I2038	175 451
AGL	142 074
BTI	116 775
GFI	115 077

Total value of 10 largest other instruments

2 374 983

Total movement as % of non-current assets plus bank

1,16 %

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
AT 30 JUNE 2024

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	4 835 032	25 872	-	717 095	5 577 999
Commodities	27 915	-	-	-	27 915
Debt instruments including Islamic debt instruments	37 448 921	-	-	145 902	37 594 823
Investment properties and Owner occupied properties*	127 550	-	12 019 051	246 999	12 393 600
Equities	124 369 890	-	(12 019 051)	16 658 642	129 009 481
Investment in participating employer (s)	1 956 224	-	-	-	1 956 224
Hedge funds	1 906 951	-	-	-	1 906 951
Private equity funds	15 970 938	-	-	-	15 970 938
Collective investment schemes	17 768 637	-	-	(17 768 637)	-
Total investments	204 412 058	25 872	-	-	204 437 931

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024

		Fair value R'000
A	Total assets (Schedule IA -Total investments)	204 437 931
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	204 437 931

Categories of kinds of assets	%	Fair value R'000	Fair value %
1 CASH		5 577 999	2,73%
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%	2 801 734	1,37%
(a) Notes and coins; any balance or deposit in an account held with a South African bank;		816 632	0,40%
Nedbank	25%	387 470	0,19%
Other Issuers	25%	429 162	0,21%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		1 939 709	0,95%
Nedbank	25%	427 061	0,21%
Other Issuers	25%	1 512 648	0,74%
(c) Any positive net balance in a margin account with an exchange		45 393	0,02%
Margin @ JSE	25%	45 393	0,02%
(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%	2 776 265	1,36%
(a) Any balance or deposit held with a foreign bank		2 582 892	1,26%
StateStreet Bank & Trust Company	5%	1 865 797	0,91%
Other Issuers	5%	717 095	0,35%
(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		193 373	0,09%
StateStreet Bank & Trust Company	5%	193 373	0,09%
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		37 594 823	18,39%
2.1 Inside the Republic	100%	34 323 953	16,79%
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	32 219 613	15,76%
South African Government	100%	32 219 302	15,76%
Other Issuers	100%	311	0,00%
(b) Debt instruments issued or guaranteed by the government of a foreign country	75%	-	0,00%
(c) Debt instruments issued or by a South African bank against its balance sheet	75%	1 497 495	0,73%
Carried forward		37 797 612	18,48%

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

Categories of kinds of assets		%	Fair value R'000	Fair value %
Brought forward			37 797 612	18,48%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	1 497 495	0,73%
	First Rand Bank	25%	828 574	0,41%
	Other Issuers	25%	668 921	0,33%
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%	-	0,00%
	First Rand Bank	5%	-	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%	307 350	0,15%
d(i)	Listed on an exchange	50%	247 955	0,12%
	Transnet Soc Limited	10%	79 277	0,04%
	Other Issuers	10%	168 678	0,08%
d(ii)	Not listed on an exchange	25%	59 395	0,03%
	Trans-Caledon Tunnel Authority	5%	26 634	0,01%
	Other Issuers	5%	32 761	0,02%
(e)	Other debt instruments:-	25%	299 495	0,15%
e(i)	Listed on an exchange	25%	285 588	0,14%
	Amber House Fund Limited	5%	52 186	0,03%
	Other Issuers	5%	233 402	0,11%
e(ii)	Not listed on an exchange	15%	13 907	0,01%
	Longyuan Mulilo	5%	8 899	0,00%
	Other Issuers	5%	5 008	0,00%
		45%		
2.2	Foreign		3 270 870	1,60%
(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%	3 270 870	1,60%
d(i)	Listed on an exchange	45%	-	0,00%
d(ii)	Not listed on an exchange	25%	3 270 870	1,60%
	Republic of Nigeria	5%	281 763	0,14%
	Other Issuers	5%	2 989 107	1,46%
(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			43 172 822	21,11%

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

Categories of kinds of assets		%	Fair value R'000	Fair value %
Brought forward			43 172 822	21,11%
3	EQUITIES		129 009 481	63,10%
3.1	Inside the Republic	75%	70 722 332	34,59%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	70 719 127	34,59%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	64 780 405	31,69%
	Naspers	15%	6 187 653	3,03%
	Other Issuers	15%	58 592 752	28,66%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	5 813 417	2,84%
	Netcare Limited	10%	435 358	0,21%
	Other Issuers	10%	5 378 059	2,63%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	125 305	0,06%
	Renegen Limited	5%	21 936	0,01%
	Other Issuers	5%	103 369	0,05%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	3 205	0,00%
	New Frontier Properties	2,5%	3 099	0,00%
	Other Issuers	2,5%	106	0,00%
3.2	Foreign		58 287 149	28,51%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	45%	53 306 857	26,07%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	45%	51 800 862	25,34%
	Microsoft Corp	15%	1 525 925	0,75%
	Other Issuers	15%	50 274 937	24,59%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	45%	1 450 848	0,71%
	National Microfinance Bank	10%	172 001	0,08%
	Other Issuers	10%	1 278 847	0,63%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	45%	55 147	0,03%
	Obourland Food Industries	5%	37 272	0,02%
	Other Issuers	5%	17 875	0,01%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	4 980 292	2,44%
	Absa Bank Limited	2,5%	2 752 844	1,35%
	Other Issuers	2,5%	2 227 448	1,09%
4	IMMOVABLE PROPERTY		12 393 600	6,06%
4.1	Inside the Republic	25%	11 762 550	5,75%
(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%	11 634 178	5,69%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	9 999 041	4,89%
	Nepi RockCastle	15%	1 985 081	0,97%
	Other Issuers	15%	8 013 960	3,92%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	1 576 058	0,77%
	SA Corporate Real Estate Fund	10%	397 436	0,19%
	Other Issuers	10%	1 178 622	0,58%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	59 079	0,03%
	Octodec Investments Ltd	5%	43 681	0,02%
	Other Issuers	5%	15 398	0,01%
Carried forward			183 816 481	89,91%

ESKOM PENSION AND PROVIDENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

Categories of kinds of assets	%	Fair value R'000	Fair value %
Brought forward		183 816 481	89,91%
(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%	128 372	0,06%
Hampton Park South	5%	127 550	0,06%
Other Issuers	5%	822	0,00%
4.2 Foreign	25%	631 050	0,31%
(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%	631 050	0,31%
a(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	495 783	0,24%
China Resources Land Ltd	15%	83 480	0,04%
Other Issuers	15%	412 303	0,20%
a(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	203	0,00%
Sichuan Languang Development	10%	203	0,00%
a(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	135 064	0,07%
Grit Real Estate	5%	135 064	0,07%
(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		27 915	0,01%
5.1 Inside the Republic	10%	27 915	0,01%
(a) Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	27 915	0,01%
a(i) Gold (including Kruger Rands)	10%	-	0,00%
a(ii) Other commodities	5%	27 915	0,01%
Other commodities	5%	27 915	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:-		1 956 224	0,96%
(a) Section 19(4) of the Pension Funds Act	5%	1 956 224	0,96%
(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		17 877 889	8,74%
8.1 Inside the Republic	15%	9 751 397	4,77%
(a) Hedge fund	10%	1 906 951	0,93%
a(i) Funds of hedge funds	10%	-	0,00%
a(ii) Hedge funds	10%	1 906 951	0,93%
Matrix Fixed Income Hedge Fund	2,5%	1 906 951	0,93%
(b) Private equity funds	10%	7 844 446	3,84%
Carried forward		188 466 993	92,18%

ESKOM PENSION AND PROVIDENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024

Categories of kinds of assets		%	Fair value R'000	Fair value %
Brought forward			188 466 993	92,18%
b(i)	Funds of private equity funds	10%	1 396 258	0,68%
	Thuso Private Market Fund	5%	964 004	0,47%
	Other Issuers	5%	432 254	0,21%
b(ii)	Private equity funds	10%	6 448 188	3,15%
	Plumbargo Investment	2,5%	898 583	0,44%
	Other Issuers	2,5%	5 549 605	2,71%
(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%	8 126 492	3,98%
(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%	8 126 492	3,98%
b(i)	Funds of private equity funds	10%	2 679 140	1,31%
	Alpinvest Secondary Fund	5%	1 117 731	0,55%
	Other Issuers	5%	1 561 409	0,76%
b(ii)	Private equity funds	10%	5 447 352	2,66%
	Eaglecrest Infrastructure	2,5%	980 309	0,48%
	Other Issuers	2,5%	4 467 043	2,19%
(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			204 437 931	100,00%

ESKOM PENSION AND PROVIDENT FUND

**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AS AT 30 JUNE 2024**

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	2 801 734	1,37	2 776 265	1,36	-	-	5 577 999
2 Debt instruments including Islamic debt instruments	34 323 953	16,79	3 270 870	1,60	-	-	37 594 823
3 Equities	70 722 332	34,59	58 287 149	28,51	-	-	129 009 481
4 Immovable property	11 762 550	5,75	631 050	0,31	-	-	12 393 600
5 Commodities	27 915	0,01	-	-	-	-	27 915
6 Investment in the business of a participating employer	1 956 224	0,96	-	-	-	-	1 956 224
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	9 751 397	4,77	8 126 492	3,98	-	-	17 877 889
TOTAL	131 346 105	64,25	73 091 826	35,75	-	-	204 437 931



Assurance Report on Compliance with Regulation 28 of the Pension Funds Act

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 93 to 98 at 30 June 2024 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) as at 30 June 2024.

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)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and for compliance of the Fund with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) 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 Management

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 Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) 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)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and whether the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) 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)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) and that the Fund complies with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) 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)-(i), (3)(iB), (3)(j), (4), (8)(a) 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 2024, prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, on which we issued an unmodified opinion on 14 November 2024. 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;
- 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 unqualified opinion.

Opinion

In our opinion, the Schedule IB "Assets held in compliance with Regulation 28" at 30 June 2024 is prepared in all material respects in accordance with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) of the Act, and the Fund has complied, in all material respects, with Regulation 28 (3)(a), (3)(c), (3)(e)-(i), (3)(iB), (3)(j), (4), (8)(a) and (9) as at 30 June 2024.

Other matter - Compliance with regulations 28(3)(iA) and 28(8)(b)

Regulation 28(3)(iA) states that the aggregate exposure by a Fund to all issuers in respect of direct infrastructure, across all asset categories, excluding any debt instrument issued or guaranteed by the South African Government, may not exceed 45% of the aggregate fair value of the total assets of the Fund. Regulation 28(8)(b) requires the Fund to report its infrastructure assets, with respect to the top 20 holdings, in the format specified in Table 2. The definition of 'infrastructure' in the amended Regulation 28 as prescribed in Government Gazette No.46649 of 1 July 2022, which became effective on 3 January 2023 does not provide criteria for the identification and classification of infrastructure. As a result, compliance with Regulations 28(3)(iA) and 28(8)(b) was excluded from the scope of our assurance engagement. Our opinion is not modified in respect of this matter.

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 14, 2024 18:21 GMT+2)

Terri Weston
Director
Registered Auditor

123 Hertzog Boulevard
Foreshore
Cape Town, 8001

14 November 2024