

ABRIDGED FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME

For The Year Ending 31 December 2009	US\$
Contributions	1 615 865
Net Investment income	5 011 813
Other Income	4 843
Total Income (a)	6 632 521
Less: Benefits Paid	
Monthly Pensions	5 827
Withdrawals	142 906
Retirements	155 820
Retrenchments	20 375
Death Benefits	51 994
Administration Expenses	422 796
Total Expenses (b)	799 718
Surplus For The Year (a-b)	5 832 803

STATEMENT OF FINANCIAL POSITION

As At 31 December 2009	US\$
ACCUMULATED FUND:	
Opening Accumulated Fund	6 779 935
Surplus For The Year	5 832 803
	12 612 738
EMPLOYMENT OF CAPITAL:	
Investments	11 908 257
Fixed Assets	61 618
Debtors Less Creditors	606 973
Cash In Hand	35 890
BALANCE OF FUND	12 612 738

**MOTOR INDUSTRY
PENSION FUND**

Trustees

Mr. I.Murefu (Chairman)
 Mr. M.Nyamupingidza (Employer Trustee)
 Mr. S.Sibanda (Employer Trustee)
 Mr. P.Chipamuriwo (Employer Trustee)
 Mr. C.Samukange (Employer Trustee)
 Mr. S. Mari (Employee Trustee)
 Mr. C.M.Dirwayi (Employee Trustee)
 Mr. T.Utedzi (Employee Trustee)
 Mrs. D.Nyamukapa (Independent Trustee)

Fund Manager / Principal Officer

Mr. R.Manhika
 (BSc Honours Applied Mathematics degree,
 MBA- Financial Services)

Finance Manager

Mr. F.T.Zindere
 (ACIS, R.P. Acc)

Pensions Admin Officer / Compliance Officer

Mr. M.Nheta (HND Pensions Management)

Actuaries

Quantum Consultants and Actuaries,
 6th floor Chiyedza House, Harare

Auditors

Gwatidzo & Company Chartered Accountants

Investment Managers

Old Mutual Investment Group, ABC Asset
 Management and CBZ Asset Management t/a Datvest

Bankers

Barclays Bank, FBC Bank and Kingdom Bank

Motor Industry Pension Fund

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 Harare, Zimbabwe
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MOTOR INDUSTRY PENSION FUND



Abridged Financial Statements
As At 31 December 2009



Motor Industry House
Harare

INTRODUCTION

Motor Industry Pension Fund (MIPF) is registered as a self administered Pension Fund in terms of the Pensions and Provident Fund Act (Chap. 24:09). It is a Defined Contribution Scheme financed through contributions from employees and employers and by earnings from the Fund's investments. The surplus from contributions and investments income over benefits currently being paid is invested in compliance with regulations.

Contributions

Contribution to the Fund is compulsory to all employees under the age of 65 years whose employers are registered with the National Employment Council for the Motor Industry in terms of Statutory Instrument (SI) 66 of 1995. Employers are obliged to deduct 5% from an employee's monthly basic salary and in turn contribute 5% on behalf of their employee plus a 2.5% stabilisation. These contributions should be paid into the Fund's account or offices on or before the 14th of the following month in terms of SI 243 of 2006.

Further details of contributions payable to and benefits receivable from the Fund are contained within the Employee's Guide issued to all employees who are allowed to join the Fund.

Board of Trustees

MIPF is run by a Board of Trustees in accordance with Statutory Regulations. It has a fiduciary duty to the contributors, and beneficiaries of the Pension Fund to ensure contributions have been collected, that benefits have been calculated correctly and paid promptly and any surplus funds are properly invested.

Investments Management Agreements

The following investments managers managed the Fund's assets in 2009 and have continued with their mandates into 2010.

- ABC Asset Management
- CBZ Asset Management t/a Datvest
- Old Mutual Investment Group

The managers invest within a broad policy agreed with the Board of Trustees who they report to on a regular basis during the year. The long term nature of the fund's liabilities means the capital growth potential and likely income, within acceptable levels of risk are the main investment considerations.

Chairman's Statement

On behalf of the Board of Trustees, I am pleased to announce that your Fund was successfully converted from the Zimbabwe dollars to the currency in use, United States dollars, effective 1 May 2009. The Actuary, having performed the valuations of the Funds under administration, declared the Fund to be financially sound. This paved the way for the resumption of paying benefits in US dollars. In a brief review of the Fund's operations, I would like to mention the following:-

ADMINISTRATION

Levels of administrative service by MIPF to members continue at a high level with rapid turnaround times in the processing of claims and resolution of related queries. The Fund's administration is highly reliant on the timely remittance of the member contributions and collation of claim documentation. Administrative and financial controls are in place and operating effectively, as evidenced by positive feedback from our external audit and professional consultant reports.

The Fund's contributing membership as at 31 December 2009 was 34,933 and 20 pensioners. Below is a table which shows the membership movements in 2009.

Membership Statistics as at 31 December 2009

No. of active members as at 1 January 2009	34,474
New Entrants	919
Total	35,393
Resignations	(239)
Retirements	(79)
Retrenchments	(58)
Deaths In Service	(84)
Total Membership	34,933
Pensioners	20

Total contributions of US\$1.615 million were received in 2009. During the year, over 460 new claims were paid in the amount of US\$376,922. Although the markets appear to have stabilised at a level above the lowest reached during the "darkest days" of 2008, it is undoubtedly going to take a great deal of time to recover to the peak levels as the general economy is taking longer than anticipated to recover. However, despite the difficult period in 2009, the Fund assets grew by 86% to US\$12.612 million. This was as a result of a surplus from investments of \$5.8 million. Below is the Pension Fund asset allocation mix as at 31 December 2009.

Asset Allocation Mix



As a result of the surplus created the Actuary recommended a 36.9% bonus interest declaration which was credited to all members' balances as at 31 December 2009.

The need for improved communication with members has long been recognised and starting with this report the Fund will be introducing formally structured initiatives to get to the members covering all the Funds under administration.

The various sub-committees of the Board of Trustees continued to function satisfactorily in accordance with the established Terms of Reference and the objectives of good governance.

The auditing results were once again highly satisfactory, indicating ongoing compliance and effective controls within the administration.

During the year the following changes in the Board's composition took place:

Resignations:

Mr Mushambi (Expired term of Office)

Appointments:

Mr. Nyamupingidza and Mr. Chipamuriwo

I believe the Board can justifiably consider the past year to have been satisfactory in every area of the Fund's operations, whether it be the quality of the administration, the relative preservation of the assets notwithstanding extreme volatility in market conditions, or the ongoing good relationships with the Regulatory Authority, our Professional Consultants, Asset Managers and Stakeholders.

It is appropriate for me once again to express my sincere appreciation to our management team and support staff for their dedication and hard work, which were essential elements to the success of the past year. I would also like to record my appreciation to our Auditors, Actuaries, Investment Consultants and Asset Managers for their invaluable services during the past year.

In conclusion my heartfelt thanks and appreciation to Mr Mushambi (Employer Trustee) who resigned from the Board as a result of expired term of office and every Member of the Board for the co-operation and friendship which I was privileged to enjoy during the past year.

I Murefu
Chairman
Motor Industry Pension Fund