ZANZIBAR SOCIAL SECURITY FUND

2023/2024

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2024



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Abbreviations List and Definition of Terms

BOT	Bank of Tanzania
CAG	Controller and Auditor General
Co.	Company
FY	Financial Year
GAAPs	Generally Accepted Accounting Principles
ICT	Information Communication Technology
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
Ltd	Limited
PPDPAA	Public Procurement and Disposal of Public Assets Act, 2016
PPE	Property Plant and Equipment
REMIS	Real Estate Management Information System
S/N	Serial Number
TPCC	Tanzania Portland Cement Company
TZS	Tanzania Shillings
VAT	Value Added Tax
VSS	Voluntary Security Scheme
ZSSF	Zanzibar Social Security Fund
BOA	Bank of Africa
TAN-RE	Tanzania Re-insurance
NMB	National Microfinance Bank
NBC	National Bank of Commerce
ZAFICO	Zanzibar Fisheries Company
DSE	Dar es Salaam Stock Exchange
ZASCO	Zanzibar Seaweed Company
TMRC	Tanzania Mortgage Refinance Company
UTT	Unit Trust of Tanzania
ECASSA	Eastern and Central African Social Security Association
ISSA	International Social Security Association
TSSA	Tanzania Social Security Association

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS:	Zanzibar Social Security Fund, ZSSF Building, Kilimani Manara wa Mbao, Nyerere Road, P. O. Box 2716, Zanzibar.
BANKERS:	Peoples' Bank of Zanzibar (PBZ), Head Office, PBZ Building, Darajani, P. O. Box1173, Zanzibar. NMB Plc, Zanzibar Branch, P. O. Box 4608, Zanzibar. NBC Bank Limited, Zanzibar Branch, Shaghani Street, P. O. Box 157, Zanzibar. CRDB Bank Limited, Zanzibar Branch, Michenzani Street, P.O.Box 1846, Zanzibar. BOA Bank Limited, Zanzibar Branch, Mlandege Street, P.O.Box 835, Zanzibar. Equity Bank Limited, Zanzibar Branch, Mlandege Street, P.O.Box 525, Zanzibar.

FUND'S SECRETARY:	Zanzibar Social Security Fund, ZSSF Building, Nyerere Road, Kilimani Mnara wa Mbao, P. O. Box 2716, Zanzibar.
PARENT MINISTRY:	Ministry of Finance and Planning, Vuga, P. O. Box 1154, Zanzibar.
ULTIMATE CONTROLLING ENTITY:	The Revolutionary Government of Zanzibar
AUDITOR:	The Controller and Auditor General, Zanzibar Audit Office, Ukaguzi House Maisara, P. O. Box 258, Zanzibar.

STATEMENT OF CHAIRPERSON OF THE BOARD OF TRUSTEE



Dk. Huda Ahmed Yussuf
Chairperson Board of Trustees

It is with great honor we look back once again to present to our members and other stake holders an annual report and financial statements for the year ended 30th June 2024. It is my pleasure to announce that the financial year ended 30th June 2024 was extremely successful. During the year 2023/2024 the Fund continued to be resilient and responsive to our members' needs. Hence in respond to our members' needs, we have started the process of establishing the sharia compliant scheme.

For the Fund, the financial year 2023/2024 was a year in which we continued to extend our investment that have direct impact to society.

The Fund has started the construction of the Mombasa Market, Kijangwani Bus stand and Mbweni community centre. In addition, the Fund continued with construction of Malindi parking and Mombasa Low cost Housing scheme as a way of providing better living environment to members and society in general through provision of them with better affordable houses to ensure members and society live better.

We continue to invest in information technology to enhance communication with our customers, we established WhatsApp Business Chatbot to our customers and improve mobile App services which simplify availability of our services to members through mobile from the comfort of their residence and obtain member contribution's statement hence reducing the challenges of having long queues of members in our offices.

We have always been at the forefront to keep our members saticified with our services. Leveraging the technology, we have continued to improve benefit payment process and reduce payment period from more than one month to less than14 days as implementation of CCM election manifest of 2020 to 2025.

In the year under review the Fund collected a total contribution of TZS 159.3 billion from compulsory scheme, voluntary scheme and fidia scheme against a target of collecting a total of TZS 148.7 billion equivalent to performance of 107.1% compared with TZS 134.0 billion collected in year 2022/2023 which show growth of 18.9%. Benefit paid to our members in the 2023/2024 is TZS 71.4 billion compared with TZS 47.3 billion paid in the 2022/2023 equivalent to 51.0% increase. During the period under review the fund paid TZS 5.2 billion to members who left the country or those not qualified for benefit while TZS 4.7 billion was paid in the year 2022/2023.

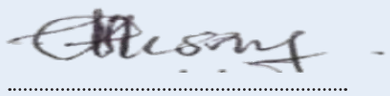
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For the year ended 30th June 2024, net investments income was TZS 110.3 billion from interest income from Government stock, Treasury bond, fixed deposit, Corporate bond, institutions loan, rent income, amusement park income, fair value gain on equity and profit from sale of houses. The amount surpasses the target of collecting TZS 81.1 billion, equal to performance of 136.0%. In the last financial year, Fund collected net investments income of TZS 75.6 billion.

The Fund return on investment (ROI) reached 10.8% compared with 9.0% in the year 2022/2023. The net assets of the Fund reached TZS 1,038.2 billion from 855.6 billion at the end of year 2022/2023 equivalent to 21.3% growth. It is our expectation that this momentum will be upheld.

The Fund demonstrated an impressive ability to adapt and proactively responded to the frequent changes around us. The Fund performed very well in the financial year 2023/2024 and seized opportunities that arose amidst the demanding environment. Fund has proven its worth under these particular circumstances and also managed to demonstrate the essential role it plays for society — for example donation to several charitable organization.

Finally, I would like to sincerely thank on behalf of the entire Board of Trustee, (PO) Ministry of Finance and Planning for their continued trust and support, Management and staff of Fund for continued dedication to deliver the best. Lastly but not the least we extend our appreciation to all our members.



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Dr. Huda A. Yussuf
Chairperson Board of Trustees

MEMBERS OF BOARD OF TRUSTEES



Dr. Huda A. Yussuf
Chairperson Board of Trustees



Mr. Nassor S. Ameir



Mr. Ally S. Ally



Mr. Mussa A. Juma



Mrs. Sabra O. Hussein



Mr. Assaa S. Khalid



Mrs. Aviwa I. Makame



Mr. Ramadhan J. Suleiman



Dr. Omar A. Adam

MANAGING DIRECTOR'S REVIEW



Nassor Shaaban Ameir
Managing Director

Honorable Social Security members, Pensioners and stakeholders,

It is my pleasure on behalf of the Management of Zanzibar Social Security Fund (ZSSF) to present the performance of Zanzibar Social Security Fund (ZSSF) for the financial year ended 30th June 2024, which provide an overview operating performance. The overview covered operation areas of the Fund which are contributions, benefits and investment also highlights other areas associated to its core functions like innovation, financial performance and Challenges.

The year 2023/2024 was a successful one for the ZSSF, Fund maintained a good performance in its financial indicators. Total assets increased by 22.1% to reach around TZS 1,053.6 billion. In addition, the Fund also achieved a 46.6% increase in its total net income from contributiong and investments to TZS 193.2 billion compared to around TZS 157.9 billion reached in 2023.

Investment
Fund's investment portfolios continued to focus on the viable investment venues which provide return and benefit to society. The Fund also continued to pursue its investments in a number of sectors through its various investment arms, including government securities, corporate bonds, fixed deposits, shares, investment properties and equity investment. As at 30th June 2024, Fund investment portfolio increased to TZS 1,022.2 billion from TZS 838.7 in 2022/2023. The increase is attributed to additional investments made during the period due to increase in contributions and investments income. The Fund's net income from investments during the period amounted to TZS 110.3 billion compared with TZS 75.6 billion from previous year, this represents an increase of 45.9%.

Contributions
During the Financial year 2023/2024 the Fund collected total contribution amounted to TZS 159.3 billion compared with TZS 134.0 billion from previous year representing annualized increase of 18.9%. The increase is due to increase in contributing members from 121,483 members as at 30th June 2023 to 135,068 members as at 30th June 2024.

Benefits
Benefits paid during the period under view amounted to TZS 71.4 billion compared with TZS 47.3 billion paid in previous financial year, equivalent to 51.0% increase. The increase in benefit payments is attributes to increase in basic salaries of beneficiaries especially from government sector. Around 38.6% of benefits expenditure relates to gratuity and 53.0% monthly pension.

Technology and Innovation

In order to enhance better information communication technology in our operation that will effectively ensure better communication with our customer, during this financial year we established WhatsApp Business Chatbot and improve mobile App services to enable strong communication with our customers, We have also improved customer Web portal which smoothen contribution remittance through internet from the employer and enable them to obtain the receipts without phisically visiting to ZSSF offices. Moreover, during the financial year 2023/2024 the Fund has started the development of its own real estate management information system (REMIS), the system is expected to improve the management of renting and selling of real estate.

Financial performance

While we close the financial year 2023/2024, the net asset of Fund available for benefits reached TZS 1,038.2 billion compared with TZS 855.6 billion of previous year equal to 21.3% growth. The growth of net asset available for benefit shows the growth of Fund.

Challenges

During the financial year 2023/2024 the Fund faced challenges of some employers who create bills from ZSSF employer member portal, but they paid contributions without effecting control number generated from the portal, some employers made payment with irrelevant control numbers and other employers eithr under paid or over paid compared to total amount billed. These challenges create delaying of the contributions to reflect to the funds billing system set for the control number integration as a result member contribution do not reflect directly to their account.

Conclusion

Finally, I wish to take this opportunity to thank my fellow ZSSF staff for their continued hard work, commitment and dedication throughout the period. I would like also to thank the Board of trustees for their cooperation and guidance, the Ministry of Finance and Planning, other Government Ministries, our members, general public for their continued support and the media for their major contribution increasing awareness of the Fund's mission and achievements.

I emphasize the Fund's commitment to work in all sincerity and professionalism to remain, as you have always known us, the safety valve that preserves and augments the value of the Social Security Fund`s assets through rewarding investments that have sustainable social and environmental impacts and that contribute to comprehensive growth of the national economy, in fulfilment of the vision of His Excellency Dr. Hussein Ali Mwinyi the President of Zanzibar and Chairman of the Revolutionary Council. May God's peace and blessings be upon him. We Build Your Current and Future lives.

Thank you so much,



MR. NASSOR SHAABAN. AMEIR
MANAGING DIRECTOR
ZANZIBAR SOCIAL SECURITY FUND

MANAGEMENT TEAM



Mr. Nassor Sh. Ameir
Managing Director

HEAD OF DEPARTMENT



Mr. Daud M. Fadhil
Director of Finance & Accounts



Mr. Saleh D. Makame
Director of Human Resource & Administration



Mr. Khamis F. Thani
Director of Investment



Mr. Iddi J. Shaaban
Director of Support and Control



Mr. Khatib I. Khateeb
Director of Social Security



Mr. Abdulaziz I. Iddi
Director of Islamic Social Socurity



Mr. Omar N. Ramadhan
Acting Director of Pemba Office

HEADS OF UNITS



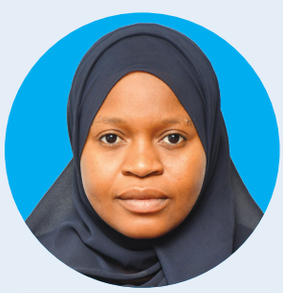
Mr. Ramadhan J. Suleiman
Head of Legal Service Unit



Mr. Jumanne J. Salamba
Head of Internal Audit Unit



Ms. Raya H. Khamis
Head of Public Relations &
Education Unit



Ms. Aiman A. Shomari
Head of Risk Management
Unit



Ms. Moza H. Ramadhan
Head of Procurement
& Supply Unit

INDEPENDENT AUDITORS' REPORT

The Chairman of the Board of Trustees,
Zanzibar Social Security Fund (ZSSF),
P.O Box 2716,
Zanzibar.

Report on the Audit of the Financial Statements

Unqualified Opinion

We have audited the Financial Statements of the Zanzibar Social Security Fund (ZSSF) which comprises of the Statement of Net Assets available for benefits, Statement of Changes in Net Assets available for benefits, Statement of Cash Flows and Notes to the Financial Statements for the year ended 30th June 2024 including a summary of significant Accounting Policies set out from page 29 to 64.

In our opinion, the accompanying Financial Statements of the Zanzibar Social Security Fund (ZSSF) are presented fairly in all material respects, the Financial Position of the Zanzibar Social Security Fund (ZSSF) as at 30th June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in compliance with Zanzibar Social Security Fund (Amendment) Act of 2016.

Basis of opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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 Auditors of Zanzibar Social Security Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

Trustees are responsible for the other information. The other information comprises Board of Trustees' Report, Statement of Trustees' Responsibilities and the Declaration by the Head of Finance but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express 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 on the other information 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 those Charged with Governance for the Financial Statements

The Trustees of the Zanzibar Social Security Fund (ZSSF) are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error as per the Statement of Management responsibility on the Financial Statements enclosed to this report.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

Our responsibility as auditors is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI) and such other procedures we considered necessary in the circumstances. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, we considered the internal control relevant to the Zanzibar Social Security Fund (ZSSF) preparation and fair presentation of the Financial Statements 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 Zanzibar Social Security Fund (ZSSF) internal control.

An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

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

Report on Other Legal and Regulatory Requirements

Compliance with Public Procurement and Disposal of Public Assets Act of 2016

In view of our responsibility on the procurement legislation and taking into consideration the procurement transactions and processes reviewed as part of this audit, Zanzibar Social Security Fund (ZSSF) has complied with the provisions of the Public Procurement and Disposal of Public Assets Act of 2016 and its regulations of 2020.



Dr. Othman Abbas Ali
Controller and Auditor General

Date: 25/03/2025



BOARD OF TRUSTEES' REPORT

1.0 INTRODUCTION

The Trustees presents this report together with the Audited Financial Statements of Zanzibar Social Security Fund ('ZSSF' or the 'Fund') for the year ended 30th June 2024, in accordance with Section 36 of the Zanzibar Social Security Fund Act No. 2 of 2005.

2.0 ESTABLISHMENT

Zanzibar Social Security Fund (ZSSF) was established under the Zanzibar Social Security Act No 2 of 2005. Prior to the inception of ZSSF; public service employees in Zanzibar were covered under the Pensions Act, No 2 of 1990.

3.0 FUND'S VISION AND MISSION

Vision statement

To be the preferred and trusted Social Security provider in East Africa.

Mission statement

To provide Social Security benefits through the utilization of competent, motivated staff and advanced technology.

4.0 PRINCIPAL ACTIVITIES OF THE ZANZIBAR SOCIAL SECURITY FUND

The principal activities of the Fund as stipulated in Section 5 of the Zanzibar Social Securities Fund Act, 2005 ('the Act') are outlined herein below:

(a) To receive all the contributions and other moneys which are required to be paid into the Fund;

(b) To keep and maintain register of all members and employers contributing to the Fund and any other register that the Board of Trustees may advise;

(c) To establish and maintain record for each member in respect of all payments made by way of contribution;

(d) To invest the moneys collected in any viable ventures as the Board of Trustees may consider appropriate;

(e) To open and operate its own bank accounts on conditions set by the Board of Trustees;

(f) To pay benefits to members or their dependants in accordance with the provisions of the Act;

(g) To manage and administer the contributions in accordance with the provision of the Act;

(h) To obtain the services of any person or institutions private or public, to perform any specific act or function;

(i) To engage in any activity whether alone or together with other organizations in Tanzania or elsewhere, to promote proper, efficient and effective social security administration.

(j) To do all such acts and things and to enter into all such transactions as in the opinion of the Board of Trustees may be necessary for the proper and efficient administration of the Fund.

There has been no significant change in the principal activities of ZSSF during the financial year ended 30th June 2024.

Benefits Coverage

According to Section 26 of the Zanzibar Social Security Fund Act No. 2 of 2005, the benefits coverage includes old age benefit comprising of pension and gratuity, survivors' benefits for dependants, maternity benefits, invalidity benefits, unemployment benefits and any other benefits that the Board may approve.

Funding Policy

The Fund's funding policy provides for monthly contributions calculated using determined rates that are expressed as percentages of consolidated salary, which are used to accumulate assets to pay pensions and other benefits when due.

Investment Policy and Strategy

The investment policy of the Fund duly approved by the Board of Trustees has set limits on the following permissible areas of investments.

Investment Category	Total investments as at 30 June 2024 TZS	% 2024	Total investments as at 30 June 2023 TZS	% 2023
Mapinduzi Memorial Museum Items	30,713,750	0%	136,610,000	0%
Mapinduzi Revolving Restaurant	72,190,800	0%	110,872,000	0%
Mkoani Hotel Investment	55,050,215	0%	29,452,924	0%
Work In Progress (WIP)	37,735,131,995	4%	12,918,150,244	2%

Real Estate	68,396,848,276	7%	71,112,790,961	8%
Recreation and Amusement Park	18,378,840,736	2%	26,676,000,000	3%
Property- Land	107,047,852,700	10%	76,919,504,533	9%
Equity	80,177,897,308	8%	70,029,926,607	8%
Government Security	567,319,751,068	56%	459,249,729,051	55%
Fixed Deposit	106,381,190,520	10%	93,048,278,076	11%
Loan	13,065,272,218	1%	4,359,563,517	1%
House Sales Loan	24,716,541,867	2%	25,811,000,451	3%
	1,023,377,281,453	**100%**	**840,401,878,364**	**100%**

The ZSSF investment strategy focuses on the need to maintain adequate liquidity, maximize returns with minimal risk through diversification and ensuring absolute security of the Fund's resources.

5.0 MEMBERS OF ZANZIBAR SOCIAL SECURITY FUND

During the year, membership to the Fund was governed by Section 2 of the Zanzibar Social Security Fund Act No. 2 of 2005, whereby a member is any person who (a) has accumulated right to a benefit under this Act, or (b) from whose earnings contributions have to be deducted for payment to the Fund;

ZSSF receives contributions in the ratio of 13+1%:7%, from the employers and employees, respectively. The 13% pertains to ZSSF contribution and 1% relates to Workers Compensation Scheme (Fidia Scheme) in which all contributing employers are required to remit to the Fund on monthly basis. The scheme (Fidia) was established in July, 2022.

6.0 CORE VALUES

The core values of the Fund are: -

1. Responsibility and Accountability
2. Efficiency and Competency;
3. Team Work;
4. Integrity and Innovativeness;
5. Respect and Fairness;
6. Equal opportunity for all;
7. Morality and Motivated staff;
8. Excellence;
9. Noble Customer Service; and
10. Transparency.

7.0 GOALS

The Fund will address, through implementation of the Strategic Plan for 2021/2022 - 2025/2026, the following strategic issues: -

- Ensure financial sustainability;
- Build and maintain strong customer-focused service delivery;
- Enhance Staff Engagement;
- Automate Internal Processes to Enhance Fund Services,
- Enhance Good Governance

8.0 MAIN OBJECTIVES OF THE FUND

The Fund's main objectives for the five-year period of 2021/2022 - 2025/2026 are as follows:

- Improve Fund Rate from 25% in year 2020 to 40% by June 2024.
- Increase membership base from the current 25% to 30% of total workforce by June 2026.
- Increase annual growth rate of member's contributions from 20% in year 2023 to 24% by June 2024.
- Increase average return on investment (ROI) from 7% in year 2023 to 12% by June 2026.
- Improve customer service level from 80% in year 2023 to 87% by June 2024.
- Reduce period of benefits payment not more than fourteen days by June 2024.
- Increase number of benefits offered by ZSSF from 4 in year 2024 to 6 by June 2026.
- Develop and maintain a desirable working environment.
- Improve automation of service delivery from 80% in year 2020 to 95% by June 2026.
- Ensure Excellent Corporate Governance from 80% in year 2023 to 85% by June 2024.

9.0 THE FUND'S STRATEGIES FOR THE STATED OBJECTIVES

To achieve these objectives the Fund's strategy is as follows: -

- Monitor Fund Assets and Liabilities.
- Conduct Research Study.
- Increase members' registration on Compulsory Scheme.
- Increase members' registration on Voluntary Scheme.
- Enforcement of ZSSF Act No. 2 of 2005.
- Enhance compulsory members contributions.
- Enhance voluntary members contributions.
- Improve online collection solution.
- Increase Public Awareness.
- Minimize Fund Administration costs.
- Develop Islamization process to ZSSF activities.
- Conduct investment analysis.
- Diversify investment portfolio to different avenues.
- Collect investment income from different avenues.
- Minimize Investment expenses.
- Improve Customer satisfaction.
- Establishing ZSSF Regional branches.
- Enhance Conducive Environment to People with Disabilities (PWDs).
- Update Members' record systematically.
- Establish Electronics archive.
- Determine Expected Retirees.
- Review benefit payments process.
- Introduce new benefits.
- Provide conducive working environment.
- Improve Staff Competence.
- Forecast Human Resource requirements.
- Update Human Resource Documents.
- Attend bilateral and multilateral discussions, workshops with different institutions.
- Enhance ICT Business Innovation.

- Enhance ICT Infrastructure.
- Enhance Information Systems and integration.
- Develop ICT User-friendly environment.
- Enhance Online Member Service.
- Review Business Processes.
- Enhance System Security.
- Introduce Quality Management System (QMS).
- Ensure Accounts are closed timely.
- Implement Internal Guidelines.
- Improve Institutional and Managerial performance.
- Adherence with Public Procurement and Disposal Act.
- Enhance Business Continuity Plan (BCP).
- Strengthen ZSSF ICT Governance.
- Strengthen Enterprise Risk Management (ERM).
- Strengthen Internal Audit Processes.

10.0 MANAGEMENT OF THE FUND

The Fund is under the supervision of the Board of Trustees and the day-to-day management is entrusted to the Managing Director.

During the period, the Board comprised of seven (7) non-executive Trustees and one (1) executive Trustee. The tenure of the Board of Trustees is three years. The Chairman is appointed by President of Zanzibar and Chairman of the Revolutionary Council. All other Trustees are appointed by Minister responsible for Finance. Vice-Chairperson is appointed by the Board amongst the Trustees. The composition of the Board is tripartite with representatives from the government, contributing employers and their employees. The Board reports to the Minister responsible for Finance who may issue directives as may be deemed appropriate from time to time.

The organization structure of the Fund comprises the following Departments, Units and Branch:

Departments:

- Social Security Department;
- Planning and Investment Department;
- Finance and Accounting Department;
- Human Resources and Administration Department;
- Support and Control Department and
- Islamic Social Security Department

Units:

- Legal Unit;
- Internal Audit Unit;
- Public Relations and Education Unit and
- Procurement Management Unit.
- Risk Management Unit.

Branches:

- Pemba Branch

11.0 OPERATING AND FINANCIAL REVIEW

Membership position

As at 30 June 2024 the number of participating employees was 135,068 while as at 30th June 2023 there were 121,483 employees.

	30 June 2024	30 June 2023
Government employees	46,216	44,608
Parastatal employees	3,364	3,397
Private employees	85,488	73,478
	135,068	**121,483**

Below is the table showing the movement of members during the period:

Active members at 1st July 2023	121,483
New members registered during the year	15,024
Members paid and exited during the period	(1,439)
Active Members at 30 June 2024	135,068
% net change	**11.2%**

Additions and deductions from dealing with Members

As reflected in the Statement of Changes in Net Assets available for benefits, contributions during the period amounted to TZS 152 billion (2023: TZS 133.6 billion) representing annualized increase of 14% (2023: 43% increase). The increase is due to increase in contributing members from **121,483** members as at 30 June 2023 to **135,068** members as at 30 June 2024.

ANALYSIS OF STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Benefit expenses amounted to TZS 71.4 billion in 2024 which is equivalent to 5% increases (2023: TZS 47.3 billion). The increase in benefit payments is attributed to increase in basic salaries of beneficiaries especially from Government sector. Around 39% of benefits expenditure relates to gratuity and 53% monthly pension of which pensions increased by TZS 14.6 billion while gratuity increased by TZS 8.3 billion.

	At 30 June 2024		At 30 June 2023		**Change**
Benefit	**Amount**	**%**	Amount	Percent	Percent
	TZS		TZS		
Gratuity	27,553,163,793	38%	19,255,550,463	41%	43%
Survivor	4,184,769,384	6%	3,917,869,869	8%	7%
Pension	37,845,430,945	53%	23,284,703,855	49%	63%
Invalidity	413,975,225	1%	593,562,393	1%	-30%
Maternity	363,354,552	1%	282,840,591	1%	28%
Un-employment	1,011,306,599	1%			-
	71,372,000,499	**100%**	47,334,527,172	**100%**	**5%**

The ratio of benefits to contributions:

Period ended	**Contributions**	**Benefits**	**Net addition**	**Benefits / Contributions**
	TZS Billion	**TZS billion**	**TZS billion**	**%**
30 June 2024	152	71	81	47%
30 June 2023	133	47	86	35%

In view of the above, the net addition from dealings with members, which is calculated as contributions less benefits, decreased from TZS 86 billion in 2023 to TZS 81 billion in 2024, which is equivalent to 6% decrease in percentage. Benefits to contributions ratio increased from 35% to 47% in 2024 signifying increase in cash flow to the Fund due to large proportion of increase in contribution compared to the claims.

Investment income

The Fund's income from investments during the period amounted to TZS 82 billion (2023: TZS 63 billion) which represents increase of 30%. The increase is generally due to the income from treasury bond, dividend and rent income. The main source of investment income to the Fund is interest income (treasury bonds) contributing 71% of total investment income.

	At 30 June 2024	% of total	At 30 June 2023	Percent of total	% Change
DIVIDEND	**TZS**		**TZS**		
Listed Companies	3,052,027,840	91.94%	2,479,177,430	85.09%	23%
Un Listed Companies	267,442,485	8.06%	434,482,854	14.91%	-38%
	3,319,470,325	**100.00%**	**2,913,660,284**	**100%**	**14%**
INTEREST INCOME					
Interest from short call	20,816,515	0%	8,878,439	0%	134%
Interest from Govt stock/loan	0	0%	0	0%	
Interest from treasury bond	58,477,962,999	80%	38,973,076,724	70%	50%
Interest from fixed deposit	9,838,603,394	14%	10,847,479,866	20%	-9%
Interest from C. Bond	2,371,943,391	3%	2,817,817,304	5%	-16%
Interest from other institution loan	2,391,993,162	3%	2,970,523,326	5%	-19%
Withholding tax	0	0%	0	0%	0%
Bank & Other interest income	294,091,820	0%	53,545,849	0%	449%
	73,395,411,280	**100%**	**55,671,321,508**	**100%**	**32%**
RENT INCOME					
Mapinduzi tower	89,570,300	2%	48,461,963	2%	85%
ZSSF Conference Centre	67,697,821	1%	55,919,323	2%	21%
Mwanakwerekwe	430,063,301	9%	98,021,172	3%	339%
Kilimani head office	0	0%	0	0%	0%
Chawal	469,908,522	10%	440,843,478	14%	7%
Mbweni	4,876,494	0%	72,532,230	2%	-93%
Hifadhi building	124,205,920	3%	130,383,201	4%	-5%
Michenzani mall	2,758,024,344	61%	2,004,724,408	63%	38%
Thabit Kombo	455,615,663	10%	241,798,808	8%	88%
Michenzani parking income	132,948,500	3%	72,417,760	2%	84%
	4,532,910,865	**100.00%**	**3,165,102,343**	**100%**	**43%**
AMUSMENT PARK					
Kariakoo	759,272,198	77.50%	1,045,673,654	97.11%	-27%
Tibirinzi	220,412,740	22.50%	31,084,642	2.89%	609%
	979,684,938	**100%**	**1,076,758,296**	**100%**	-9%
Total Investment Income	**82,227,477,408**		**62,826,842,431**		**31%**

Fair Value Changes

During the period the Fund recorded in aggregate a fair value gain of TZS 26.6 billion (2023: gain of TZS 10.7 billion). The increase in 2023/2024 was due to the addition of investment in land and appreciation of some shares.

NET APPRECIATION OF FAIR VALUE	2023-2024	2022-2023
	TZS	TZS
Investment properties	18,465,189,832	(288,980,128)
Financial investment	8,110,334,738	10,956,756,520
Net Fair value	**26,575,524,570**	**10,667,776,392**

Investment properties represented large amount of net fair value gain during the year due to increase of the investment in land. For equity investments, some of the companies listed in the Dar es Salaam Stock Exchange such as NMB Bank Plc, DSE and CRDB Bank Plc and unlisted equity UTT Umoja, UTT bond fund and UTT liquid fund experienced increase in share prices resulting to total fair value gains of TZS 8.1 billion recorded in the period ended 30 June 2024 (2023: gain of TZS 11 billion).

Other income

Other income obtained during the year amounted to TZS 67.2 million in 2024 (June 2023: TZS 54 million) which includes ZSSF identity card replacement, sales of tender document and staff loan forms.

Deductions from net assets

During the period, total operating expenses for the Fund amounted to TZS 10.5 billion (June 2023: TZS 8.4 billion)

Analysis of Expenditure for the Fund

	30 June 2024	% of total	30 June 2023	% of total	% change
	TZS		TZS		
Staff cost	5,836,489,341	55.36%	4,224,056,145	50.60%	38%
Operation expense	2,636,521,958	25.01%	2,408,214,016	28.73%	7%
Depreciation	786,461,344	7.46%	727,199,054	8.69%	21%
Repair and Maintenance	228,341,644	2.17%	224,236,462	2.69%	2%
Other expenses	1,054,135,359	10.00%	795,822,963	9.30%	31%
Total	**10,541,949,647**	**100%**	**8,379,528,639**	**100%**	**26%**

Results for the period

The Fund's increase in net assets for the period under review is TZS 182.7 billion (2023: TZS 149.6 billion) representing an increase of 21%. This is due to increase in investment and contribution during the year that resulted in increases of return from investment.

ANALYSIS OF STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

Total Assets

Total assets for the Fund amounted to TZS 1,053.6 billion (2023: TZS 862.7 billion) representing a 22.0% increase compared to 20.6% increase of previous year. The increase is due to new investment in Equity and Investment in Government Security.

	At 30 June 2024		At 30 June 2023	
Description	**TZS**	**% of total assets**	**TZS**	**% of total assets**
Investments	1,023,735,632,203	97%	840,845,878,365	97%
Other assets	29,840,999,881	3%	21,820,365,707	3%
Total	**1,053,576,632,084**	**100%**	**862,666,244,072**	**100%**

Investments

Investment transactions during the period were undertaken in accordance with the Zanzibar Social Security Fund Act No. 2 of 2005 and the Fund's Investment Policy.

Investments of the Fund comprise of government securities, corporate bonds, fixed deposits, investment properties and investment in equity. As at 30 June 2024, Fund investment portfolio increased to TZS 1,024 billion (2023: TZS 841 billion). The increase is attributed to additional investments made during the period due to increase in contributions and investments income.

The distribution of the investment portfolio of the Fund is as summarized in the table below:

	Total investments at 30 June 2024 (TZS).	**2024**	Total investments at 30 June 2023 (TZS).	2023
Investment Assets				
Mkoani Hotel Investment	55,050,215	0.01%	29,452,924	0.00%
Mapinduzi Memorial Museum Items	30,713,750	0.00%	136,610,000	0.02%
Mapinduzi Revolving Resta	72,190,800	0.01%	110,872,000	0.01%
Hotel furniture and equipment	358,350,750	0.04%	444,000,000	0.05%
Work In Progress (WIP)	37,735,131,995	3.69%	12,918,150,244	1.54%
Investment Property- Real estate	68,396,848,276	6.68%	71,112,790,961	8.46%
Investment Property- Recreation and Amusement Park	18,378,840,736	1.80%	26,676,000,000	3.17%
Investment Property- land	107,047,852,700	10.46%	76,919,504,533	9.15%
Investment in Equity	80,177,897,308	7.83%	70,029,926,607	8.33%
Investment in Government Security	567,319,751,068	55.42%	459,249,729,051	54.62%
Fixed Deposit	106,381,190,520	10.39%	93,048,278,076	11.07%
Loan	13,065,272,218	1.28%	4,359,563,517	0.52%
House sales loan	24,716,541,867	2.41%	25,811,000,451	3.07%
Total investments Assets	**1,023,735,632,203**	**100%**	**840,845,878,365**	**100%**

Other Assets

Other assets for the Fund include member's contributions receivables, other receivables, cash and bank balances, fixed assets, leasehold land and other assets such as inventory and intangibles.

	30-Jun-24	% of total	30-Jun-23	% of total
Property and equipment	3,268,311,687	10.95%	3,345,610,329	15.33%
Intangible assets	861,611,399	2.89%	708,348,107	3.25%
Inventory	75,833,446	0.25%	64,630,395	0.30%
House inventory	0	0.00%	0	0.00%
Members' contributions receivable	4,587,140,996	15.37%	3,454,412,600	15.83%
Other receivables	6,040,797,234	20.24%	6,119,041,185	28.04%
Cash in hand and at bank	15,007,305,119	50.29%	8,128,323,088	37.25%
Total	**29,840,999,881**	**100.00%**	**21,820,365,705**	**100.00%**

Other Receivables and Prepayments

These comprise of rent receivable, dividend receivable, government pensions receivables, salary advances and staff loans. Other receivables TZS 6.0 billion (2023: TZS 6.1 billion) is constituted mainly by staff loans and rent receivable, which stood at TZS 5.7 billion (2023: TZS 4.6 billion).

Liabilities

Liabilities of the Fund as at 30 June 2024 were TZS 12.8 billion (2023: TZS 4.6 billion). These liabilities comprise mainly benefits payable to members, retention money, house sales deposit and other payables.

Net assets

The net assets of the Fund as at 30 June 2024 amounted to TZS 1,038.2 billion compared to TZS 855.6 billion for the year ended 30 June 2023.This represents an increase of 21.4%.

11.0 OPERATING AND FINANCIAL REVIEW (CONTINUED)
ANALYSIS OF THE STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Financial Performance Indicators

Performance indicator/ratio	Definition and formula	Purpose	Jun-24	Jun-23
Investment ratios	(Total investments/Total assets) x 100	Showing impact of total investments to total assets	97.06%	97.22%
Income ratios	Return on Investments (ROI) = (Investments income/ Total investments) x 100	Showing impact of investment income from investments	10.8%	9.01%
	Return on Total Assets (ROA) = (Investments income/Total assets) x 100	Showing impact of investment income to total assets	10.5%	8.76%
	Return on Net Assets (RONA) = (Investments income/net assets) x 100	Showing impact of investment income to net assets	10.6%	8.83%
Liquidity ratio	Current assets/ Current liabilities	Showing the liquidity of the Fund	2.2:1	4.34:1
Benefits ratios	(Benefits / contributions) x 100	Showing impact of benefits paid out of contribution income	44.8%	35.33%
	(Benefits / Investment income) x 100	Showing impact of benefits paid to total investment income	64.7%	62.63%
	(Benefits/Total expenditure) x100	Showing impact of benefits paid to total expenditure	676%	565%
	(Benefits/Total Income) x 100	Showing impact of benefits paid to Total income (Contribution + Investment)	26.5%	22.59%
Expenditure Ratios	(Administrative expenses / contributions) x 100	Showing impact of administrative expenses to total contributions	6.62%	6.25%
		Excluding depreciation, amortization, impairment	6.07%	5.7%
	(Administrative expenses / total income) x 100	Showing impact of administrative expenses to total income	3.9%	4%
Funding level Ratio	Net assets /Total benefits liability	Funding level as per last actuarial	40%	40%

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ANALYSIS OF STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (CONTINUED)

Key performance indicators and efficiency ratios (continued)

Non-Financial Performance Indicators

Performance indicator	June 2024	June 2023
Average benefit processing time (days)	14	14
Administrative efficiency ratio	6.6%	6%

ANALYSIS OF STATEMENTS OF CASH FLOWS

The Fund's cash flows for the year are disclosed in the Statement of Cash Flows shown on the Financial Statements. The Fund's cash and cash equivalents as at 30 June 2024 was TZS 15 billion (2023: TZS 8.1 billion). The increase in cash and cash equivalent is attributable to decrease in investment in Government Securities (Treasury bond).

12.0 TRUSTEES

TRUSTEES COMPOSITION

The following are Trustees of the Board who existed during the financial year ended 30th June 2024:

S/N	Name	Position	Nationality	Entity Representing	Appointment Date	End Date
1.	Dr. Huda Ahmed Yussuf	Chairperson	Tanzanian	President Appointment	4.5.2021	04.5.2024
2.	Nassor Shaaban Ameir (MD)	Trustee	Tanzanian	ZSSF	4.5.2021	
3.	Arafat Ally Haji	Trustee	Tanzanian	GOVERNMENT	20.07.2021	19.7.2024
4.	Assaa Sharif Khalid	Trustee	Tanzanian	ZANEMA	20.07.2021	19.7.2024
5.	Jaha Haji Khamis	Trustee	Tanzanian	GOVERNMENT	20.07.2021	19.7.2024
6.	Sabra Omar Hussein	Trustee	Tanzanian	ZANEMA	20.07.2021	19.7.2024
7.	Khadija Shamte Mzee	Trustee	Tanzanian	ZATUC	20.07.2021	19.7.2024
8.	Said Abdalla Basleym	Trustee	Tanzanian	ZATUC	20.07.2021	19.7.2024
9.	Ramadhani Juma Suleiman	Secretary	Tanzanian	ZSSF	1.7.2022	

COMPOSITION OF THE NEW BOARD OF TRUSTEES

The following are current Trustees of the Board who are existing during the period of issuing financial statements for the year ended 30th June 2024:

S/N	Name	Position	Nationality	Entity Representing	Appointment Date	End Date
1.	Dkt. Huda Ahmed Yusuf	Chairperson	Tanzanian	President Appointment	9.5.2024	8.5.2027
2.	Nd. Nassor Shaaban Ameir	Member	Tanzanian	Managing Director (ZSSF)	4.5.2021	
3.	Nd. Aviwa Issa Makame	Member	Tanzanian	GOVERNMENT	29.10.2024	29.10.2027
4.	CPA Mussa Ali Juma	Member	Tanzanian	GOVERNMENT	29.10. 2024	29.10.2027
5.	Nd. Assaa Sharif Khalid	Member	Tanzanian	ZANEMA	29.10. 2024	29.10.2027
6.	Nd. Ally Salum Ally	Member	Tanzanian	ZATUC	29.10. 2024	29.10.2027
7.	Nd. Sabra Omar Hussein	Member	Tanzanian	ZANEMA	29.10. 2024	29.10.2027
8.	Dkt. Omar Abdalla Adam	Member	Tanzanian	ZATUC	29.10.2024	29.10.2027

13.0 TRUSTEES' INTEREST

ZSSF is a public body established by Zanzibar Social Security Act No 2 of 2005. It is under the supervision and control of the Board of Trustees. During the reporting period the Trustees did not have any interest in the Fund except for those reported under Note 38 to the financial statements. The Trustees Report supplements the information provided in the financial statements of the Fund.

14.0 TRUSTEES' REMUNERATION

All the Trustees are non-executive except for one who is the Managing Director of the Fund. The Trustees were remunerated as approved by the Minister responsible for Finance. As shown in Note 38, during the period, total Trustee's fees and allowances paid to the Trustees amounted to TZS 256 million (2023: TZS 166 million).

15.0 ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements have been disclosed in Note 2 to the financial statements. These policies are all considered to be critical to an understanding of the performance and financial position of the Fund. During this period, there were no major changes in the accounting policies adopted by the Fund.

16.0 SOLVENCY EVALUATION

Accumulation of sufficient funds to meet current and future obligations to members is a primary responsibility of the Trustees. The Trustees have reviewed the current financial position of the Fund and confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

17.0 RESPONSIBLE BEHAVIORS TOWARDS STAKEHOLDERS

The Trustees believe that members' welfare is the primary reason for the existence of the Fund. Several measures have been taken to institute a responsible behavior towards members of the Fund and other stakeholders. These measures include the establishment of a customer services department, strengthening of branch services (Pemba) so as to move services closer and reducing the members' benefit processing time from 28 days to 14 days. Furthermore, all members' claims and enquiries receive immediate attention.

18.0 CURRENT AND FUTURE DEVELOPMENT PLANS

The current and future development plans center around improved benefits and quality service delivery to members of the Fund.

19.0 STOCK EXCHANGE INFORMATION

The Fund has invested in selected equity and bonds traded in the Dar es Salaam Stock Exchange.

20.0 ADMINISTRATIVE EFFICIENCY

The Fund has achieved the following administrative efficiencies:

(i) The Fund has not borrowed funds and consequently no interest charges have accrued against the Fund. All statutory payments such as pay as you earn (PAYE), pension contributions and other statutory deductions effected from staff salaries were made and submitted to the relevant authorities on time.

(ii) All properties of the Fund have or will have requisite certificates of ownership. No loss of assets was sustained during the year under review.

(iii) The existing internal control systems are invariably complied with. This has resulted in smooth operations of the Fund. The Fund had 144 employees as at 30th June 2024 (2023: 130).

(iv) The Trustees have reviewed the cash flow forecasts of the Fund and confirm that it will be able to meet its maturing obligations and capital commitments without liquidating any investments.

21.0. CORPORATE GOVERNANCE

The Board of Trustees is the supreme policy making body in the Fund. The Board of Trustees is charged with the following functions as per the Zanzibar Social Security Fund Act No. 2 of 2005.

- To manage and administer the scheme in a fiduciary capacity;
- Protect, safeguard and promote members interests;
- Ensure that there is good corporate governance;
- Approving Annual Plans and Budgets;
- Formulation of policies;
- Exercise discretionary powers in the best interest of the Fund; and
- Advising the Minister responsible on the affairs of the Fund.

The Trustees consider corporate governance as key to good performance of the Fund. The Board is also responsible for overseeing the Fund performance and internal controls. In view of this, the Trustees confirm that:

- They met regularly throughout the year;
- All the Trustees are non-executive except one who is the Managing Director of the Fund and retains full and effective control of the Fund and monitor the executive management;
- They accept and exercise responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance;
- They continued to strengthen good governance systems by overseeing the implementation of various policies and guidelines in the areas of financial management, operations, investments, internal audit, human resources and ICT; and
- They acted and behaved ethically in discharge of their responsibilities.

Board meetings

The Board of Trustees of ZSSF consists of 8 Trustees. All the Trustees are non- executive except the Managing Director. The Board takes overall responsibility for the Fund, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control, policies and procedures is operative, and for compliance with sound corporate governance principles. The day-to-day management of the Fund is taken care by Managing Director assisted by Directors and Heads of Units.

The Fund is committed to the principles of effective corporate governance. The Trustees also recognize the importance of integrity, transparency and accountability. The Board of Trustees has its board sub-committees to ensure a high standard of corporate governance throughout the Fund.

All members of the Board who held office during the period were committed to attend Board meetings, except where it was not possible to do so. The Board is required to meet at least four times a year. During the year under review the Board held 9 meetings (4 ordinary meetings and 5 extra ordinary meetings) (6 meetings in year 2023 (3 ordinary and 3 extra ordinary meetings).

Board committees

IPC – Investments and Project Committee
FAC – Finance and Audit Committee

During the period the Board Subcommittees meetings were held as follows: Investment and Projects Committee held 4 meetings (2023 - 4 meetings) and Finance and Audit Committee held 5 meetings (4 ordinary and 1 extra ordinary meetings) (in year 2023 - 4 meetings).

Finance and Audit Committee

The Board accepts final responsibility for the risk management and internal control systems of the Fund. It is the task of the management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding: -

- Compliance with applicable laws and regulations;
- The safeguarding of the Fund's assets;
- The effectiveness and efficiency of operations;
- Business sustainability under normal as well as adverse conditions and
- The reliability of accounting records

During the year 2024, the Finance and Audit Committee received reports and held discussions with Management and Auditors. In discharging its duties, the Committee reviewed the financial statements published to ensure internal and external quality and acceptability of the accounting policies, practices and financial reporting disclosures. The committee also reviewed the scope of the work of the Fund's Internal Audit Unit and terms of External Audit engagement and reports from External Auditors on accounting and internal controls.

Members of the Committee who were present as at 30.06.2024 were: -

Name	Role
Mr. Jaha Haji Khamis	Chairperson
Mrs. Sabra Omar Hussein	Member
Mr. Said Abdalla Basleyum	Member
Mr. Nassor Shaaban Ameir (MD)	Member
Mr. Ramadhan Juma Suleiman	Secretary

Investment and Project Committee

Members of the committee who were present as at 30.06.2024 were: -

Name	Role
Mr. Arafat Ally Haji	Chairperson
Mr. Nassor Shaaban Ameir (MD)	Member
Mrs. Khadija Shamte Mzee	Member
Mr. Assaa Sharif Khalid	Member
Mr. Ramadhan Juma Suleiman	Secretary

The Head of Legal Affairs is the Secretary to the Board and Committees.

During the year ended 30thJune 2024, the Investment and Project Committee reviewed and made recommendations to the Board on assets management, investments proposals, performance, policies and strategies.

Secretary to the Board

The Secretary to the Board and its Committees meetings is the Head of Legal Affairs.

The Secretary to the Board is responsible for advising the Board and ensures proper functioning of the Board. The Secretary is responsible for submission of management reports to the Board and is the custodian of Board documents including minutes and the Board's seal. He is responsible for ensuring that there is good flow of information between the Board, its Committees and Management.

Independence of Trustees and Ethical behavior

All the Trustees are considered by the Board to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment. All the Trustees are considered to have behaved and acted ethically in the discharge of their fiduciary responsibilities.

22.0 RISK MANAGEMENT AND INTERNAL CONTROL

The Trustees accepts final responsibility for risk management and internal control system of the Fund. The management ensures that adequate financial and operational control systems are maintained on an ongoing basis. The objective is to provide reasonable assurance on the following:

- Safeguarding of members funds and the Fund's assets;
- Effectiveness and efficiency of operations;
- Compliance with applicable laws and regulations;
- Reliability of accounting records and financial information;
- Sustainability of the Fund's operations under normal and adverse conditions; and
- Responsive behavior towards stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Fund's system is designed to provide the Trustees with reasonable assurance that procedures in place are operating effectively. The Trustees have assessed the internal control system and generally satisfied as explained below.

The Fund has a risk management framework and various policies through which it manages its risks. On the other hand, the Fund has an internal audit function which reports to the Board Finance and Audit committee through which the Board monitors and directs corrective measures on the internal control environment.

The Fund invests in the following principal financial assets and liabilities. Financial assets include treasury bonds, treasury bills, corporate bonds, loans, fixed deposits, trade

receivables. Financial liabilities include trade and other payable. The main purpose of these financial assets is to generate revenue to the Fund.

The main financial risks facing the Fund include: -

Interest risk

Interest risk is a market risk emanating from changes in value of assets of the Fund as a result of adverse price movement for investments held by the Fund. Investment in long term government securities with fixed income is one way of mitigating interest rate risk in volatile markets.

Foreign currency risk

The foreign exchange risk (or currency risk) is the risk arising from changes in the value of foreign currencies. The Fund has no significant foreign currency transactions hence the effects of foreign exchange risk are minimal. Where necessary, the Fund negotiates forward contracts in order to settle future transactions denominated in foreign currencies.

Credit risk

Credit risk is the risk that the counterparty to any financial transaction may not be able to fulfil its obligation on due date. Apart from Government based credit lines, the Fund does not have significant concentration of credit risk in other areas. However, in order to minimize credit risk, the Fund has set limits on different categories of investments and has also set exposure limits for each bank where it makes placements of funds. Loan appraisals, investments appraisals and approval processes are in place to mitigate this risk. For Government based lending, the Fund is taking measures to ensure that all the required guarantees and assurances are in place.

Liquidity risk

Liquidity risk is the risk of failing to meet obligations when they fall due. Liquidity risk may also arise from inability to sell financial assets quickly at close to its fair value. The Fund is exposed to daily calls on its available cash for benefits payment and other administrative expenses. The Fund manages liquidity risk by maintaining a pool of short-term placements with banks which is adequate to meet its obligations for benefit payments as well as investment commitments and administrative expenditure. The Fund carries out weekly cash flow projection which is discussed by Management Investment Committee for investment decisions. Main sources of funds include monthly pension contributions and income from investments.

There are number of non-financial risks affecting the Fund in addition to the above highlighted financial risks which include: -

Operational Risk

Operational risks result from inadequate systems, management failures, ineffective internal control processes, fraud, theft and human errors. The Fund addresses this risk inter alia through ensuring existence of Business Continuity Plan (BCP) and sound internal control system. Main instruments of the internal control system include operational and procedural manuals, policies and guidelines, and independent internal audit function. Managing operational risks in the Fund is an integral part of day- to-day operations by the management.

The Management, Internal Audit Function, Finance and Audit and Committee and the Board of trustees, are actively involved in monitoring process.

Legal Risk

This risk arises from possible litigations instituted by or against the Fund and uncertainty of enforceability of contracts. In mitigating this risk, the Fund operates a fully-fledged Legal Services Unit and for each contract entered by the Fund is reviewed by the Legal officers.

Reputational Risk

The Fund has an obligation to ensure that it performs its functions and maintains its reputation. In this endeavor, the Board of Trustees and Management ensure that they fulfill their fiduciary responsibilities by applying principles of sound corporate governance and adopting best practices in the industry.

Safeguarding of Fund's Assets

The Trustees are responsible for safeguarding the assets of the Fund. The Board has approved various policies and regulations including but not limited to financial regulations, investments policy, human resources policies and internal audit manual in order to strengthen the internal control environment. These are reviewed from time to time to align with the dynamics of the operating environment. The Trustees are pleased to report that during the year under review no material incidences of fraud were encountered.
Reliability of Accounting Records and Financial Statements.

The Fund has employed sufficient and competent staff in the Finance and has in place a computerized accounting system. Accordingly, proper books of accounts have been maintained and the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS).

23.0 ACTUARIAL VALUATION OF THE FUND

In accordance with International Accounting Standard (IAS 26) and section 12 (e) of the Zanzibar Social Security Fund Act No.2 of 2005, Actuarial Valuation should be undertaken in an interval of every three years. Zanzibar Social Security Fund (ZSSF) commissioned **ZAMARA** Consulting to carry out the fifth Actuarial Valuation for Zanzibar Social Security Fund and the report was submitted in the year 2023. See note 36 for more details of actuarial valuation during the year.

24.0 RELATED PARTY TRANSACTIONS AND BALANCES

The details of transactions and balances with related parties have been disclosed in Note 38 to the financial statements.

25.0 SOLVENCY

The Board of Trustees confirms that International Financial Reporting Standards have been followed in the preparation of financial statements and that the financial statements

have been prepared on a going concern basis. The Board of Trustees has reasonable expectation that the Fund has adequate resources to continue operating for the foreseeable future.

26.0 ENVIRONMENTAL CONTROL

The Trustees recognize that environmental protection is a contemporary agenda. The Fund monitors the impact of its operations on the environment, which is mainly through the use of power, water and generation of waste. The Fund minimizes its impact through better use of its premises and facilities to ensure that there is proper waste management.

All the Fund's investments are environmentally friendly, and if applicable, investments financed by the Fund must be subjected to Environmental and Social Impact Assessment (ESIA). The Fund supports the national campaign for environmental protection.

27.0 EMPLOYEES WELFARE

Employment Policy

ZSSF is committed to employment policies that follow best practices, based on equal opportunity for all employees irrespective of sex, race, religion, disability, age or marital status. The Fund recognizes the need for ensuring fair employment practices in recruitment and selection, and the retention, training and career development of staff.

Management/Employees Relationship

The relationship between employees and Management continued to be good during the year. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between Management and employees.

Training facilities

During the current year the Fund spent TZS 303.5 million (2023: 371.4 million) on staff training and seminar in order to improve employees' technical skills and hence effectiveness. Training programs have been and are continually undertaken to ensure employees are adequately trained at all levels.

Medical Facilities

The Fund continues to pay a medical insurance to its staff as stipulated in the staff regulations of the Fund.

Financial Support

All confirmed employees are eligible for staff loan in line with staff incentive scheme and staff regulations.

Employees Retirement Benefit Plan

The Fund pays contributions to ZSSF Pension Scheme in respect of its employees on mandatory basis and the scheme qualifies to be a defined contribution plan.

Gender Parity

The Fund is an equal opportunity employer, as it has no discriminatory policies or practices. As at 30 June 2024, the Fund had the following distribution of employees by gender:

Gender	30 June 2024		30 June 2023	
	Number	%	Number	%
Male	91	68	94	65
Female	42	32	50	35
Total	**133**	**100**	144	100

28.0 COMPLIANCE WITH LAWS AND REGULATIONS

During the period, the principal functions and operations of the Fund were governed by the Zanzibar Social Security Fund (Amendment) Act of 2016. The Fund also observed compliance to other applicable laws and regulations, policies and guidelines which have impact on the Fund's operations. The Trustees confirm that the activities and operations of the Fund were conducted in accordance with ZSSF Act and other applicable laws and the Trustees are not aware of non-compliance that would have material impact on the Fund.

29.0 SERIOUS PREJUDICIAL MATTERS

During the period ended 30th June 2024 there were no serious prejudicial matters to report as required by Tanzania Financial Reporting Standard No.1.

30.0 STATEMENT OF COMPLIANCE

The Trustee's Report has been prepared in full compliance with the Tanzania Financial Reporting Standards No 1.

31.0 AUDITORS

The Controller and Auditor General of Zanzibar (CAG) is the statutory Auditor of the Fund by virtue of the power given by Constitution of Zanzibar and Public Finance Management Act 2016. However, by the power conferred to the CAG under section 40 and 41 of CAG Act, 2003, TAC Associates, a firm of independent auditors, was authorized to jointly carry out the audit of the Fund on behalf of the CAG.

BY ORDER OF THE BOARD OF TRUSTEES

Dr. Huda Ahmed Yussuf
Chairperson of the Board of Trustees

Mr. Nassor Shaaban Ameir
Managing Director

Date: 25/03/2025

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required under Section 36 of Zanzibar Social Security Fund Act No. 2 of 2005, to keep proper books of accounts and prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Fund as at the end of the financial period and of changes in net assets available for benefits for that period.

The Trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30th June 2024. The Trustees also confirm that applicable accounting standards, the International Financial Reporting Standards, have been followed and that the financial statements have been prepared on a going concern basis.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities. The Trustees are also responsible for the maintenance of an adequate system of internal controls.

Nothing has come to the attention of the Trustees to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement.

BY THE ORDER OF THE BOARD

Dr. Huda Ahmed Yussuf
Chairperson of the Board of Trustees **Date:** 25/03/2025

Mr. Nassor Shaaban Ameir
Managing Director **Date:** 25/03/2025

DECLARATION OF HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Trustees to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Trustees as per Statement of Trustees' responsibilities on an earlier page.

I, Daud Mkali Fadhil, being the Director of Finance and Accounts of Zanzibar Social Security Fund (ZSSF) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2024 have been prepared in compliance with the International Financial Reporting Standards and Zanzibar Social Security Fund Act No. 2 of 2005.

I thus confirm that the financial statements give a true and fair view of the position of ZSSF as on that date and that they have been prepared based on properly maintained financial records.



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Dr. Daud Mkali Fadhil
Director of Finance and Accounts
NBAA Membership No: ACPA 6030

Date: 25/03/2025

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

CONTRIBUTIONS	NOTE	30.06.2024 TZS	30.06.2023 TZS
Members Contributions	5	152,236,216,260	133,615,969,865
Voluntary Scheme Contribution	6a	160,925,725	71,102,706
Fidia Scheme Contribution	6b	6,938,512,027	289,376,176
Penalty		45,113,858	111,962,707
Refund	5	(5,195,709,845)	(4,703,747,255)
Benefit Paid	7	(71,372,000,498)	(47,334,527,172)
Decrease/(increase) in Provision for doubt full Contribution Receivable		(57,862,842)	307,090,328
Bad debts recovered		78,549,896	0
		82,833,744,580	**82,357,227,355**
RETURN ON INVESTMENT			
Fair Value Gain/(Loss) Financial Instrument	8	8,110,334,738	10,956,756,520
Fair Value Gain/(Loss) Investment Properties	8	18,465,189,832	(288,980,128)
Dividend	9	3,319,470,325	2,913,660,284
Interest Income	10	73,395,411,281	55,671,321,508
Rent	11	4,532,910,865	3,165,102,343
House sale Profit	12	2,460,384,968	2,968,564,483
Amusement Park	13	979,684,938	1,076,758,296
Financial Expenses	14	(236,926,034)	(200,437,753)
Investment Expenses	15	(721,693,284)	(672,372,446)
Increase provision for doubtful debts- Rent		0	(13,150,855)
Net Investment Income		**110,304,767,629**	**75,577,222,252**
Increase in Assets from Contribution and Investments		193,138,512,209	157,934,449,607
Other income	16	67,157,161	53,952,347
Total increase		**193,205,669,370**	**157,988,401,954**
Administration Expenses	17	**(10,541,949,647)**	**(8,379,528,639)**
Net Increase		**182,663,719,723**	**149,608,873,315**
Net Asset Available for Benefits			
Net increase During the Year		182,663,719,723	149,608,873,315
Beginning of Year		855,570,901,461	708,462,028,146
Loan Revolving Fund		0	(2,500,000,000)
		1,038,234,621,184	**855,570,901,461**

The financial statements were approved for issue by the Board of Trustees and signed on its behalf by:

Dr. Huda Ahmed Yussuf
Chairperson of Board of Trustee

Mr. Nassor Shaaban Ameir
Managing Director

Date25/03/2025

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

ASSETS	NOTE	30.06.2024 TZS	30.06.2023 TZS
Non-Current Assets			
Property and Equipment	22a	**3,268,311,687**	3,345,611,329
Intangible Assets	22b	**861,611,399**	708,348,106
Total Non-Current Assets		**4,129,923,086**	**4,053,959,435**
Investment Assets			
Mapinduzi Memorial Museum Items		**30,713,750**	136,610,000
Mapinduzi Revolving Resta	23a	**72,190,800**	110,872,000
Hotel Furniture and Equipment	23b	**358,350,750**	444,000,000
Work in Progress (WIP)	24a	**37,735,131,995**	12,918,150,243
Investment Property- Real estate	24b	**68,396,848,276**	71,112,790,961
Investment Property- Recreation and Amusement Park	24c	**18,378,840,736**	26,676,000,000
Investment Property- land	24d	**107,047,852,700**	76,919,504,533
Investment in Equity	25a	**80,177,897,308**	70,029,926,607
Mkoani Hotel Capital Injected	25b	**55,050,215**	29,452,924
Investment in Government Security	26	**567,319,751,068**	459,249,729,051
Fixed Deposit	27	**106,381,190,520**	93,048,278,076
Loans	28	**11,539,589,300**	2,196,875,973
House loan		**24,716,541,867**	25,811,000,451
Total investments Assets		**1,022,209,949,285**	**838,683,190,819**
Current Assets			
Loans	28	**1,525,682,918**	2,162,687,544
Inventory	29	**75,833,446**	64,629,396
Members' contributions receivable	30	**4,587,140,996**	3,454,412,600
Other receivables	31	**6,040,797,234**	6,119,041,186
Cash and cash equivalent	32	**15,007,305,119**	8,128,323,092
Total Current Assets		**27,236,759,713**	**19,929,093,818**
Total Assets		**1,053,576,632,084**	**862,666,244,072**
LIABILITIES			
Current Liabilities			
Benefit Liabilities	33	2,417,355,139	1,549,609,429
Other Liabilities	34	9,461,522,159	2,424,319,026
Un Earned Rent	35	963,133,602	621,414,156
Total liabilities		**12,842,010,900**	4,595,342,611
Reserve Fund			
Loan Revolving Fund		**2,500,000,000**	**2,500,000,000.00**
NET ASSETS AVAILABLE FOR BENEFITS		**1,038,234,621,184**	**855,570,901,461**

The financial statements were approved for issue by the Board of Trustees and signed on its behalf by:

Dr. Huda Ahmed Yussuf
Chairperson of Board of Trustee

Mr. Nassor Shaaban Ameir
Managing Director

Date25/03/2025.....

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 TH JUNE, 2024

	30.06.2024 TZS	30.06.2023 TZS
Cash flow from operating activities		
Administration expenses	**(10,541,950,647)**	(8,379,528,639)
Other income	**67,157,161**	53,953,347
Bad debts Recovered	**78,549,896**	0
Add: Depreciation	**786,461,344**	727,199,054
	(9,609,782,246)	**(7,598,376,238)**
Other operating activities		
Inventory	(11,203,050)	51,314,283
House inventory	0	334,227,623
Members' contributions receivable	(1,132,728,396)	(454,820,845)
Institution loan	637,004,626	1,698,778,823
Other receivables	78,243,951	(1,058,037,957)
Benefit Liabilities	867,745,710	(2,424,617,333)
Other Liabilities	7,037,203,132	(392,232,728)
Un Earned Rent	341,719,444	354,867,949
	7,817,985,417	**(1,890,520,185)**
Net cash flows from operating activities (A)	**(1,791,796,829)**	**(9,488,896,423)**
Cash flow from investing activities		
Return on Investment	**110,304,767,629**	75,577,222,252
PPE	**(467,617,490)**	(550,692,656)
Software	**(394,807,503)**	(510,426,369)
Mkoani Hotel investment	**(25,597,291)**	23,639,011
Hotel furniture and equipment	**85,649,250**	34,507,769
Mapinduzi Revolving Restaurant Items and museum	**144,577,450**	771,642,897
Work in Progress (WIP)	**(24,816,981,751)**	(12,918,150,244)
Investment Property- Real estate	**2,715,942,685**	(1,280,790,961)
Investment Property- Recreation and Amusement Park	**8,297,159,264**	7,442,000,000
Investment Property- land	**(30,128,348,167)**	(9,963,381,476)
Investment in Equity	**(10,147,970,701)**	(12,936,527,483)
Investment in Government Security	**(108,070,022,017)**	(167,120,597,198)
Fixed Deposit	**(13,332,912,444)**	41,467,138,389
Institution Loan	**(9,342,713,327)**	2,370,610,040
House Sale Loan	**1,094,458,585**	1,034,064,530
Net cash flows from Investing activities (B)	**(74,084,415,828)**	**(76,559,741,499)**
Cash Flows from financing activities		
Contribution and Penalties received	**159,380,767,870**	134,088,411,454
Refund	**(5,195,709,845)**	(4,703,747,255)
Payments to pensioners	**(71,372,000,499)**	(47,334,527,172)
Provision	**(57,862,842)**	307,090,328
Net cash Flows from Financing Activities (C)	**82,755,194,684**	**82,357,227,355**
Net increase/(Decrease) in cash and cash equivalent (A+B+C)	**6,878,982,027**	(3,691,410,567)
Cash and cash equivalent at beginning of the year	**8,128,323,092**	11,819,733,659
Cash and cash equivalent at end of the Year	**15,007,305,119**	**8,128,323,092**

The financial statements were approved for issue by the Board of Trustees and signed on its behalf by:

Dr. Huda Ahmed Yussuf
Chairperson of Board of Trustee

Date.....25/03/2025.....

Mr. Nassor Shaaban Ameir
Managing Director

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Establishment

Zanzibar Social Security Fund (ZSSF) was established under the Zanzibar Social Security Act No. 2 of 2005 as revised in 2016. Prior to the inception of ZSSF, public service employees in Zanzibar were covered under the Pensions Act, No. 2 of 1990. The Registered Office is as follows:

Zanzibar Social Security Fund,
ZSSF Building,
Kilimani Mnara wa Mbao,
68 JK Nyerere Road,
71125 Mjini Magharibi,
P. O. Box 2716,
Zanzibar.

ZSSF scheme is primarily based on social insurance principles and has that objective of replacing employee earnings during retirement or during working life in the event of contingencies such as old age or invalidity, as well as providing medical care, maternity and survival benefits to its members.

Membership to the Fund is mandatory for all government and private employees and employers.

Benefits
In accordance with the Zanzibar Social Security Fund (Amendment) Act of 2016 together with the principal ZSSF Act No. 2 of 2005, six types of benefits are provided to members:

Short Term Benefits
- Maternity.
- Employment Injury Benefits.
- Un-employment Benefit.

Long Term Benefits
- Old Age, including pension and gratuity
- Survivors' benefits
- Invalidity benefits

Long-term benefits include old age benefits for Members who have contributed to the Fund for not less than 60 months. The retirement age is 55 years for early retirement and 60 years for compulsory retirement.

Funding Policy

The Fund's Funding Policy provides for monthly contributions at actuarially determined rates that are expressed as percentages of pensionable emoluments, which are sufficient to accumulate assets to pay pensions and allied benefits when due.

Currently, the Fund is mainly financed by contributions paid by its members and their employers. The contribution rate is 21% of the basic salary (7% contributed by employee, and 13+1% contributed by employer). Additional 1% started in January 2023.

The Fund also invests surplus funds in high-grade financial instruments such as Treasury Bonds and in investment properties.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These Policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with IFRS

The Financial Statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to entities reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The Financial Statements are presented in Tanzanian Shillings (TZS). The convention names used for Financial Statements position and Statement of Profit or Loss and Other Comprehensive Income are Statement of Net Assets Available for Benefits and Statement of Changes in Net Assets available for benefits respectively.

(ii) Historical cost conventions

The Financial Statements have been prepared on historical cost basis except where otherwise stated in the below Accounting Policies.

(b) Property and Equipment Valuation

Land and buildings are stated at historical cost. Plant and equipment and other noncurrent assets are also stated at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items and depreciation charge is applied as appropriate.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the 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 charged to the income statement during the financial period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis. Depreciation is charged using the following rates.

Asset Description	Rate per annum %
Land	-
Buildings	2.0
Motor Vehicles, Motor Cycles and Bicycles	10.0
Furniture and Fittings	12.5
Office Machines and Equipment	20.0
Computer	33.3

Property and equipment is periodically reviewed for impairment. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.

The residual values useful lives and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of Property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of changes in net assets available for benefits in the year the asset is derecognized.

(c) Intangible assets – Computer Software

Intangible assets acquired are measured at cost on initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses

Internally generated intangible assets, excluding capitalized development costs are not capitalized and expenditure is charged in the statement of changes in net assets available for benefits in the year in which the expenditure is incurred. Intangible assets are amortized over

the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at each financial year-end date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of changes in net assets available for benefits. The annual rate of amortization, which has been consistently applied, is 20% per annum.

Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment of intangible assets. The carrying value of intangible assets as at the year-end is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(d) Benefits payable

Pensions and other benefits payable are taken into account in the period in which they fall due.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of changes in net assets available for benefits on a straight-line basis over the period of the lease. The Fund leases its properties under operating lease.

Fund as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that does not transfers substantially all the risks and rewards incidental to ownership to the Fund is classified as an operating lease. Operating lease payments are recognized as an operating expense in the Statement of Changes in Net Assets on a straight-line basis over the lease term.

Fund as a lessor

Leases in which the Fund does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms and is included in revenue in the statement of changes in net assets due to its operating nature.

(f) Financial instruments

ZSSF holds short-term investments relating to fixed deposits and treasury bills which are fixed and have determinable payments. These are categorized as held-to-maturity investments and

are measured at amortized cost using effective interest rate. Receivables are included in receivables while payables are included in payables in the Statement of Net Assets available for Benefits.

(g) Provision for impairment of receivables

Contribution receivables are recognized initially at fair value and subsequently measured at cost less provision for impairment of receivables. Specific provision is made in the accounts against receivables when it is unable to collect all amounts due according to the original terms or receivables. The amount of the provision is recognized in the statement of changes in net assets available for benefits. Bad debts are written off after all steps to recover them have failed.

(h) Impairment of assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount.

(i) Investment property

Property that is held for long-term rental yields or for capital appreciation or both, are classified as investment properties. It also includes property that is being constructed or developed for future use as investment property. Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Fund and the cost can be reliably measured. This is usually the day when all risks are transferred. Investment property is measured initially at cost, including transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Fund uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections.

Valuations are performed as of financial position date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Fund and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Changes in fair values are recognized in the statement of changes in net assets available for benefits in the year in which they arise. Investment properties are derecognized when they have been disposed. Where the Fund disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of changes in net assets available for benefits.

Valuation of investments

If available, quoted market prices are used to value investments. Where there are no quoted market prices, but it is possible to make a reliable estimate of fair value, investments are carried at estimated fair value, otherwise investments that yield determinable payments and have fixed maturities are carried at amortized cost. Equity investments whose fair value cannot be reliably estimated are carried at historical cost.

(j) Inventory - Stationery and consumables

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first in first out basis (FIFO). Any obsolete items are provided for in full in the year they are detected. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Revenue recognition

Contributions

Contributions are recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Subsequently, contributions receivable is measured at amortized cost less impairment losses. Contributions receivable are tested for impairment annually to determine their recoverable values.

An allowance for impairment of contributions receivable is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the contributions. The amount of the impairment loss is the difference between the carrying amount of the contributions receivable and the present value of estimated future cash flows discounted at a rate reflecting the Fund's sacrifice by not re-investing these funds. Such impairment loss is recognized in the Statement of Changes in Net Assets.

Penalty income

Penalty income is recognized on accrual basis on contribution received. The computation of penalty is done in accordance with Section 22 (1) of the Zanzibar Social Security Fund Act, 2005, where and employer who fails (a) to make deductions or fails to deduct the correct amount (b) fails to pay the contribution or (c) fails to remit to the Fund the amount of any deductions within fifteen (15) days as per stipulations of section 17 of the Act is liable to pay penalty equal to five (5) per centum of the total amount of that contributions for each month or part of a month after the date when payment should have been made and the amount of the penalty shall be covered as a liability of the penalty shall be covered as a liability owing to the Fund by the employer.

Interest income

Interest income is recognized on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Fund reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the interest, and continues accrediting the discounted as interest income.

Dividend income

Dividend income is recognized when the right to receive payment is established and the cash inflow can be estimated reliably. Dividends are presented in the investment income of the Fund.

Rent income

Rent income is measured at the fair value of the consideration received or receivable and represents amounts earned from rental of Fund property in the normal course of business.

Sale of houses

The Fund recognizes revenue when it transfers control of houses to a customer in line with IFRS 15. Control transfers when a customer makes full payment of purchase price and all sums due under sale agreement, in which case the Fund surrenders title deed and all documents in relation to the property to the customer. Payment of the transaction price is due immediately at the point of execution of sale agreement or within agreed period from the date of execution of the sale agreement. When the customer pays purchase price on installment the installments to be paid is recognized revenue as at the due date and creates a house sale receivable which is reduced by cash received from customers.

Other incomes

Other income comprises of tender fees mission and other miscellaneous incomes. They are recognized to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured.

(k) Foreign Currency Translation

(i) Functional and presentation currency

The financial statements are presented in Tanzania Shillings, which is the ZSSF's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and

losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the statement of changes in net assets available for benefits.

(l) Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents comprise of investments in money market instruments with maturity periods of three months or less from date of acquisition.

(m) Provisions

Provisions are recognized when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Fund expects a provision to be reimbursed, for example under insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

(n) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Fund's activities expose it to a variety of financial risks, including credit risk, liquidity risk, Interest rates and price risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance, but the Fund does not hedge any risks.

Risk management is carried out by the Risk Management Department under the supervision of the Audit Committee, which is guided by the policies approved by the Board of Trustees.
The Board of Trustees has overall responsibility for the establishment and oversight of the Fund's risk management framework. As part of governance structure, the Board of Trustees has established a comprehensive risk management framework for measuring, monitoring, controlling and mitigating the Fund's risks. This includes, the provision of written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk. The Fund's risk management

policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means
of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Audit Committee is responsible for monitoring compliance with the Fund's risk management policies and procedures, and review of the adequacy of risk management framework in relation to the risks faced by the Fund. The notes below provide detailed information on each of the above risks and the Fund's objectives, policies and processes for measuring and managing risks.

3.1 Credit risk

Credit risk is the risk that the counterparty to any financial transaction may not be able to fulfil its obligation on due date. The Fund's credit risk arises from government securities, corporate debt securities, loan receivables as well as bank placements and balances. In order to minimize credit risk, the Fund has set limits on different categories of investments and has also set exposure limits for each bank where it makes placements of funds.

Before granting any loan, which may involve obtaining a guarantee where necessary, the Fund would normally carry out an in-depth credit analysis of the project to establish viability. Day to day management of the Fund's credit risk is vested in the Department of Planning and investments and Research under the supervision of the Management Investment Committee, which is chaired by the Managing Director. The Internal audit unit conducts regular audits of credit processes and management. To manage its exposure of balances with banks, the Fund uses only reputable banks for banking services.

Maximum exposure to credit risk before collateral held or other credit enhancements

Financial instruments whose carrying amounts represent the maximum exposure to credit risk without considering any collateral held and other credit enhancements are disclosed as follows:

	2024	2023
Financial assets	**TZS**	TZS
Investments:		
Government securities	**513,892,704,957**	401,439,126,629
Government /corporate bonds	**53,427,046,112**	57,810,602,422
Loan Investments	**567,319,751,068**	459,249,729,051
FINANCIAL RISK MANAGEMENT		
Other assets:		
Cash at bank	**15,007,305,117**	8,128,323,088
Deposits with financial institutions	**106,381,190,520**	93,048,278,076
Other receivables	**6,040,797,234**	6,119,041,185
Contributions receivables	**4,587,140,996**	3,454,412,600
	132,016,433,867	110,750,054,949
Financial liabilities		
Benefit payable	**2,417,355,139**	1,549,609,429
Other payable and accrued expenses	**9,461,522,159**	2,424,319,025
	11,878,877,298	3,973,928,454

*All assets on the above category are of high quality
**In May 2017, the Central Bank revoked FBME Bank's license and placed it under liquidation. The Fund recovered TZS 1,500,000 of its outstanding balance from the Deposit Insurance Board. In 2024 the Fund also recovered TZS 78,549,896 of its outstanding balance from the Bank of Tanzania.

3.2 Liquidity risk

Liquidity risk is the risk of failing to meet obligations when they fall due. The consequences may be the failure to meet obligations to pay benefit expenses to the members. The Fund is exposed to daily calls on its cash obligations for benefits payments and other administrative expenses. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Fund manages liquidity risk by maintaining a pool of short-term placements with banks, which is adequate to meet its obligations for benefit payments as well as investment commitment and administrative expenditures. The Fund ensures that all excess cash is invested in appropriate high yield investments in accordance with the provisions of the Act. The Fund carries out monthly cash flow projection that is discussed by Management Investment Committee for investment decisions. Main sources of the Fund's income include monthly members' contributions and investment income.

3.3 Market Risk

Market risk is the risk of changes in value of net assets of the group as a result of adverse price movement for investments held by the Fund. The Fund is exposed to market risk on its investments resulting from movement in interest rates. The Fund is also exposed to market risk on equity as a result of movement in market prices. The Fund holds such assets for income generation, hence mitigating the effect of short-term price movement.

3.4 Interest risk

The Fund invests in long term instruments when interest rates are considered to be high temporarily so as to take advantage of high interest rate for a long period. The Fund does not have borrowings. Interest rate exposure mainly arises from investments made. Government securities are measured at fair valuation which considers the current market interest risk. Other investments of the Fund are short term instruments where interest rate exposure is considered to be low.

3.5 Foreign exchange risk

The foreign exchange risk (or currency risk) is the risk arising from changes in the value of foreign currencies. However, the Fund has no significant foreign currency transactions and therefore the effects of foreign exchange risk are minimal.

The various currencies to which the Fund is exposed are summarized in the table below:

Amounts in TZS Equivalent	At 30 June 2024 TZS	At 30 June 2023 TZS
Assets		
Cash and bank	357,428,139	362,670,582
Liabilities		
Total financial liabilities	0	0
Net assets position	**357,428,139**	362,670,582

The exchange rate as at 30 June 2024 was TZS 2,626.9 per US$ (2023: TZS 2,322.14).

3.6 Price risk

The Fund is also exposed to price risk in arising from investments in equity securities classified in the statements of net assets available for benefits as available for sale as a result of movement in market prices. The exposure to price risk is managed primarily by diversifying the Fund's investment portfolio. Diversification of the portfolio is done in accordance with the limits set by the Fund.

Fair value of financial assets and liabilities financial instruments not measured at fair value

The carrying amount of financial assets and liabilities not presented on the Fund's statement of net assets available for benefits at their fair values approximates their fair value.
The fair value for financial assets is based on market prices. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics

Deposits with financial institutions

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount receivable on demand.

The fair values of deposits with financial institutions approximate their carrying values at the reporting date.

Loans and receivables

The fair value of term loans is the present value of the estimated future cash flows. The estimated amounts to be recovered are discounted at the effective interest rate after considering the timing of recovery. The amounts to be recovered are established using the historical data or agreed repayment plans.

Financial instruments measured at fair value

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Fund's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on the Dar es Salaam Stock Exchange.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Fund considers relevant and observable market prices in its valuations where possible.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgment are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairment of financial assets at amortized cost

Determination of impairment of financial assets requires significant judgment. The Fund assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the financial instrument is reduced through use of an allowance account. The amount of the loss is recognized in the statement of changes in net assets available for benefits. Additional information is disclosed under note 3.

(ii) Fair value of unquoted equity investments

The fair value of available for sale financial assets traded in active markets at the financial reporting date is based on their quoted bid market price or dealer price quotations without any deductions for transaction costs. For all other financial assets not listed in an active market, the fair value is determined by using appropriate valuation techniques. The Fund uses discounted cash flow methods for equity investments that are not traded in active markets.

The fair values of these financial instruments are determined using appropriate assumptions on credit risk and market volatility.

(iii) Estimation of fair value of investment property

The valuation of investment properties was determined principally using discounted cash flow projections based on estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows. Management has assumed constant cash flow from rental income based on existing short-term contracts (3-5 years) that the Fund has with existing tenants. Additional information is disclosed under note 8.

(iv) Property and equipment

Critical estimates are made by the Trustees in determining depreciation rates for properties and equipment and their residual values. The rates applied are set out in note 2.2.

5. MEMBERS' CONTRIBUTIONS – MANDATORY SCHEME

Members' Contribution	Period Contributions TZS	Refund TZS	NET 30-Jun-24 TZS	NET 30-Jun-23 TZS
Government -Unguja	70,967,464,028	62,949,525	70,904,514,503	65,484,647,697
Government-Pemba	18,022,937,359	11,152,900	18,011,784,459	13,253,051,596
Sub total	**88,990,401,387**	**74,102,425**	**88,916,298,962**	78,737,699,293
Parastatals - Unguja	9,327,697,586	443,669	9,327,253,917	10,874,984,992
Parastatals - Pemba	272,965,600	-	272,965,600	251,911,000
Sub total	**9,600,663,186**	**443,669**	**9,600,219,517**	11,126,895,992
Private- Unguja	52,646,505,015	5,072,535,540	47,573,969,475	38,269,393,188
Private- Pemba	998,646,672	48,628,211	950,018,461	778,234,137
Sub total	**53,645,151,687**	**5,121,163,751**	**48,523,987,936**	39,047,627,325
TOTAL	**152,236,216,260**	**5,195,709,845**	**147,040,506,415**	128,912,222,610

6. a. MEMBERS' CONTRIBUTIONS – VOLUNTARY SCHEME

ZVSSS MEMBERS' CONTRIBUTION	2023-2024 TZS	2022-2023 TZS
Members' Contribution	**416,425,163**	404,518,297
Less ZVSSS Refund	**255,499,438**	333,415,591
TOTAL	**160,925,725**	71,102,706

b. FIDIA SCHEME CONTRIBUTION

1% MEMBERS' CONTRIBUTION	2023-2024 TZS	2022-2023 TZS
Government	**4,208,150,067**	3,355,461
Parastatal	**484,235,805**	106,168,740
Private	**2,500,949,830**	348,748,309
less: Fidia Scheme Benefit	**254,823,675**	(168,896,334)
TOTAL	**6,938,512,027**	289,376,176

7. BENEFIT EXPENSES

Gratuity	**27,553,163,793**	19,255,550,463
Survivor	**4,184,769,384**	3,917,869,869
Pension	**37,845,430,945**	23,284,703,855
Invalidity	**413,975,224**	593,562,393
Maternity	**363,354,552**	282,840,591
Unemployment	**1,011,306,599**	0
TOTAL	**71,372,000,498**	**47,334,527,172**

8. NET APPRECIATION IN FAIR VALUE

Fair value Financial Investment		
CRDB Bank	2,157,505,526	2,591,149,582
DSE	720,000,000	(320,000,000)
Investment in TAN-RE	326,476,186	6,556,642,648
NMB Bank	2,838,560,720	464,117,360
TPCC	63,581,600	178,028,480
UTT - Bond Fund	11,061,798	9,579,148
UTT - Liquid Fund	1,289,456,715	1,114,414,095
UTT - Jikimu	33,304,875	29,275,205
UTT- Umoja	606,281,027	504,451,768
Vodacom	-	-
Mkoani Hotel Capital Injected	9,899,791	(14,262,319)
Faida Fund Investment	54,206,500	24,853,500
Gain/Loss on Sales of Shares (NMB)	-	642,763,760
Government stock	-	(824,256,707)
Total Fair value Financial Investment (A)	**8,110,334,738**	**10,956,756,520**
Fair value Investment Properties		
Mbweni Old	**(289,964,632)**	50,000,000
Mwanakwerekwe shopping	**94,450,560**	(33,000,000)
Chawal Building	**(1,978,374,500)**	(356,838,903)
Michenzani Mall	**662,612,790**	(16,909,587)
Thabit Kombo Building	**(247,262,320)**	(75,957,915)
Mkoani Hotel Building	**326,702,354**	(20,000,000)
Hifadhi Building	**(322,073,741)**	(476,000,000)
Kilimani ZSSF Annex Building	**(259,825,100)**	41,000,000
Michenzani Car Parking-RE	**(6,747,629)**	-
New Kilimani near SUZA-RE	**(530,939,080)**	-
Uhuru Kariakoo (Building)	**(1,069,235,230)**	1,538,000,000
Umoja Tibirinzi (Building)	**(1,291,922,270)**	696,000,000
Uhuru Kariakoo (Rides)	**(2,418,131,818)**	(7,621,000,000)
Umoja Tibirinzi (Rides)	**(727,029,932)**	(2,229,000,000)
ZSSF Conference Centre	**(237,227,860)**	(18,000,000)
Mapinduzi Tower and Square	**(2,919,490,514)**	174,000,000
Pemba Tibirinzi-LAND	**(2,222,500,000)**	-
Mbweni-LAND	**(25,440,000)**	3,200,000,000
Mwanakwerekwe- LAND	**-**	-
Tunguu-LAND	**(194,684,800)**	200,000,000
Kigamboni Muongozo-LAND	**1,482,760,000**	931,876,943
Kariakoo-LAND	**1,086,562,500**	3,660,000,000
Kilimani ZSSF annex -LAND	**867,500**	-
Tibirinzi Umoja- LAND	**(534,250,000)**	2,033,000,000
Malindi-Land	**14,451,267,504**	-
ZSSF Kilimani near SUZA-Land	**523,380,000**	-
Mombasa-Land	**4,451,135,750**	-
Kijangwani Bus Stand Land	**10,896,527,000**	-
Hotel Furniture and equipment	**(85,649,250)**	(34,507,769)
Michenzani Makontena-LAND	**(5,750,000)**	(402,000,000)
Mapinduzi Tower-LAND	**-**	(758,000,000)

Revolutionary tower items	**(38,681,200)**	(406,694,096)
Mapinduzi Memorial Museum Item	**(105,896,250)**	(364,948,801)
Total Fair value Gain/Loss of Investment Properties (B)	**18,465,189,832**	**(288,980,128)**
Total fair value Gain (A+B)	**26,575,524,570**	**10,667,776,392**

9. DIVIDEND INCOME

	2024 TZS	2023 TZS
Dividend from Equity - Listed	3,052,027,840	2,479,177,430
Dividend from Equity -un Listed	267,442,485	434,482,854
TOTAL	**3,319,470,325**	**2,913,660,284**

10. INTEREST INCOME

Interest from Short Call	**20,816,515**	8,878,439
Interest from Govt stock/loan	**2,391,993,162**	2,632,778,757
Interest from Treasury bonds	**58,477,962,999**	38,973,076,724
Interest from Fixed Deposits	**9,838,603,394**	10,847,479,866
Interest from corporate Bond	**2,371,943,391**	2,817,817,304
Interest from Other Institution loan	**-**	337,744,569
Other interest income	**-**	53,545,849
Bank account interest income	**294,091,820**	-
TOTAL	**73,395,411,281**	**55,671,321,508**

11. RENT INCOME

Mapinduzi Tower Square	**89,570,300**	48,461,963
ZSSF Conference Centre/Hifadhi Hotel	**67,697,821**	55,919,323
Mwanakwerekwe Shopping Centre	**430,063,301**	98,021,172
Chawal Building	**469,908,522**	440,843,478
Mbweni old Houses	**4,876,494**	72,532,230
Hifadhi Building	**124,205,920**	130,383,201
Michenzani Mall	**2,758,024,344**	2,004,724,408
Thabit Kombo Building	**455,615,663**	241,798,808
Michenzani Car Parking Income	**132,948,500**	72,417,760
TOTAL	**4,532,910,865**	3,165,102,343

12. PROFIT FROM HOUSE SALE

House Sales	**(285,944,455)**	1,268,342,539
Interest on House loan	**3,031,979,954**	2,079,405,215
SUB TOTAL	**2,746,035,499**	3,347,747,754
Cost of Houses sold	**(285,650,531)**	(379,183,271)
PROFIT	**2,460,384,968**	2,968,564,483

13. AMUSEMENT PARK INCOME

A-KARIAKOO (UHURU) INCOME		
Entrance	**499,468,000**	519,620,000
Rides	**480,799,000**	580,890,000
Parking Income	**980,267,000**	1,100,510,000

Less Operating expenses	**520,513,315**	483,500,915
Parking Operating income	**459,753,685**	617,009,085
Parking Shops rent	**299,518,513**	428,664,569
Parking Net Income	**759,272,198**	1,045,673,654
B-TIBIRINZI (UMOJA) INCOME		
Entrance	**205,034,000**	110,050,000
Rides	**112,749,000**	91,837,000
Parking Income	**317,783,000**	201,887,000
Less Operating Expenses	**136,863,796**	199,992,358
Parking Operating income	**180,919,204**	1,894,542
Parking Shops Rent	**39,493,536**	29,190,000
Parking Net Income	**220,412,740**	31,084,642
TOTAL INCOME (A+B)	**979,684,938**	1,076,758,296

14. FINANCIAL EXPENSES

	2023-2024 TZS	2022-2023 TZS
Transfer and bank charge	**236,926,034**	200,437,753
	236,926,034	200,437,753

15. INVESTMENT EXPENSES

Mwanakwerekwe Expense	**68,006,253**	59,755,244
Mbweni Expense	**53,401,689**	48,561,245
Mapinduzi tower and Square Expense	**51,244,537**	93,457,419
Chawal Building Expenses	**217,679,960**	154,822,200
Thabit Kombo Building Expenses	**22,989,672**	31,156,896
Michenzani Mall Expenses	**240,950,578**	177,869,851
Mkoani Hotel Building Expenses	**7,896,200**	22,146,602
ZSSF conference Centre Expenses	**-**	5,812,860
Hifadhi Building Expenses	**22,885,000**	7,759,569
General Investment Expenses	**3,335,680**	39,535,710
Michenzani parking expense	**15,086,399**	31,494,850
Discount allowed	**18,217,316**	0
TOTAL	**721,693,284**	**672,372,446**

16. OTHER INCOME

Forms Fees & Commission	**57,874,101**	11,974,981
ID Replacement Income	**5,459,000**	4,019,000
Tender Document sales	**3,000,000**	14,350,000
Gain in exchange rate	**824,060**	477,366
Gain in Disposal of PPE	**-**	23,131,000
TOTAL	**67,157,161**	**53,952,347**

17. ADMINISTRATION EXPENSES

Staff cost (Note 18)	**5,836,489,342**	4,224,056,145
Operation expense (Note 19)	**2,636,521,958**	2,408,214,016
Depreciation (Note 22 a & b)	**786,461,344**	727,199,054
Repair and maintenance (Note 20)	**228,341,644**	224,236,462
Other expenses (Note21)	**1,054,136,359**	795,822,963
TOTAL	**10,541,950,647**	**8,379,528,639**

18. STAFF COST

	2023-2024 TZS	2022-2023 TZS
Salaries Expense	**4,450,520,876**	2,995,512,114
Overtime	**-**	210,000
Staff Welfare	**27,871,000**	67,647,500
Training Expense	**303,561,916**	371,417,176
13% ZSSF Contribution	**367,484,167**	315,518,379
Staff Uniform	**73,642,500**	36,898,000
Acting allowance	**7,971,066**	11,460,100
Transport on leave	**150,995,000**	164,047,900
Health insurance	**295,151,319**	139,157,775
SDL Levy	**132,388,144**	122,039,287
1% Fidia Scheme Contribution	**26,903,354**	147,914
TOTAL	**5,836,489,342**	4,224,056,145

19. OPERATION

Electricity and water	**82,332,296**	87,405,566
Cleaning expense	**66,268,700**	61,860,300
Telephone and postage	**99,944,154**	88,658,652
Property insurance	**1,389,824**	13,057,671
Travel on duty	**297,027,954**	325,753,011
Printing and stationary	**236,088,485**	240,235,225
Consultancy	**291,173,549**	20,366,500
Seminar and conference	**33,485,000**	19,246,510
Board expenses	**256,331,470**	166,354,500
Ecassa fee	**30,000,000**	23,221,400
Issa Fee	**50,000,000**	49,350,664
TSSA fee	**15,000,000**	15,000,000
Security cost	**89,283,000**	75,168,000
Fuel expenses	**606,465,568**	513,093,480
Audit expenses	**99,670,000**	114,217,500
ICT expenses	**255,886,958**	406,933,193
Software license	**126,175,000**	80,556,749
Actuarial Expenses	**-**	107,735,096
TOTAL	**2,636,521,958**	**2,408,214,016**

20. REPAIR AND MAINTENANCE

Repair and maintenance- motor vehicles	**46,423,820**	55,782,247
Repair Furniture and Fitting	**2,012,124**	1,320,200
Office maintenance	**160,986,075**	160,412,715
Electricity maintenance	**11,165,625**	4,894,500
Generator Maintenance	**7,754,000**	1,826,800

	TOTAL	**228,341,644**	**224,236,462**
21.	**OTHER EXPENSES**		
	Entertainment Expense	**18,776,300**	42,115,558
	Publicity Expenses	**349,224,509**	265,425,505
	Funeral Expense	**4,144,000**	600,000
	Special task Staff Expenses	**387,846,300**	374,033,400
	Newspapers and Periodicals	**-**	200,000
	Donation	**294,145,250**	113,448,500
	TOTAL	**1,054,136,359**	**795,822,963**

22a. PROPERTY AND EQUIPMENT

Cost	Land TZS	Buildings TZS	Motor vehicle TZS	Furniture and Fittings TZS	Office Machine & Equipment TZS	Total as at 30.06.2024 TZS	Total as at 30.06.2023 TZS
Balance as at 01.07.2023	436,500,000	1,862,400,281	921,258,823	593,930,762	2,656,729,185	6,470,819,051	6,008,128,138
Additions	-	141,920,140	-	38,283,500	287,413,850	467,617,490	550,692,656
Disposal	-	-	-	-	-	-	(88,001,743)
Balance as at 30.06.2024	**436,500,000**	**2,004,320,421**	**921,258,823**	**632,214,262**	**2,944,143,035**	**6,938,436,541**	**6,470,819,051**
Depreciation Balance as at 01.07.2023	-	**511,436,855**	**530,748,104**	**352,504,207**	**1,730,518,556**	**3,125,207,722**	**2,668,921,326**
Period Depreciation	-	37,342,620	75,741,643	68,174,534	363,658,335	544,917,132	544,288,139
Disposal	-	-	-	-	-	-	(88,001,743)
Accumulated Depreciation as at 30.06.2024	**-**	**548,779,475**	**606,489,747**	**420,678,741**	**2,094,176,891**	**3,670,124,854**	**3,125,207,722**
Net Carrying Amount as at 30.06.2024	**436,500,000**	**1,455,540,946**	**314,769,076**	**211,535,521**	**849,966,144**	**3,268,311,687**	**3,345,611,329**

None of the Fund property and equipment has been pledged as collateral. The net carrying value of properties and equipment amounting to TZS 3,268,311,687 as at 30 June 2024 (2023: TZS 3,345,610,329). None of the Fund property and equipment were temporary idle as at 30 June 2024 (2023: Nil). The Fund had no contractual commitments to acquire property and equipment as at 30 June 2024. There is no compensation from third parties for item in property and equipment that were impaired, lost or given up that is included in profit or loss.

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NOTES (CONTINUED)

22b. INTANGIBLE ASSETS	Computer Software 2024 TZS	Computer Software 2023 TZS
Cost		
As at 1 July	**1,993,115,368**	1,482,688,999
Additions during the year	**394,807,504**	510,426,369
As at 30 June	**2,387,922,872**	1,993,115,368
Amortization		
As at 1 July	**1,284,767,262**	1,101,856,347
Amortization charge	**241,544,211**	182,910,915
As at 30 June	**1,526,311,473**	1,284,767,262
Net book value:	**861,611,399**	708,348,106

Intangible assets relate to software which are directly used by Fund in their information system.

23a. MAPINDUNZI REVOLVING RESTA	2024 TZS	2023 TZS
Mapinduzi Revolving Resta		
Opening Balance	**110,872,000**	517,566,096
Valuation gain/ (Loss)	**(38,681,200)**	(406,694,096)
	72,190,800	**110,872,000**

23b. HOTEL FURNITURE AND EQUIPMENTS

Mkoani Hotel	**263,000,000**	292,000,000
Hifadhi Building Hotel and Apartment	**40,257,000**	58,000,000
ZSSF Conference Center	**55,093,750**	94,000,000
TOTAL	**358,350,750**	**444,000,000**

24a. WORK IN PROGRESS (WIP)

Work in progress is measured at cost, as fair value cannot be established reliably. The following are the amount of work in progress at the year end.

Description	01/07/2023 Building TZS	Addition TZS	30/06/2024 TOTAL TZS
Sports and Business Facilities Mbweni	81,792,280	2,362,281,678	2,444,073,958
Low-Cost House Magereza	9,446,284,632	10,779,889,428	20,226,174,060
Malindi Car Parking	2,080,325,933	3,540,065,189	5,620,391,122
Kijangwani Bus Stand	1,309,747,398	4,179,722,078	5,489,469,476
Mombasa Market		3,949,023,379	3,949,023,379
Malindi Bus Terminal		6,000,000	6,000,000
	12,918,150,243	**24,816,981,752**	**37,735,131,995**

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24b. INVESTMENT PROPERTY - REAL ESTATE

Description	01/07/2023 Building TZS	Addition	Valuation Gain (loss) TZS	30/06/2024 TOTAL TZS
ZSSF Conference Center Pemba	3,360,000,000	-	(237,227,860)	3,122,772,140
Chawal Building	10,576,000,000	19,482,500	(1,978,374,500)	**8,617,108,000**
Mbweni Old Houses	1,435,000,000	-	(289,964,632)	1,145,035,368
Mwanakwerekwe Shopping Centre	2,906,000,000	-	94,450,560	**3,000,450,560**
Kilimani ZSSF Annex (Old Bakharesa)	1,191,000,000	-	(259,825,100)	**931,174,900**
Michenzani Mall	29,417,000,000	161,602,960	689,627,290	**30,266,230,250**
Thabit Kombo Building	8,784,000,000	-	(247,262,320)	**8,536,737,680**
Mkoani Hotel Building	3,975,000,000	-	326,702,354	**4,301,702,354**
Hifadhi Building	7,854,000,000	(234,931,485)	(322,073,741)	**7,296,994,774**
Michenzani Car Parking	764,790,961	84,305,378	(6,747,629)	842,348,710
New Kilimani Building (Near SUZA)	850,000,000	15,232,620	(530,939,080)	**334,293,540**
TOTAL	**71,112,790,961**	**45,691,973**	**(2,761,634,658)**	**68,396,848,276**

MKOANI HOTEL BUILDING

Mkoani Hotel Building was constructed purposely to be leased to investors who are interested to run as a hotel. Up to the year ended 30 Fund temporarily operated the hotel for aim of maintaining the value of the building and marketing it as there was no an investor to oper business. Since the aim of the Fund from the beginning was not to run a hotel but to invest in hotel Building, for that case Managemen Mkoani Hotel Building as an investment Building and not owners occupied property up to the year ended 30.06.2024.

Subsequently, the Mkoani Hotel has been rented to the investor known as M/s NEW SAFARI CO. LIMITED and the contract between Z investor was signed on 2.10.2024 for 12 months period effective from 1.10.2024 to 30.09.2025 at a monthly rent of TZS 4,600,000 VAT

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24c. INVESTMENT PROPERTY - RECREATION AND AMUSEMENT PARKS

AMUSEMENT PARKS

BUILDINGS

Description	01-Jul-23	Period Addition	Period Valuation	30/06/2024 TZS
Uhuru Kariakoo	7,684,000,000	-	(1,069,235,230)	**6,614,764,770**
Umoja Tibirinzi	4,609,000,000	115,785,450	(1,279,057,220)	**3,445,728,230**
SUB TOTAL (A)	**12,293,000,000**	**115,785,450**	(2,348,292,450)	**10,060,493,000**

RIDES

Description	01-Jul-23	Period Addition	Valuation	30/06/2024 TZS
Uhuru Kariakoo	5,245,000,000	-	(2,418,131,818)	**2,826,868,182**
Umoja Tibirinzi	1,505,000,000	-	(727,029,932)	**777,970,068**
SUB TOTAL (B)	**6,750,000,000**	**-**	**(3,145,161,750)**	**3,604,838,250**

RECREATION/AMUSEMENT PARKS

Description	01-Jul-23	Period Addition	Valuation	30/06/2023 TZS
Mapinduzi Tower and Square	7,633,000,000	-	(2,919,490,514)	**4,713,509,486**
SUB TOTAL (C)	7,633,000,000	**-**	**(2,919,490,514)**	**4,713,509,486**
GRAND TOTAL (A) + (B) + (C)	26,676,000,000	-	**(8,412,944,714)**	**18,378,840,736**

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24d. INVESTMENT PROPERTY – LAND

Description	01-Jul-23 TZS	Addition	Valuation	30-06-2024 TZS
Pemba Tibirinzi	2,667,000,000	-	-2,222,500,000	444,500,000
Mbweni	19,200,000,000	25,440,000	-25,440,000	**19,200,000,000**
Mwanakwerekwe	1,200,000,000	-	-	**1,200,000,000**
Tunguu	5,002,000,000	13,780,000	-194,684,800	**4,821,095,200**
Kigamboni Muongozo	3,182,000,000	-	1,482,760,000	**4,664,760,000**
Kariakoo uhuru Park	20,130,000,000	11,437,500	1,086,562,500	**21,228,000,000**
Kilimani old Baharessa	1,567,000,000	-	867,500	**1,567,867,500**
Michenzani Mall and Parking	8,398,000,000	-	-5,750,000	**8,392,250,000**
Mapinduzi Tower and Square	7,942,000,000	-	-	**7,942,000,000**
Tibirinzi Umoja Park	6,533,000,000	1,250,000	-534,250,000	**6,000,000,000**
Malindi land	1,098,504,533	150,227,963	14,451,267,504	**15,700,000,000**
ZSSF Kilimani Near SUZA			523,380,000	**523,380,000**
Mombasa Land		8,864,250	4,451,135,750	**4,460,000,000**
Kijangwani Bus Stand Land		7,473,000	10,896,527,000	**10,904,000,000**
TOTAL	**76,919,504,533**	**218472713**	**29,909,875,454**	**107,047,852,700**

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The following table summarizes the quantitative information about significant unobservable inputs used in recurring fair value measurement of land.

Land

Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Applicable rate (TZS per Square meters)	Relationship of unobservable input to fair value	Fair value at	
					30 June 2023	30 June 2022
Level 3	Market approach	price per square meter	Tunguu…… 38,835.40 Kariakoo…… 550,000.00 Tibirinzi…….. 408,827.70 Umoja……. . 133,333.33 Mwanakwerekwe….. 500,000.00 Mbweni…… 362,264.15 Kigamboni……. 42,615.82 Mapinduzi tower 1,000,000.00 Michenzani mall 999,976.19 Kilimani Annex 550,046.51	Higher Sales price higher value	107,047,852,700	76,919,504,533

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None of the Fund Investment property has been pledged as collateral. The Fund leases out its investment properties under operating leases. The leases are for terms of one year or more. There are no restrictions on reliability of investment property or remittance of income and proceeds from disposal.

The Fund's investment properties were revalued by Stan Property (T) Limited as independent professionally qualified valuers, who has recent experience in the locations and categories of the respective investment properties valued. The valuation for period ended 30th June 2024 conducted on August 2024 and report issued on September 2024. Previous valuation was done by ZIB Consultant on August 2023.

The net impact of revaluating investment properties for the year ended 30th June 2024 is fair value gain amounting TZS 18,504,674,082 (2023: TZS -288,980,128) as disclosed in the above tables which also show reconciliation of movement in carrying amounts of investment property between opening and closing dates.

Valuation Techniques
The following table shows the valuation techniques used to revaluing Investment Property: -

S/N	Investment categories	Valuation Technique	Descriptions
1	Lands	Market Approach (Comparative Method of Valuation)	Land was valued by sales comparison method on the basis of its unimproved stage taking into account the various categories of existing and potential services, accessibility and priority was paid to concept of Highest and best use of property.
2	Buildings	Replacement Cost Approach	Building, structure and services valued at current replacement cost taking into account their depreciation

The fair value measurement for all of investment properties has been categorized as level 3 fair value based on the inputs to the valuation technique use.

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25. (a) EQUITY INVESTMENTS

	2023-2024 TZS	2022-2023 TZS
Listed Companies and Unlisted		
TAN-RE	**18,504,777,582**	18,178,301,395
UTT-Umoja	**5,617,363,100**	5,011,082,073
UTT-Jikimu	**549,615,742**	516,310,868
TPCC	**2,606,845,600**	2,543,264,000
NMB Bank	**8,581,695,200**	5,743,134,480
CRDB Bank	**21,514,250,160**	17,309,208,880
Vodacom	**770,000,000**	770,000,000
ZAFICO	**3,150,000,000**	3,150,000,000
DSE	**4,400,000,000**	3,680,000,000
Liquid Fund	**11,323,103,941**	10,033,647,227
ZASCO	**2,000,000,000**	2,000,000,000
UTT BOND	**581,185,983**	570,124,184
FAIDA FUND INVESTMENT	**579,060,000**	524,853,500
TOTAL	**80,177,897,308**	70,029,926,607

25. (b) MKOANI HOTEL

Capital Injected	**45,150,424**	53,091,935
Withdrawn	**-**	(9,376,692)
Impairment (loss)/ Surplus	**9,899,791**	(14,262,319)
TOTAL	**55,050,215**	29,452,924

26. GOVERNMENT SECURITIES

Government Loan	**31,433,320,644**	35,950,007,846
Treasury bond	**513,892,704,957**	401,439,126,629
Corporate Bond	**21,993,725,467**	21,860,594,576
TOTAL	**567,319,751,068**	**459,249,729,051**

27. FIXED DEPOSIT

AZANIA BANK	**5,360,328,764**	6,357,972,602
BOA BANK	**1,100,958,906**	4,133,643,836
CRDB BANK	**6,390,753,425**	7,336,164,380
EXIM BANK	**-**	7,254,520,545
KCB BANK	**14,261,808,217**	9,585,863,010
NBC LTD BANK	**16,328,547,942**	2,022,175,342
NMB BANK	**16,438,054,796**	10,417,273,972
PBZ BANK	**28,118,945,208**	26,338,493,159
TIB BANK (TZS)	**8,517,692,000**	8,346,828,766
TPB/TCB BANK (TZS)	**9,864,101,262**	5,105,287,671
DTB BANK	**-**	6,150,054,794
TOTAL	**106,381,190,520**	93,048,278,076

28. LOANS

	2023-2024	2022-2023
Maturity more than 12 months	**TZS**	TZS
ADMIRAL INVEST COMPANY LTD	**-**	198,335,021
BASRA TEXTILE MILLS LTD	**11,539,589,300**	1,998,540,952
SUB TOTAL (A)	**11,539,589,300**	2,196,875,973
Maturity within 12 months		
SUZA	**203,370,370**	464,933,180
ZSTC1	**360,558,058**	797,706,045
ZSTC2	**750,000,000**	750,000,000
ZSTC3	**-**	150,000,000
NALASA PERFECT CO. LTD	**-**	48,319
	211,754,490	-
SUB TOTAL (B)	**1,525,682,918**	2,162,687,544
TOTAL (A+B)	**13,065,272,218**	4,359,563,517

29. INVENTORIES

Stationary and Consumable Items	**75,833,446**	64,629,396
TOTAL	**75,833,446**	**64,629,396**

30. MEMBER CONTRIBUTIONS RECEIVABLE

	2023-2024	2022-2023
	TZS	TZS
Contribution receivable	**4,827,019,884**	3,636,428,646
Less: Provision	**(239,878,888)**	(182,016,046)
TOTAL	**4,587,140,996**	3,454,412,600

31. OTHER RECEIVABLE

Staff loans	**2,190,659,182**	1,989,232,871
Rent Receivable	**3,512,968,997**	2,636,604,930
Provision of rent receivable	**(169,427,197)**	(169,427,197)
Dividend Receivable	**330,184,876**	440,462,686
Salary Advance	**503,000**	-
NHIF Health Insurance Fund	**26,408,376**	110,667,905
FDR Receivables	**-**	1,111,499,991
Prepayments	**149,500,000**	-
TOTAL	**6,040,797,234**	6,119,041,186

32. CASH AND CASH EQUIVALENT

	2023-2024 TZS	2022-2023 TZS
PBZ Bank Account 0404624000	**8,258,630,977**	611,868,426
PBZ Bank Account 0404410000	**31,600,859**	171,894,058
NBC Bank Account 021103004742	**2,022,813,049**	4,659,496
PBZ Bank Account 0400087000	**357,428,139**	362,670,582
PBZ Bank Account 0404624001	**841,750,135**	1,714,305,434
FBME Bank	**182,894,735**	261,444,630
Provision for Doubtful debt	**-182,894,734**	(261,444,630)
PBZ Bank Account 021103000672	**211,264,860**	6,746,229
NMB Bank 22910015419	**275,798,132**	50,537,749
PBZ Online Payment 0900316001	**737,671**	-
TIGO PESA ACCOUNT	**1,522,100**	-
BOA Bank estate 05538200007	**220,870,145**	220,870,145
BOA Bank 05509620053	**975,815,193**	448,955,253
CRDB Bank 0150416127700	**790,542,675**	42,447,050
PBZ Benefit 0404225000	**-60,910,381**	1,128,695,636
Equity Bank 3014211623588	**330,618,629**	414,640,613
POS Float ZVSSS	**9,000,000**	-
PBZ INVESTMENT 0792160001	**217,691,339**	1,740,193,083
PBZ MBWENI ESTATE 0792159001	**510,969,419**	749,505,128
CRDB ZSSF THABIT KOMBO RENT 0150416127703	**11,162,179**	460,334,210
TOTAL	**15,007,305,119**	**8,128,323,092**

33. BENEFIT LIABILITY

Gratuity payable	**2,402,956,150**	1,538,127,277
Maternity Payable	**14,398,989**	11,482,152
TOTAL	**2,417,355,139**	1,549,609,429

34. ACCRUED EXPENSES

Provision for Audit Fees	**65,000,000**	65,000,000
Caution Money	**198,549,227**	125,731,067
Retention money	**2,749,018,283**	525,333,344
Withholding tax	**503,391,590**	1,082,013,444
Thabit Kombo CCM Rent Payable	**91,620,460**	75,670,380
Provision and Accruals	**336,095,639**	475,916,123
Contribution Payable	**1,199,546**	541,499
Creditors	**91,097,414**	74,113,169
House Mombasa Deposit	**5,259,550,000**	-
Shop Mombasa Deposit	**166,000,000**	-
TOTAL	**9,461,522,159**	2,424,319,026

35. UNEARNED RENT

Un-earned rent relates to rent income received in advance as shown below -

	2023-2024 TZS	2022-2023 TZS
Rent received in advance	**963,133,602**	621,414,156
TOTAL	**963,133,602**	**621,414,156**

36. ACTUARIAL POSITION

The actuarial valuation for the Fund is conducted after every three years in order to assess sustainability of the Fund. The most current actuarial valuation of the Fund is for the period ended 30th June 2021 conducted by **ZAMARA** Consulting of Nairobi Kenya and report submitted on 19th February 2023. Previous actuarial valuation of the Fund was at 30 June 2018 and completed in 18th September 2020 by association of the following entities; African Risk and Insurance Services Limited ("ARiS"), Callund Consulting Limited of the UK ("CCL"), and Ruparelia Consultants Limited of Kenya ("RCL").

Professional standards applied

The professional standards applied in the valuation were as follows:

- International Standard of Actuarial Practice 2 (ISAP2) "Financial Analysis of Social Security Programs".
- Technical Actuarial Standard 100 (TAS100) (Principles for Technical Actuarial Work).
- Technical Actuarial Standard 300 (Pensions).

Valuation Method:

The Actuarial valuation method used is Aggregate Valuation method where result is aggregated for categories of members:

The Actuarial method involves

- Projecting the benefit payable to each member for each future year.
- For active member, first project the salaries to the date of retirement or early exit.
- Calculation of benefit payable on retirement or early exist using existing formula
- Projection of pension payable from retirement age to rest of life.
- Calculation of contribution rates based on aggregated projected benefits and projected salaries.

Key opinion:

Scheme is financially sustainable over the period of 20 years which were covered by the projections used for the financial analysis and this is critically dependent on the assumptions used.

According to the valuation as at the date, the actuarial present value of promised retirement benefits was as follows:

Accrued liabilities	**2021**	2018
	"TZS 000"	" TZS 000''
Value of accrued benefit liability	**1,520,539,000**	1,260,185,801
Assets		
Value placed on Fund assets as at 30 June	**(603,857,000)**	(214,422,312)
Actuarial deficit		
Excess of accrued liabilities over assets	**(916,682.000)**	(1,045,763,489)
Funding level	**40.0%**	**17.0%**

Summary of core actuarial basis

The assumptions that were used in the 2021 actuarial valuation are set out below: -

Assumptions	**Basis**
Demographic assumptions	
Pre- retirement mortality	A1949/52 Ultimate
Post- retirement mortality	A (55) Males/Females Ultimate
Invalidity	In accordance with average experience of other similar schemes
Normal retirement age	60 Years
Administration Expenses	2.5 % of Salaries.
Statutory minimum Wages	TZS 300,000 reviewed annually in line with inflation
Financial assumptions	
	(per annum)
Price inflation (nominal)	4%
Pre-retirement	7%
Post-retirement	7%
Salary inflation (nominal)	5.5%
Pension increases	Pensions are not assumed to increase in payment.

INVESTMENTS CONCENTRATION

	2024	2023
	TZS	TZS
Net Assets Available for Benefits	**1,038,234,621,184**	855,570,901,459
5% thereof	**51,911,731,059**	**42,778,545,073**

The following investments are held by the Fund at amounts, which exceed 5% of the net assets.

	2024		2023	
Category that presents 5% or more	**TZS**	**%**	TZS	**%**
Investment Property- Real estate	**68,396,848,276**	7%	71,112,790,961	8%
Investment property- land	**107,047,852,700**	10%	76,919,504,533	9%
Investment in government security	**567,319,751,068**	55%	459,249,729,051	54%
Investment in Equity	**80,177,897,308**	8%	70,029,926,607	8%
Fixed deposit	**106,381,190,520**	10%	93,048,278,076	11%
TOTAL	**929,323,539,872**		**796,271,438,268**	

37. FINANCIAL INSTRUMENTS BY CATEGORY

	2023-2024	2022-2023
Financial assets	**TZS**	TZS
Investments:		
Government securities	**545,326,025,601**	437,389,134,475
Corporate bonds	**21,993,725,468**	21,860,594,576
Quoted shares	**38,453,976,943**	30,615,731,544
Unquoted shares	**41,723,920,365**	39,414,195,063
Long term loans	**11,539,589,300**	4,359,563,517
***Other assets**:*		0
Cash and bank	**15,002,051,122**	8,128,323,088
Fixed deposits	**106,381,190,520**	93,048,278,076
Receivables (excluding prepayments)	**5,891,297,234**	6,119,041,185
Contribution receivables	**4,587,140,996**	3,454,412,600
TOTAL	**790,898,917,549**	**644,389,274,124**

38. RELATED PARTY TRANSACTION AND BALANCES

Related party transaction and balances were as follows: -

a. Remuneration of Trustees and Key Management Personnel

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the Fund, comprising the directors of the Fund. Their remuneration, allowances and loans are as set below:

Short Term Employees Benefit	**2023-2024**	2022-2023
	TZS	TZS
Board Expenses	**256,331,470**	166,354,500
Staff loan	**2,190,659,182**	1,989,232,871
Salaries	**5,836,489,341**	4,224,056,145
TOTAL	**8,283,479,993**	**6,379,643,516**

Investment in related Parties	**2023-2024**	**2022-2023**
	TZS	TZS
Corporate Bond (PBZ)	**21,993,725,468**	21,860,594,576
Government stock/Loan	**31,433,320,644**	35,950,007,846
Treasury Bonds	**513,892,704,957**	401,439,126,629
TOTAL	**567,319,751,068**	**459,249,729,051**

Interest from related parties		
Government stock/loan	**2,391,993,162**	2,970,523,326
Treasury bond	**58,477,962,999**	38,973,076,724
Corporate bond	**2,371,943,391**	2,817,817,304
TOTAL	**63,241,899,552**	44,761,417,354

39. SOCIAL SECURITY FUND COSTS

The Funds employees are members of Zanzibar Social Security Fund. The staffs contribute 7% of their gross salary and employer contributes 13+1%.

Employees	**197,876,090**	169,894,512
Employer	**367,484,167**	315,518,379
TOTAL	**565,360,257**	485,412,891

40. TAXATION

All PAYE deductions had been submitted in full to Tanzania Revenue Authority for the above balance sheet date. Section 27(4) of Zanzibar Social Security Fund Act No. 2 of 2005, exempts all contribution and other income of the Fund from taxation.

41. COMMITMENTS AND CONTINGENT LIABILITIES/ASSETS

(a) Capital commitments

As at the closure of the year ended 30.06.2024 the Fund had capital commitments in ongoing Project as listed below;

Project	Amount in TZS
Sports and Business Facilities Mbweni	2,444,073,958
Low-Cost House Magereza	20,226,174,060
Malindi Car Parking	5,620,391,122
Kijangwani Bus Stand.	5,489,469,476
Mombasa Market	3,949,023,379
Malindi Bus Terminal	6,000,000
	37,735,131,995

(b) Loan commitments

As at 30 June 2024, the Fund had no loan contractual commitment.

(c) Finance lease commitments.

The Fund had no finance lease commitments as at 30 June 2024 (2023: Nil).

(d) Legal contingent liabilities

The Fund had no contingent liabilities as at 30 June 2024 (2023: Nil).

(e) Contingent assets

At the end of the period the Fund had no contingent assets (2023: Nil).

42. ASSETS PLEDGED AS SECURITY FOR LIABILITIES

None of the Fund's assets has been pledged as security for liabilities.

43. OWNERSHIP

Zanzibar Social Security Fund is owned by its members who contribute by contribution and managed by Board of Trustee and Revolutionary Government of Zanzibar is the guarantor through President's Office- Ministry of Finance and Planning.

44. EVENTS AFTER REPORTING PERIOD

There were no material events after the reporting date that required disclosure or adjustment.



Malindi Car parking



Kijangwani Bus Station



Low Cost House Project at Dk. Hussein Mwinyi City



Malindi Bus Station

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