

***KWAZULU-NATAL JOINT
MUNICIPAL PROVIDENT FUND***

12TH

ANNUAL REPORT

YEAR ENDED 31 MARCH 2008

ANNUAL FINANCIAL STATEMENTS

NAME OF PROVIDENT FUND : **KwaZulu-Natal Joint Municipal Provident Fund**

**FINANCIAL SERVICES BOARD
REGISTRATION NUMBER:** : **12/8/32588/1**

**SOUTH AFRICAN REVENUE SERVICES
APPROVAL NUMBER** : **5539 899 842**

FOR THE PERIOD : **1 April 2007 to 31 March 2008**

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ANNUAL GENERAL MEETING

The ANNUAL GENERAL MEETING of the General Committee of the Fund will be held at the Sinodale Centre, Pietermaritzburg, on Friday 21 November 2008. The attention of members of the Fund is drawn to Rule 17(b) of the joint Rules for the Management and Administration of the Natal Joint Municipal Pension/KwaZulu-Natal Joint Municipal Provident Funds, as amended, which provides that a copy of the Annual Report and Financial Statements shall be forwarded to each Municipality at least 45 days prior to the Annual General Meeting and to each member upon written request to the Fund. Any business that a Municipality or member desires to be discussed at such meeting shall be submitted in writing to the Director at least 30 days prior thereto.

PIETERMARITZBURG
22 AUGUST 2008



S. CAMILLERI
DIRECTOR

TWELFTH ANNUAL REPORT

The following Annual Report and Financial Statements for the year ended 31 March 2008 are submitted by the Committee of Management in terms of the Rules for the Management and Administration of the Fund approved by the Premier of KwaZulu-Natal, and promulgated in Provincial Gazette No. 5148 dated 8 August 1996 under PN. 273, 1996.

1. REGULATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2008

1.1 Funds registered office (the Fund is a self-administered Fund)

1.1.1 Postal Address

*P.O Box 890
Pietermaritzburg
3200*

1.1.2 Physical Address

*2nd Floor Timpen
17 Timber Street
Pietermaritzburg
3201*

1.2 Financial reporting periods

1.2.1 Current	:	1 April 2007 to 31 March 2008
1.2.2 Previous	:	1 April 2006 to 31 March 2007
1.2.3 Fund Registration Number	:	12/8/32588/1
1.2.4 Fund SARS Number	:	5539 899 842

1.3 Board of Trustees

1.3.1 Employer Representatives

<i>Full Name</i>			<i>Date Appointed</i>	<i>Date Resigned</i>
<i>Cllr.</i>	<i>Buthlezi</i>	<i>Lazarus Duduzile</i>	02.03.2001	20.07.2007
<i>Cllr. Mrs.</i>	<i>Madlopha</i>	<i>Celiwe Qhamkile</i>	24.03.2006	-
<i>Cllr. Mrs.</i>	<i>Msibi</i>	<i>Veronica Zanele</i>	02.03.2001	-
<i>Cllr. Mrs.</i>	<i>Msibi</i>	<i>Beauty Duduzile</i>	24.03.2006	08.02.2008
<i>Cllr. Mrs.</i>	<i>Moolman</i>	<i>Elsie Johanna</i>	08.02.2008	-
<i>Cllr.</i>	<i>Mvelase</i>	<i>Sipho Andrias</i>	23.03.2001	-
<i>Cllr.</i>	<i>Talmage</i>	<i>Earl Andrew</i>	23.07.2007	-

1.3.2 Member Representatives

<i>Full Name</i>			<i>Date Appointed</i>	<i>Date Resigned</i>
<i>Mr.</i>	<i>Geringer</i>	<i>Johannes Gerhard</i>	17.01.1997	-
<i>Mr.</i>	<i>Mabika</i>	<i>Thulani Mbopheni</i>	17.08.2001	-
<i>Mrs.</i>	<i>Millar</i>	<i>Denise Rosalie</i>	01.09.2006	-
<i>Mr.</i>	<i>Ndlovu</i>	<i>Mandla Elphas</i>	18.11.2005	-
<i>Mr.</i>	<i>Lemmer</i>	<i>Diederik Arnoldus</i>	24.11.2006	-

1.3.3 Provincial Minister of Local Government's Representative

<i>Full Name</i>	<i>Date Appointed</i>	<i>Date Resigned</i>
<i>Mr. Owen Nhlonipho Mungwe</i>	18.02.2005	-

1.4 Principal Officer (responsible person in terms of Section 13A of the Pension Funds Act, 1956)

Full Name : *Mr. Sam Camilleri*
Date Appointed : *01.07.2007*
Postal Address : *P.O. Box 890, Pietermaritzburg, 3200*
Physical Address : *2nd Floor Timpen, 17 Timber Street, Pietermaritzburg, 3201*
Telephone Number : *(033) 3458310*
E-mail Address : *director@njmpf.co.za*

1.5 Professional Service Providers

1.5.1 Actuary

Full Name : Arthur Els & Associates Consulting Actuaries
Postal Address : Suite 163, Private Bag X11, Craighall, 2024
Physical Address : 1st Floor, Marlborough Gate, Hyde Lane, Hyde Park, 2196
Telephone Number : (011) 441-2700 – 2710
E-mail Address : info@arthurels.com

1.5.2 Valuator

Full Name : Mr. Arthur Ruben Els
Postal Address : Suite 163, Private Bag X11, Craighall, 2024
Physical Address : 1st Floor, Marlborough Gate, Hyde Lane, Hyde Park, 2196
Telephone Number : (011) 441-2700 – 2710
E-mail Address : info@arthurels.com

1.5.3 Auditors

1.5.3.1 Statutory Auditor

Full Name : Auditor-General
Postal Address : Private Bag X9034, Pietermaritzburg, 3200
Physical Address : Redlands Estates, 1 George MacFarlane Ln, Wembley, 3201
Telephone Number : (033) 264 7400
E-mail Address : pmbrrha@oagsa.co.za

1.5.3.2 Auditor appointed by Statutory Auditor

Full Name : KPMG Inc
Postal Address : P.O. Box 1496, Durban, 4000
Physical Address : 20 Kingsmead Boulevard, Kingsmead Office Park, Durban, 4000
Telephone Number : (031) 327 6000
WEB Address : www.kpmg.co.za

1.5.3.3 Internal Auditor appointed by Committee of Management

Full Name : Deloitte & Touche Chartered Accountants (SA)
Postal Address : P.O. Box 243, Durban, 4000
Physical Address : Deloitte Place, 2 Pencarrow Crescent, Pencarrow Park, La Lucia Ridge Office Estate, La Lucia, 4051
Telephone Number: (031) 560 7000
E-mail Address : clientservicecentre@deloitte.co.za

1.6 Fund Consultants

1.6.1 Asset Consultants

Full Name : Alexander Forbes Financial Services
Postal Address : P.O. Box 786029, Sandton, 2146
Physical Address : Alexander Forbes Place, 61 Katherine Street, Sandown, 2196
Telephone Number: (011) 269 0000
E-mail Address : www.alexanderforbes.com
FAIS Number : 1177

1.6.2 Investment Managers

1.6.2.1 Domestic Assets

Full Name : Allan Gray Limited (AG) - Reg. No. 1992/006778/06
Postal Address : P.O. Box 51318, V&A Waterfront, Cape Town, 8002
Physical Address : Granger Bay Court, Beach Road, V&A Waterfront, Cape Town, 8001
Telephone Number: (021) 415 2300
E-mail Address : info@allangray.co.za

Section 13B Reg. No: 24/436

Full Name : Investec Asset Management (IAM) - Reg. No. 1984/011235/07
Postal Address : P.O. Box 1655, Cape Town, 8000
Physical Address : 36 Hans Strijdom Avenue, Foreshore, Cape Town, 8001
Telephone Number: (021) 416 2000 *FAIS Licence Number*: 587
E-mail Address : www.investecfunds.co.za *Section 13B Reg. No*: 24/61

Full Name : RMB Asset Management (RMB) - Reg. No. 1987/004655/07
Postal Address : Private Bag 9959, Sandton, 2146
Physical Address : 4 Merchant Place, 1 Fredman Drive, Sandton, 2196
Telephone Number: (011) 505 1555 *FAIS Licence Number*: 623
E-mail Address : <http://rmbam.co.za>

Full Name : Prudential Portfolio Managers - Reg. No. 1993/04503/07
Postal Address : P.O. Box 44813, Claremont, Cape Town, 7735
Physical Address : 7th Floor, Protea Place, 40 Dreyer Street, Claremont, Cape Town, 7708
Telephone Number: (021) 670 5100 *FAIS Licence Number*: 615
E-mail Address : portfolioadmin@ppm-sa.com

Full Name : Coronation Fund Managers - Reg. No. 1993/002807/07
Postal Address : P.O. Box 993, Cape Town, 8000
Physical Address : Coronation House, Boundary Teraces, 1 Mariendahl Lane, Newlands, 7700
Telephone Number: (021) 680 2000 *FAIS Licence Number*: 548
E-mail Address : ccousins@coronation.co.za

1.6.2.2 International Assets

Full Name : Russell Investment Group Ltd (RIG) - UK Reg. No. 2086 230
Postal Address : Rex House, 10 Regent Street, London, SW 1Y 4PE, UK
Physical Address : Rex House, 10 Regent Street, London, SW 1Y 4PE, UK
Telephone Number: 020-7024-6286
E-mail Address : fundsops@russell.com

Full Name : Orbis Investment Management Ltd (OR) - Reg. No. EC 15130
Postal Address : P.O. Box HM 571, Hamilton, HM CX, Bermuda
Physical Address : LPG Building, 34 Bermudiana Road, Hamilton HM 11, Bermuda
Telephone Number: 09 1441 296 3000
E-mail Address : info@orbisfunds.com

1.7 Custodian and Nominees

Full Name : Nedbank Limited (Head Office) - Reg. No. 1951/000009/06
Postal Address : P.O. Box 3212, Johannesburg, 2000
Physical Address : 135 Rivonia Road, Sandton, 2196
Telephone Number: (011) 294 3166
E-mail Address : www.nedbank.co.za

1.8 Bankers

Full Name : Nedbank Limited (KZN Business Branch) -
Head Office Reg. No. 1951/000009/06
Postal Address : P.O. Box 3560, Durban, 4000
Physical Address : Nedbank Building, 90 Ordnance Road, Durban, 4001
Telephone Number: (031) 364 1000
E-mail Address : www.nedbank.co.za

1.9 Legal Advisers

Full Name : J. Leslie Smith & Company - Inc. No. 1997/003455/21
Postal Address : P.O. Box 297, Pietermaritzburg, 3200
Physical Address : 332 Jabu Ndlovu Street, Pietermaritzburg, 3201
Telephone Number: (033) 845 9700
E-mail Address : jls@futurenet.co.za

1.10 Risk Insurers

Full Name : Indwe Risk Services – Reg. No. 1994/04436/07
Postal Address : P.O. Box 2409, Pietermaritzburg, 3200
Physical Address : 2nd Floor, 161 Pietermaritz Street, Pietermaritzburg, 3200
Telephone Number: (033) 394 2512
E-mail Address : dollyr@indwerisk.co.za

FSP Number : 3425

Full Name : Camargue – Reg. No. 2000/028098/07
Postal Address : Postnet Suite 250, Private Bag X4, Bedfordview, 2008
Physical Address : 1st Floor Eton House, 15 Eton Road, Parktown, Johannesburg
Telephone Number: (011) 356 4845
E-mail Address : camargue@camargueum.co.za
FSP Number : 6344

1.11 IT service provider

Full Name : City Computers Bureau – Reg. No. 67/11847/07
Postal Address : P.O. Box 617, Pietermaritzburg, 3200
Physical Address : 49 Peter Kirchoff Road, Pietermaritzburg, 3200
Telephone Number: (033) 345 2510
E-mail Address : pmburg@ccb.co.za

1.12 List of participating employers (Municipalities) and the list of participating employees is available at the Fund's offices if needed.

2. **STATEMENT OF RESPONSIBILITY BY THE COMMITTEE OF MANAGEMENT FOR THE PERIOD ENDED 31 MARCH 2008**

2.1 **Responsibilities**

The Committee of Management hereby certify to the best of its knowledge that, during the period under review, in the execution of its duties they:

- *ensured that proper registers, books and records of the operations of the Fund were kept, inclusive of proper minutes of all resolutions passed by the Committee of Management; and*
- *ensured that proper internal control systems were employed by or on behalf of the Fund; and*
- *ensured that adequate and appropriate information was communicated to the members of the Fund, informing them of their rights, benefits and duties in terms of the regulations of the Fund; and*
- *took all reasonable steps to ensure that contributions were paid timeously to the Fund or reported where necessary in accordance with Section 13A and regulation 33 of the Pension Funds Act, 1956; and*
- *obtained expert advice on matters where they lacked sufficient expertise; and*
- *ensured that the rules / regulations and the operation and administration of the Fund complied with the Pension Funds Act, 1956, the Financial Institutions (Protection of Funds) Act, 2000, and all other applicable laws, and*
- *confirm that, in respect of self-administered assets, the Fund is covered under a single fidelity guarantee insurance policy. This cover is deemed adequate and in compliance with the regulations of the Fund. In respect of assets administered by the five Investment Managers, each Manager has procured Fidelity cover and/or Professional liability cover, by means of single policies, for amounts considered adequate to fulfil the requirements of the combined clientele of each individual Investment Manager. The Committee of Management is of the opinion that the existing fidelity cover maintained by the Fund and its Investment Managers is adequate in accordance with the above guidelines and policies.*
- *confirm that the investments of the Fund are in accordance with the investment strategy and policy. Individual investment choice does not apply.*

2.1.1 **Approval of Annual Report**

The Annual Report with the Annual Financial Statements were submitted to the Auditor-General on 4th June 2008.

2.2 *Approval of the Financial Statements*

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

- *the Funds assets are safeguarded, and*
- *transactions are properly authorised and executed; and*
- *the financial records are reliable*

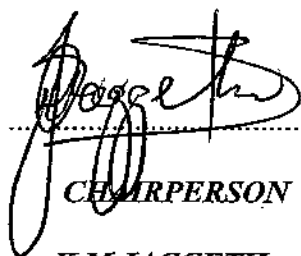
The annual financial statements set out on pages 25 to 47 have been prepared in accordance with:

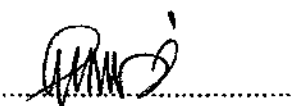
- *generally accepted accounting practice in South Africa; and*
- *the rules / regulations of the Fund; and*
- *the provisions of the Pension Funds Act, 1956.*

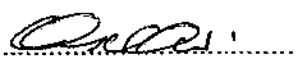
These financial statements have been reported on by the Auditor-General, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Committee of Management have reason to believe that all representations made to the Auditor-General during their audit were valid and appropriate. The Auditor-General's audit report is presented on pages 13 to 14.

These financial statements:

- *were approved by the Committee of Management on 22 August 2008. ; and*
- *are certified by them to the best of their knowledge to be true; and*
- *fairly represent the net assets of the Fund at 31 March 2008 as well as the results of its activities for the period then ended; and*
- *are signed on the Committee of Management's behalf by:*


 CHAIRPERSON
K M JAGGETH


 EMPLOYER
 REPRESENTATIVE
S A MYELASE


 MEMBER
 REPRESENTATIVE
D R MILLAR

3. **STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER FOR
THE YEAR ENDED 31 MARCH 2008**

I confirm that for the year under review the Fund has lodged with the Registrar of Pension Funds all such returns, statements, documents and any other information required in terms of the Pension Funds Act, 1956. During July 2007, Brian Selby Swart resigned as principal officer and Sam Camilleri was appointed.

I have approved and submitted the annual financial statements to Auditor-General on 4th June 2008 for audit purposes and these financial statements and audit reports were finally approved on the 22nd August 2008 by the Committee of Management.



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S. CAMILLERI
PRINCIPAL OFFICER

***REPORT OF THE AUDITOR-GENERAL
ON THE ANNUAL FINANCIAL STATEMENTS
OF THE FUND FOR THE YEAR ENDED
31 MARCH 2008***

**REPORT OF THE AUDITOR-GENERAL TO THE BOARD OF TRUSTEES OF THE
KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND AND THE
REGISTRAR OF PENSION FUNDS ON THE FINANCIAL STATEMENTS OF
KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND FOR THE YEAR
ENDED 31 MARCH 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying annual financial statements of the KwaZulu-Natal Joint Municipal Provident Fund, which comprise the statement of net assets and funds as at 31 March 2008, and the statement of changes in net assets and funds for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the board of trustees' report as set out on pages 15 to 47.

Responsibility of the board of trustees for the financial statements

2. The board of trustees is responsible for the preparation and presentation of these financial statements in accordance with the basis of preparation applicable to retirement funds in South Africa as set out in the notes to the financial statements and in the manner required by the Pension Funds Act, 1956 (Act No. 24 of 1956) (PFA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. 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, the auditor considers internal control relevant to the entity's 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 entity's internal control.

6. An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The entity's policy is to prepare financial statements in accordance with the basis of preparation applicable to retirement funds in South Africa as set out in the notes to the financial statements.

Opinion

9. In my opinion, the financial statements of KwaZulu-Natal Joint Municipal Provident Fund for the year ended 31 March 2008 have been prepared, in all material respects, in accordance with the basis of accounting applicable to retirement funds in South Africa as set out in the notes to the financial statements and in the manner required by the PFA.

OTHER MATTER

Without qualifying my audit opinion, I draw attention to the following matter that relates to the financial statements:

Restriction on use

10. The financial statements are prepared for regulatory purposes in accordance with the basis of preparation indicated above. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

APPRECIATION

11. The assistance rendered by the staff of the KwaZulu-Natal Joint Municipal Provident Fund during the audit is sincerely appreciated.

Pietermaritzburg
Pietermaritzburg

4 August 2008



AUDITOR - GENERAL

5. **REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2008**

The Committee of Management hereby presents its report for the year ended 31 March 2008.

5.1 ***Review of the Year's Activities***

5.1.1 ***Description of Fund***

5.1.1.1 *For the purposes of the prescribed financial statements of the Fund, the Fund is classified as a Provident Fund (defined contribution) in terms of Section 1 of the Income Tax Act, 1962.*

5.1.2 ***Benefits***

5.1.2.1 *The principal benefits and conditions of the Fund are described below. Special conditions apply to certain classes of members and benefits other than those shown may be payable under certain circumstances.*

<i>Pension age</i>	<i>65 years</i>
<i>Earliest retirement age</i>	<i>55 years</i>
<i>Full benefit</i>	<i>Initial transfer plus member's contributions plus employer's contributions for full benefits plus investment earnings and bonuses</i>
<i>Member's portion of full benefit</i>	<i>Initial transfer plus member's contributions plus investment earnings and bonuses</i>
<i>Benefit on retirement after earliest retirement age or pension age</i>	<i>Full benefit</i>
<i>Benefit on retirement because of ill-health</i>	<i>Full benefit</i>
<i>Benefit on death in service</i>	<i>Full benefit plus 0,7% of annual pensionable salary for each month of potential service to a maximum of 2,1 years' salary</i>

Withdrawal

Deferred benefit (only applicable to persons having completed at least ten years' membership who withdraw due to resignation)

Full benefit

A full benefit, increased on an annual basis from the date of exit to date upon which the member attains age 65, by the interest and profits determined by the Committee of Management acting upon the advice of the Actuary

5.1.2.2 The strategy of the Committee of Management relative to unclaimed benefits is to endeavour to trace beneficiaries and thus effect payment of unclaimed benefits.

5.1.2.3 In respect of unclaimed benefits, complete records, as prescribed, have been maintained since the inception of the Fund.

5.1.3 Contributions

5.1.3.1 Members may choose to contribute at a rate of 5%, 7% or 9,25% of their pensionable emoluments in terms of regulation 14(a).

5.1.3.2 Participating employers contribute at a rate of 1,95 times of the rate of members' contributions in terms of regulation 17(1)(b).

5.1.4 Reserves

Provisions are made for investment and risk reserves.

5.1.5 Participating Municipalities

At the end of the year under review there were 65 Municipalities associated with the Fund of which 62 employed members of the Fund.

A list of the aforementioned Municipalities is available for inspection at the registered office of the Fund during normal business hours.

5.1.6 Investment Report

5.1.6.1 General

5.1.6.1.1 Primary Objectives of the Fund

5.1.6.1.1.1 The Fund is a defined Contribution Fund and its primary objective is to maximise the value of retirement benefits of members within defined and acceptable risk parameters.

5.1.6.1.1.2 Members bear the investment risk as benefits payable from the Fund are dependant on the returns earned on the underlying assets.

5.1.6.1.1.3 The broad investment objective is to invest in appropriate asset types with the following objectives:

5.1.6.1.1.3.1 The Domestic Investment Managers are expected to produce a return of at least 2% per annum above the Benchmark net of fees, over rolling three-year periods

5.1.6.1.1.3.2 The International Investment Manager is expected to produce a return of at least 1,5% per annum in excess of the equity component of the Benchmark. On the hedge fund component, the return should be at least equal to the return on the CSFB / Tremont Hedge Fund Index, net of fees, over rolling three-year periods.

5.1.6.1.2 Decision-Making Structure

5.1.6.1.2.1 The Committee, which is responsible for the overall investment of the assets of the Fund, has a primary role to institute and review investment policy, select and monitor managers and custodians of scrip prudently and to ensure conformance to the regulatory standards.

5.1.6.1.2.2 The Committee has appointed Investment Managers to invest the Fund's assets and meet the investment objectives set out in the policy and has also appointed Investment Consultants to report back on performance and ensure manager compliance with the mandate.

5.1.6.1.3 Investment Philosophy of the Fund

5.1.6.1.3.1 The Committee adopts an Aggregate approach in which all members are credited with the same investment returns.

5.1.6.1.3.2 A smoothed bonus approach is adopted whereby returns are credited on a monthly interim basis with a final return declared after the financial review of the Fund is completed by the Actuary.

5.1.6.1.3.3 The Committee recognises that members have different risk profiles and therefore accepts individual member choice in principle, but, before introducing such a facility, will embark on a process of education and consultation with members to ensure that, if applicable, the needs of members are more appropriately accommodated within the Fund.

5.1.6.1.4 *Committee Investment Guidelines*

5.1.6.1.4.1 *The following broad investment guidelines are applied:*

5.1.6.1.4.1.1 *The benchmark asset allocation determined as being appropriate for the total market linked assets of the Fund, which takes cognisance of membership and liability profile, is stated below:*

	Benchmark %	Range %
Domestic Assets		
- Equities	65	55 - 75
- Fixed interest	35	25 - 45
International Assets		
RIG		
- Equities	70	n/a
- Hedge Fund	30	
OR		
- Equities	50	n/a
- Absolute Return Funds	50	

5.1.6.1.4.1.2 *The time horizon of the Fund is regarded as long term*

5.1.6.1.4.1.3 *The Fund is presently not constrained by liquidity considerations*

5.1.6.1.4.1.4 *The Fund does not place any restrictions on the Investment Managers who invest at their own discretion, within the investment guidelines*

5.1.6.1.4.1.5 *Derivatives may not at any time be used for speculative activity but may however be used to enhance the yield from existing assets or to insure a portfolio against a specific risk*

5.1.6.1.4.1.6 *Scip lending is not permitted without Committee of Management approval*

5.1.6.1.4.1.7 *The Investment Manager must at all times adhere to the limits set out in Regulation 28 of the Pension Funds Act*

5.1.6.1.4.1.8 *Due to the Fund's social responsibility, the Committee of Management believes the Fund should be allowed to invest in social products. However, the Fund's primary responsibility is to achieve optimum investment returns with the least risk to members and employers with the result that all investments are evaluated in accordance with this responsibility*

5.1.6.1.4.1.9 *The Committee of Management maintains the offshore exposure within the limits in terms of prevailing legislation*

- 5.1.6.1.4.1.10 Subject to the prior written permission of the Committee of Management, investment into unitized vehicles is permitted provided the investment reflects the Investment Managers's best investment view and there is no up front fee for participation*
- 5.1.6.1.4.1.11 The Investment Managers submit written reports on a quarterly basis to the Committee of Management as well as presenting thereon in rotation on a monthly basis, and must at all times consider the best interest of the Fund in exercising their proxy voting rights on behalf of the Committee of Management.*
- 5.1.6.1.4.1.12 Surplus cash is placed with the Domestic Fund Managers, based on their performance over the previous 12-months, on an ongoing basis. The performance of the Fund Managers is monitored by the Asset Consultants at 6-monthly intervals.*
- 5.1.6.1.5 Investment Performance Measuring*
- 5.1.6.1.5.1 The investment performance of the Fund is assessed against the benchmark on a continual basis by the Asset Consultants who present to the Committee of Management on a bianmual basis.*
- 5.1.6.1.5.2 The asset classes within the benchmark are measured against the appropriate market indices.*
- 5.1.6.1.6 Investment Policy Review*
- 5.1.6.1.6.1 The Investment Policy is reviewed every year. An immediate review will be undertaken should there be any changes in the factors affecting the Fund.*

5.1.6.1.7 Value of Assets under Management

5.1.6.1.7.1 Domestic Assets

MANAGER	VALUE OF ASSETS R	
	2008	2007
ALLAN GRAY	218 901 987.51	200 890 274.03
CORONATION FUND MANAGERS	168 260 297.40	0.00
INVESTEC ASSET MANAGEMENT	0.00	100 890 123.98
PRUDENTIALPORTFOLIO MANAGERS	169 338 980.80	0.00
RMB ASSET MANAGEMENT	0.00	191 155 976.04
KZNIJMPF	6 387 778.65	6 250 000.00
DEUTCHE BANK LIMITED	0.00	0.00
Total value of domestic investments managed	562 889 044.36	499 186 374.05

5.1.6.1.7.2 International Assets

MANAGER	VALUE OF ASSETS R	
	2008	2007
RUSSELL INVESTMENT GROUP	22 709 537.08	20 695 862.34
ORBIS INVESTMENT MANAGEMENT LTD	48 907 297.00	28 801 436.00
Total value of international investments managed	71 616 834.08	49 497 298.34

5.1.6.2 Individual Member Choice

5.1.6.2.1 Refer to paragraph 5.1.6.1.3.3.

5.1.6.3 Unclaimed Benefits

5.1.6.3.1 The original value of unclaimed benefits are guaranteed by the Fund.

5.1.6.4 Surplus Apportionment

5.1.6.4.1 There was no surplus available for distribution at the surplus apportionment date (31 March 2003)

5.1.6.4.2 Future surpluses as may be disclosed are for the account of the members and may be used for any of the purposes set out in Section 15D of the Pension Funds Act, 1956

5.1.7 Membership Statistics

5.1.7.1 Contributing Members

Membership of the Fund increased by 17.21% to a total of 6 688 during the year as reflected hereunder:-

		2008	2007
Membership as at 1 April 2007		5 706	4 480
Admissions		1 632	1 744
<i>Transfer</i>	<i>External</i>	99	3
	<i>Internal</i>	45	52
	<i>Fund</i>	-	5
	<i>Category changes</i>	19	-
<i>Re-admission</i>		1	2
<i>New Members</i>		1 468	1 682
Exits		650	518
<i>Retirement</i>	<i>At pension/optional retirement age</i>	15	23
	<i>Early</i>	18	13
<i>Ill-health</i>	<i>(at least 10 years service)</i>	12	14
	<i>(less than 10 years service)</i>	6	2
<i>Retrenchment</i>	<i>(at least 10 years service)</i>	-	3
	<i>(less than 10 years service)</i>	-	-
<i>Death</i>		124	77
<i>Resignation</i>		288	218
<i>Dismissal</i>		38	37
<i>Transfer</i>	<i>Internal</i>	45	52
	<i>External</i>	38	-
	<i>Normal</i>	1	-
	<i>Fund</i>	-	17
	<i>Category changes</i>	19	-
<i>Deferred Beneficiary</i>		3	1
<i>Other</i>		43	61
Membership as at 31 March 2008		6 688	5 706

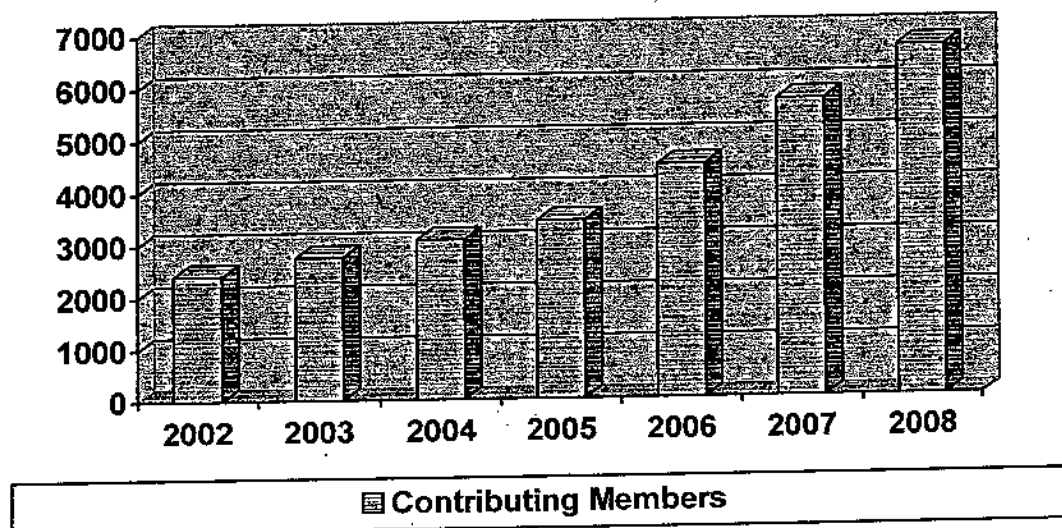
5.1.7.2 Unclaimed Benefits

	Amount R
<i>At beginning of year</i>	258 004.56
<i>Unclaimed benefits received</i>	1 941 492.80
<i>Forfeited to the Fund</i>	810 461.31
<i>Unclaimed benefits paid</i>	1 211 212.20
<i>At end of year</i>	177 823.85

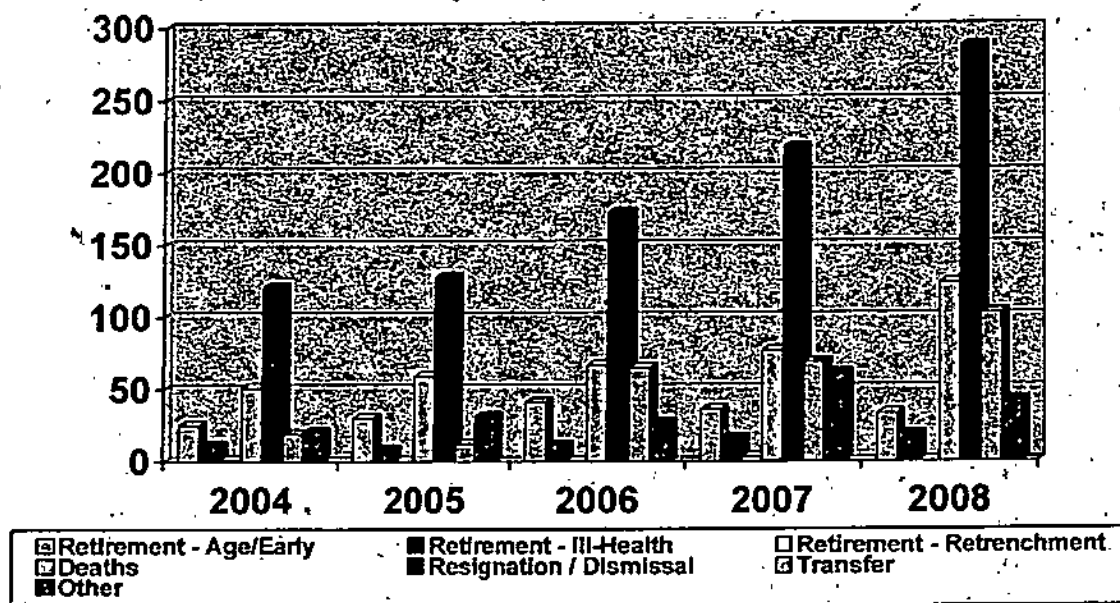
5.1.7.3 Graphic representations

CHANGE IN MEMBERSHIP

Number



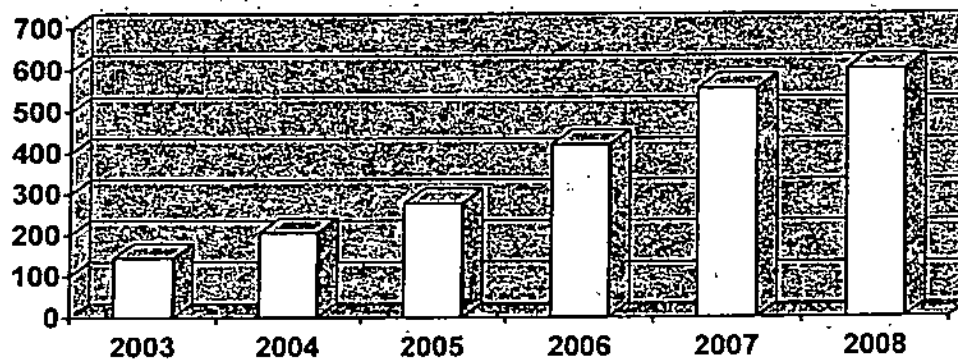
ANALYSIS OF EXIT INFORMATION OF MEMBERS OVER THE LAST FOUR YEARS



Numbers

ACCUMULATED FUNDS

R' Millions



5.1.7.4 Actuarial Reports

Please refer to attached Actuarial reports for the Provident Fund as at 31 March 2008).

5.1.7.5 Collateral Securities

The Fund has, in terms of the provisions of Regulation 7((1)(r), entered into Agreements with certain Financial Institutions so as to enable members to obtain loans from such Institutions for housing purposes as contemplated in Section 19(5) of the Pension Funds Act, 1956. The Fund has, under the Agreements, issued Guarantees totaling R19,0 million to the Financial Institutions in question on behalf of 675 members. The extent of each Guarantee is limited to a percentage of the member's resignation benefit at date of application and the Fund is therefore not at risk.

5.1.7.6 Loans to Members

There are no loans to members.

5.1.7.7 Investment in Participating Employers

There are no investments held in Municipalities which participate in the Fund.

5.1.7.8 Subsequent Events

No other material occurrences affecting the financial position of the Fund have occurred subsequent to the financial year end.

**NATAL JOINT MUNICIPAL PENSION FUND
(PROVIDENT)**

**FOR THE YEAR 01/04/2007 TO 31/03/2008
STATEMENT OF NET ASSETS AND FUNDS**

		Restated	
	NOTES	2008	2007
ASSETS			
NON-CURRENT ASSETS		634,505,878.44	557,887,556.39
PROPERTY PLANT AND EQUIPMENT	1	0.00	0.00
INVESTMENTS (Incl. Investment Properties)	2	634,505,878.44	548,683,672.39
HOUSING FACILITIES	3	0.00	0.00
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
NON-CURRENT ASSET HELD FOR SALE	25	0.00	9,203,884.00
CURRENT ASSETS		27,070,750.76	32,423,162.53
TRANSFERS RECEIVABLE	5	17,692,309.67	5,127,408.72
ACCOUNTS RECEIVABLE	4	1,741,607.10	20,658,281.97
CONTRIBUTIONS RECEIVABLE	12	6,104,814.37	5,726,776.04
CASH AT BANK	24	1,532,019.62	910,695.80
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
TOTAL ASSETS		661,576,629.20	590,310,718.92
FUNDS AND LIABILITIES			
MEMBERS' FUNDS AND SURPLUS ACCOUNT		560,428,633.67	472,878,298.56
MEMBERS' INDIVIDUAL ACCOUNT		560,428,633.67	472,878,298.56
AMOUNTS TO BE ALLOCATED	23	0.00	0.00
MEMBERS SURPLUS ACCOUNT	21	0.00	0.00
RESERVES		44,296,655.46	83,692,599.75
RESERVE ACCOUNTS			
RISK RESERVES	21	11,346,287.00	11,518,810.19
INVESTMENT RESERVES	21	32,950,368.46	72,173,789.56
REVALUATION RESERVE: PROP. PLANT & EQUIP	6	0.00	0.00
TOTAL FUNDS AND RESERVES		604,725,289.13	556,570,898.31
NON-CURRENT LIABILITIES		863,874.19	600,204.56
EMPLOYER SURPLUS ACCOUNTS	21	0.00	0.00
FINANCIAL LIABILITIES	16.1	0.00	0.00
PROVISIONS	16.2	686,050.34	342,200.00
UNCLAIMED BENEFITS	9	177,823.85	258,004.56
CURRENT LIABILITIES		55,987,465.88	33,139,616.05
TRANSFERS PAYABLE	7	11,264,806.71	5,759,322.05
BENEFITS PAYABLE	8	43,351,037.99	26,226,970.22
ACCOUNTS PAYABLE	10	1,487,491.10	1,083,519.78
RETIREMENT FUND TAXATION	11	-115,869.92	69,804.00
TOTAL FUNDS AND LIABILITIES		661,576,629.20	590,310,718.92

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

(REF. NO. 12/8/553/2)

(PROVIDENT)

FOR THE YEAR 01/04/2007 TO 31/03/2008

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

	NOTES	MEMBERS' SHARE ACCOUNT	RISK RESERVE ACCOUNT	INVESTMENT RESERVE ACCOUNT	RESERVE ACCOUNTS TOTAL	CURRENT TOTAL	PREVIOUS YEAR TOTAL
CONTRIBUTIONS RECEIVED AND ACCRUED	12	78,158,888.17	19,577,317.29	0.00	19,577,317.29	97,736,205.46	73,419,252.83
CONTRIBUTIONS TRANSFERRED FROM RESERVE A/C'S	21	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM SURPLUS A/C'S	21	0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS IMPROPERLY UTILISED	22	0.00	0.00	0.00	0.00	0.00	0.00
REINSURANCE PROCEEDS		0.00	0.00	0.00	0.00	0.00	0.00
NET INVESTMENT INCOME	13	0.00	0.00	40,749,026.55	40,749,026.55	40,749,026.55	126,822,860.31
(LESS) ALLOCATED TO UNCLAIMED BENEFITS		0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME		0.00	76,483.98	0.00	76,483.98	76,483.98	202,471.92
LESS:		0.00	4,626,570.16	0.00	4,626,570.16	4,626,570.16	4,390,077.20
REINSURANCE PREMIUMS		0.00	0.00	0.00	0.00	0.00	0.00
ADMINISTRATION COSTS	14	0.00	4,626,570.16	0.00	4,626,570.16	4,626,570.16	3,585,082.69
RETIREMENT FUND TAXATION	11	0.00	0.00	0.00	0.00	0.00	804,994.51
NET INCOME BEFORE BENEFITS AND TRANSFERS		78,158,888.17	15,027,231.11	40,749,026.55	55,776,257.66	133,935,145.83	196,054,507.86
TRANSFERS AND BENEFITS		62,512,412.21	15,199,754.30	8,798,869.10	23,998,623.40	86,511,035.61	61,972,121.58
TRANSFERS FROM OTHER FUNDS	5	11,463,353.02	0.00	1,101,547.93	1,101,547.93	12,564,900.95	970,478.30
TRANSFERS TO OTHER FUNDS	7	7,231,186.53	0.00	1,880,758.82	1,880,758.82	9,111,945.35	2,996,954.20
BENEFITS - CURRENT	8	66,744,578.70	15,199,754.30	8,019,658.21	23,219,412.51	89,963,991.21	59,945,645.68
NET INCOME AFTER BENEFITS AND TRANSFERS	C/F	15,646,475.96	-172,523.19	31,950,157.45	31,777,634.26	47,424,110.22	134,082,386.28

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND
(PROVIDENT)**

FOR THE YEAR 01/04/2007 TO 31/03/2008

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

	NOTES	MEMBERS' SHARE ACCOUNT	RISK RESERVE ACCOUNT	INVESTMENT RESERVE ACCOUNT	RESERVE ACCOUNTS TOTAL	TOTAL CURRENT PERIOD	PREVIOUS YEAR TOTAL
NET INCOME AFTER BENEFITS AND TRANSFERS	BIF	15,646,475.96	-172,523.19	31,950,157.45	31,777,634.26	47,424,110.22	134,082,386.28
FUNDS AND RESERVES		544,782,157.71	11,518,810.19	1,000,211.01	12,519,021.20	557,301,178.91	422,488,512.03
BALANCE AT BEGINNING OF PERIOD		472,878,298.56	11,518,810.19	72,904,070.16	84,422,880.35	557,301,178.91	422,488,512.03
OPENING BALANCE		472,878,298.56	11,518,810.19	72,173,789.56	83,692,599.75	556,570,898.91	420,254,308.06
PRIOR-YEAR ADJUSTMENTS		0.00	0.00	0.00	0.00	0.00	0.00
OTHER	9	0.00	0.00	730,280.60	730,280.60	730,280.60	2,234,203.97
TRANSFER BETWEEN RESERVE ACCOUNTS	21	0.00	0.00	0.00	0.00	0.00	0.00
INVESTMENT INCOME ALLOCATED	21	71,903,859.15	0.00	-71,903,859.15	-71,903,859.15	0.00	0.00
CURRENT MEMBERS		71,903,859.15	0.00	-71,903,859.15	-71,903,859.15	0.00	0.00
FORMER MEMBERS		0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS AND RESERVE ACCOUNTS	21	0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS APPORTIONMENT	21	0.00	0.00	0.00	0.00	0.00	0.00
REVALUATION SURPLUS: PROP, PLANT & EQUIPMENT	6	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS		0.00	0.00	0.00	0.00	0.00	0.00
EMPLOYER SURPLUS ACCOUNT		0.00	0.00	0.00	0.00	0.00	0.00
MEMBER SURPLUS ACCOUNT		0.00	0.00	0.00	0.00	0.00	0.00
ALLOCATION TO/FROM SURPLUS ACCOUNTS		0.00	0.00	0.00	0.00	0.00	0.00
BENEFITS TO FORMER MEMBERS		0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS TRANSFERS PAYMENTS		0.00	0.00	0.00	0.00	0.00	0.00
BENEFITS ENHANCEMENTS - OTHER		0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS TRANSFERS RECEIVED		0.00	0.00	0.00	0.00	0.00	0.00
BALANCE AT END OF PERIOD		560,428,633.67	11,346,287.00	32,950,368.46	44,296,653.46	604,725,289.13	556,570,898.31

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the Fund, which are consistent with those of the previous year.

Basis of preparation

The financial statements are prepared for regulatory purposes in accordance with the Regulations to the Pension Funds Act. The Regulations require the basis of accounting applied by the pension funds comprise of general adherence to Generally Accepted Accounting Practice as applied to retirement funds in South Africa, except for the following requirements applicable to the

- Disclosure of cash flow information*
- Disclosure of prior year adjustments*
- Presentation of consolidated financial statements in which investments in subsidiaries are consolidated in accordance with the standard on consolidated and separate financial statements.*

The financial statements are prepared on the historical cost and going concern basis, modified by the valuation of financial instruments and investment properties to fair value, and the revaluation of property, plant and equipment to market value.

Property, plant and equipment

All property and equipment is initially recorded at cost. Land and buildings are subsequently shown at market value, based on annual valuations by external independent valuers.

- Decreases that offset previous increases of the same asset are charged to the income statement.*
- Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised).*
- Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the net surplus or deficit.*
- Maintenance and repairs, which neither materially add to the value of assets nor appreciably prolong their useful lives, are charged against income.*

Financial instruments

- ***Measurement***

- *Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables and trade creditors.*
- *Financial instruments are initially measured at cost as of trade date, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.*

- ***Investments***

Held to maturity investments are measured at amortised cost using effective interest rates. Available for sale and held for trading investments are measured at fair value. The fair value of marketable securities is calculated by reference to the applicable Stock Exchange quoted selling prices at the close of business on the statement of funds and net assets date. Units in unit trusts are valued at the repurchase price.

Investment property

- *Investment properties are held to earn rental income and appreciate capital value.*
- *Investment properties are accounted for at fair market value determined annually by an external independent professional valuer. Fair value adjustments are included in the net surplus or deficit for the period. Investment properties are not subject to depreciation.*

Accounts receivable

Accounts receivable originated by the Fund are stated at cost.

Cash and cash equivalent

Cash and cash equivalents are measured at fair value.

Accounts payable

Accounts payable are recognised at cost, namely original debt less principal payments.

Provisions

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

Contributions

Contributions are brought to account on the accrual basis.

Dividend income, interest and rentals

- Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the fund
- Dividends are recognised when entitlement to revenue is established
- Rental income is recognised on a straight-line basis over the lease term.
- Gains and losses on subsequent measurement

Gains and losses on subsequent measurement to fair value of investments and of all other financial instruments are recognised in the net investment income during the period in which the change arises.

Transfers to and from the Fund

Section 14 transfers to or from the Fund are recognised on approval being granted by the Financial Services Board. Individual transfers are recognised when the individual member's transfer is received or paid.

Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation.

Foreign transactions policy

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency which is SA Rands, (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

1. PROPERTY, PLANT AND EQUIPMENT

1.1 CURRENT YEAR

	COMPUTER EQUIPMENT AND SOFTWARE	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
<i>AT 01/04/2007</i>				
<i>GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD</i>	0.00	0.00	0.00	0.00
<i>ADDITIONS</i>	0.00	0.00	0.00	0.00
<i>DISPOSALS</i>	0.00	0.00	0.00	0.00
<i>REVALUATION RESERVE</i>	0.00	0.00	0.00	0.00
<i>OTHER MOVEMENTS</i>	0.00	0.00	0.00	0.00
<i>AT 31/03/2008</i>	0.00	0.00	0.00	0.00
<i>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</i>				
<i>AT 01/04/2007</i>				
<i>DEPRECIATION CHARGES</i>	0.00	0.00	0.00	0.00
<i>ACCUMULATED DEPRECIATION ON DISPOSALS</i>	0.00	0.00	0.00	0.00
<i>IMPAIRMENT WRITE DOWN</i>	0.00	0.00	0.00	0.00
<i>OTHER MOVEMENTS</i>	0.00	0.00	0.00	0.00
<i>NET CARRYING AMOUNT 31/03/2008</i>	0.00	0.00	0.00	0.00

1.2 PREVIOUS YEAR

	COMPUTER EQUIPMENT AND SOFTWARE	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
<i>AT 01/04/2006</i>				
<i>GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD</i>	0.00	0.00	0.00	0.00
<i>ADDITIONS</i>	0.00	0.00	0.00	0.00
<i>DISPOSALS</i>	0.00	0.00	0.00	0.00
<i>REVALUATION RESERVE</i>	0.00	0.00	0.00	0.00
<i>OTHER MOVEMENTS</i>	0.00	0.00	0.00	0.00
<i>AT 31/03/2007</i>	0.00	0.00	0.00	0.00
<i>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</i>				
<i>AT 01/04/2006</i>				
<i>DEPRECIATION CHARGES</i>	0.00	0.00	0.00	0.00
<i>ACCUMULATED DEPRECIATION ON DISPOSALS</i>	0.00	0.00	0.00	0.00
<i>IMPAIRMENT WRITE DOWN</i>	0.00	0.00	0.00	0.00
<i>OTHER MOVEMENTS</i>	0.00	0.00	0.00	0.00
<i>NET CARRYING AMOUNT 31/03/2007</i>	0.00	0.00	0.00	0.00

2. INVESTMENTS

(IAS39 - At fair value through statement of changes in net assets and funds)

A - Held for trading - Fair Value

2.1 INVESTMENT PROPERTIES

[illegible]

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

3. HOUSING

3.1 GUARANTEE FOR HOUSING FACILITIES

- The fund has granted guarantees to First National, Standard and Ithala Banks for loans granted to members.
- The amount of the guarantee may not exceed 50% of the cash benefit that a member would receive if he or she had to terminate membership to the fund voluntarily.

4. ACCOUNTS RECEIVABLE

	Restated	
	2008	2007
<i>ACCRUED INTEREST /DIVIDENDS</i>	0.00	20,570,582.87
<i>ADMINISTRATION</i>	0.00	0.00
<i>CONTRIBUTIONS</i>	0.00	0.00
<i>FUND MANAGERS</i>	1,523,572.88	0.00
<i>INTEREST</i>	118,421.89	0.00
<i>K.Z.N.M.P.F.</i>	0.00	0.00
<i>PENALTY INTEREST DUE</i>	25,305.60	19,090.31
<i>PENSION REFUNDS - RETRENCHMENT'S</i>	0.00	0.00
<i>PENSIONS - REFUNDS OF OVER PAYMENTS</i>	0.00	536.85
<i>PREPAID FUND MANAGERS FEES</i>	0.00	0.00
<i>PROPERTY AND ALLIED</i>	0.00	0.00
<i>SERVICE DEBTORS</i>	74,306.73	68,071.94
<i>STAFF VEHICLE LOANS</i>	0.00	0.00
<i>SUBSISTENCE AND TRAVELLING</i>	0.00	0.00
<i>TRANSFERS INWARD</i>	0.00	0.00
TOTAL	1,741,607.10	20,658,281.97

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

5. TRANSFERS FROM OTHER FUNDS

	EFFECT. DATE	NO. OF MEMBERS	APPLIED FOR NOT APPROVED	AT BEGINNING OF PERIOD	AMOUNTS RAISED AT END OF PERIOD	RETURN ON TRANSFERS	ASSETS TRANSFERRED	AT END OF PERIOD
IN TERMS OF SECTION 14								
NJMPF (R)	Apr-07	89	8,433,969.43	4,424,793.16	8,383,336.04	431,071.86	0.00	13,239,201.06
NJMPF (S)	Mar-08	25	4,139,385.91	702,615.56	3,623,326.93	127,166.12	0.00	4,453,108.61
OTHER				0.00	0.00	0.00	0.00	0.00
IN TERMS OF SECTION 15B								
TOTAL		114	12,573,355.34	5,127,408.72	12,006,662.97	558,237.98	0.00	17,692,309.67

6. REVALUATION RESERVE - PROPERTY, PLANT AND EQUIPMENT

	Current period	Previous Period
	0.00	0.00
AT BEGINNING OF PERIOD	0.00	0.00
REVALUATION	0.00	0.00
IMPAIRMENTS	0.00	0.00
TRANSFER TO STATEMENT OF CHANGES IN NET ASSETS AND FUNDS	0.00	0.00
AT END OF PERIOD	0.00	0.00

7. TRANSFERS TO OTHER FUNDS

	EFFECT. DATE	NO. OF MEMBERS	APPLIED FOR NOT APPROVED	AT BEGINNING OF PERIOD	AMOUNTS RAISED AT END OF PERIOD	RETURN ON TRANSFERS	ASSETS TRANSFERRED	AT END OF PERIOD
IN TERMS OF SECTION 14								
NJMPF (R)	Apr-07	1	84,521.88	1.13	84,521.88	2,966.42	0.00	87,489.43
NJMPF (S)	Mar-08	39	7,146,664.65	5,759,320.92	7,841,033.31	1,183,423.74	3,606,460.69	11,177,317.28
OTHER		0	0.00	0.00	0.00	0.00	0.00	0.00
IN TERMS OF SECTION 15B								
TOTAL		40	7,231,186.53	5,759,322.05	7,925,555.19	1,186,390.16	3,606,460.69	11,264,806.71

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

8. BENEFITS
8.1 BENEFITS - CURRENT MEMBERS

	A	B	C	D	E	A+B+C+D+E
	AT BEGINNING OF PERIOD	BENEFITS FOR CURRENT PERIOD	RETURN ALLOCATED	PAYMENTS	TREID TO UNCLAIMED BENEFITS	AT END OF PERIOD
MONTHLY PENSION	0.00	0.00	0.00	0.00	0.00	0.00
LUMP SUM ON RETIREMENT	6,986,282.55	26,469,488.32	827,145.46	26,447,787.84	0.00	7,835,128.49
- FULL BENEFIT	6,986,282.55	26,469,488.32	827,145.46	26,447,787.84	0.00	7,835,128.49
- PENSIONS COMPLETED	0.00	0.00	0.00	0.00	0.00	0.00
LUMP SUM BEFORE RETIREMENT	19,240,687.67	60,219,894.05	2,447,463.38	45,661,835.00	730,280.60	35,515,909.50
- DISABILITY BENEFITS PAID BY THE FUND	0.00	0.00	0.00	0.00	0.00	0.00
- DEATH BENEFITS	14,340,774.43	13,361,068.98	1,403,502.33	1,178,916.03	440,274.26	27,486,155.45
- WITHDRAWALS 10 YEARS OR MORE	4,728,146.07	32,696,757.57	1,026,735.73	30,469,447.16	0.00	7,982,192.21
- WITHDRAWALS < 10 YEARS	171,767.17	14,162,067.50	17,225.32	14,013,491.81	290,006.34	47,561.84
- RETIREMENTS	0.00	0.00	0.00	0.00	0.00	0.00
DEFAULTS - HOUSING FACILITIES	0.00	0.00	0.00	0.00	0.00	0.00
OTHER	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL (7.1)	26,226,970.22	86,689,382.37	3,274,608.84	72,109,642.84	730,280.60	43,351,037.99

BENEFITS FOR CURRENT PERIOD (B)

86,689,382.37

RETURN ALLOCATED (C) TO INVESTMENT INCOME

3,274,608.84

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

89,963,991.21

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

9 UNCLAIMED BENEFITS

	2008	2007
<i>BALANCE AT BEGINNING OF PERIOD</i>	258,004.56	132,007.21
<i>TRANSFERRED FROM BENEFITS PAYABLE</i>	1,941,492.80	2,846,162.10
<i>INVESTMENT INCOME ALLOCATED</i>	0.00	0.00
<i>LESS:</i>	2,021,673.51	2,720,164.75
<i>TRACING EXPENSES</i>	0.00	0.00
<i>ADMINISTRATION EXPENSES</i>	0.00	0.00
<i>FORFEITED TO THE FUND</i>	810,461.31	2,108,206.62
<i>BENEFITS PAID</i>	1,211,212.20	611,958.13
<i>BALANCE AT END OF PERIOD</i>	177,823.85	258,004.56

10. ACCOUNTS PAYABLE

	2008	2007
<i>ACTUARY'S FEES</i>	0.00	0.00
<i>ADMINISTRATION</i>	0.00	0.00
<i>BENEFITS BY INSTALMENTS</i>	0.00	0.00
<i>CONTRIBUTIONS DUE FOR REFUND</i>	157,161.18	249,884.12
<i>FUND MANAGERS</i>	0.00	0.00
<i>INTEREST / DIVIDENDS</i>	14,165.35	14,165.35
<i>INTERNAL AUDIT</i>	0.00	0.00
<i>ADMIN EXPENSES AS PER MEMBERS RATIO</i>	1,349,054.34	609,941.82
<i>OPERATING EXPENSES</i>	0.00	225,940.91
<i>PROPERTY & ALLIED</i>	0.00	15,444.06
<i>SUBSISTENCE AND TRAVEL</i>	0.00	0.00
<i>SURPLUS SCRIP</i>	0.00	0.00
<i>VAT</i>	-32,889.77	-31,856.48
<i>TOTAL</i>	1,487,491.10	1,083,519.78

11. RETIREMENT FUND TAXATION

	2008	2007
<i>TAXABLE INCOME</i>	0.00	10,337,776.00
<i>LESS: FORMULA REDUCTION</i>	0.00	0.00
<i>RETIREMENT FUND TAXABLE AMOUNT</i>	0.00	10,337,776.00
<i>RETIREMENT FUND TAXATION AT RELEVANT RATE</i>	0.00	930,400.00
<i>AT BEGINNING OF PERIOD</i>	69,804.00	339,858.00
<i>RET. FUND TAXATION - CURRENT</i>	0.00	930,400.00
<i>RET. FUND TAXATION - PRIOR YEAR UNDERPROVISION</i>	0.00	-166,256.00
<i>LESS RETIREMENT FUND TAXATION PAID</i>	185,673.92	1,034,198.00
<i>AT END OF PERIOD</i>	-115,869.92	69,804.00

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

12. CONTRIBUTIONS

	A	B	C	D	A+B+C-D
	AT BEGINNING OF PERIOD	CONTRIBUTIONS TOWARDS RETIREMENT	TOWARDS RE- INSURANCE AND EXPENSES	CONTRIBUTIONS RECEIVED	AT END OF PERIOD
MEMBERS CONTRIBUTIONS - RECEIVED AND ACCRUED	2,300,347.77	33,130,906.65	0.00	33,381,145.04	2,050,109.38
EMPLOYER CONTRIBUTIONS - RECEIVED AND ACCRUED	2,419,487.46	45,027,981.52	0.00	44,590,717.80	2,856,751.18
EMPLOYER CONTR. - RECEIVED AND ACCRUED - RISK RESERVE	1,006,940.81	19,577,317.29	0.00	19,386,304.29	1,197,953.81
ADDITIONAL CONTRIBUTION IN RESPECT OF ACTUARIAL SHORTFALL - MEMBERS	0.00	0.00	0.00	0.00	0.00
ADDITIONAL CONTRIBUTION IN RESPECT OF ACTUARIAL SHORTFALL - EMPLOYER	0.00	0.00	0.00	0.00	0.00
ADDITIONAL CONTRIBUTION - INCREASES	0.00	0.00	0.00	0.00	0.00
ADDITIONAL VOLUNTARY CONTRIBUTION - EMPLOYERS	0.00	0.00	0.00	0.00	0.00
ADDITIONAL VOLUNTARY CONTRIBUTION - MEMBERS	0.00	0.00	0.00	0.00	0.00
TOTAL	5,726,776.04	97,736,205.46	0.00	97,358,167.13	6,104,814.37

TOWARDS RETIREMENT

97,736,205.46

TOWARD RE-INSURANCE AND EXPENSES

0.00

STATEMENT OF CHANGES IN NET ASSETS AND
FUNDS

97,736,205.46

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

13. NET INVESTMENT INCOME

	2008	2007
<i>INCOME FROM INVESTMENT PROPERTY AND INVESTMENTS</i>	14,963,465.99	22,409,296.16
DIVIDENDS	9,607,716.92	10,275,928.67
INTEREST	5,048,807.95	11,414,919.52
RENTALS	306,941.12	718,447.97
COLLECTIVE INVESTMENT SCHEMES DISTRIBUTION	0.00	0.00
MARKET RELATED INSURANCE POLICIES	0.00	0.00
<i>INTEREST ON LATE PAYMENT OF CONTRIBUTIONS</i>	16,350.05	8,463.52
<i>INTEREST LEVIED ON SURPLUS IMPROPERLY USED</i>	0.00	0.00
<i>ADJUSTMENT TO FAIR VALUE</i>	29,473,928.56	106,754,702.96
PROFIT /LOSS ON SALES OF INVESTMENTS	54,920,864.12	53,086,339.37
INVESTMENTS WRITTEN UP/DOWN	-25,446,935.56	53,668,363.59
ADJUSTMENTS	0.00	0.00
<i>SUB TOTAL</i>	44,453,744.60	129,172,462.64
<i>LESS:</i>	3,704,718.05	2,349,602.33
COST INCURRED IN MANAGING INVESTMENTS	3,704,718.05	2,349,602.33
INTEREST PAID ON BORROWINGS	0.00	0.00
<i>TOTAL</i>	40,749,026.55	126,822,860.31

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

14. ADMINISTRATION COSTS

	Note	2008	2007
<i>ACTUARY'S FEES</i>		530,815.56	282,056.00
<i>ADMINISTRATION FEES</i>		859,252.36	954,108.55
<i>AMOUNTS WRITTEN OFF</i>		0.00	0.00
<i>AUDIT FEES</i>		342,992.84	241,098.64
<i>AUDIT SERVICES</i>		342,992.84	241,098.64
<i>AUDIT EXPENSES</i>		0.00	0.00
<i>OTHER</i>		0.00	0.00
<i>CONSULTANCY FEES</i>		273,151.31	330,069.63
<i>DEPRECIATION - AT COST</i>		0.00	0.00
<i>FEES TO BOARD MEMBERS</i>	14.1	224,009.65	235,742.95
<i>LEVIES (FINANCIAL SERVICES BOARD)</i>		42,218.04	29,806.80
<i>OFFICE EXPENSES</i>		408,006.49	266,553.64
<i>OPERATING LEASE PAYMENTS</i>		204,707.60	163,041.13
<i>TAX & VAT ADJUSTMENTS - LAKE SIDE MALL</i>		0.00	0.00
<i>STAFF COSTS & PRINCIPAL OFFICERS EXPENSES</i>	14.2	1,741,416.31	1,082,605.35
TOTAL		4,626,570.16	3,585,082.69

14.1 FEES PAYABLE TO BOARD MEMBERS

	2008	2007
<i>REIMBURSIVE MEETING ALLOWANCE</i>	224,009.65	235,742.95
TOTAL	224,009.65	235,742.95

14.2. STAFF COSTS - INCLUDING PRINCIPAL OFFICER 14.2.1

	2008	2007
<i>SALARIES</i>	1,418,855.31	804,410.70
<i>EMPLOYER CONTRIBUTIONS TO RETIREMENT FUNDS</i>	164,445.35	128,940.97
<i>OTHER</i>	158,115.65	149,253.68
TOTAL	1,741,416.31	1,082,605.35

14.2.1 PRINCIPAL OFFICER REMUNERATION

	2008	2007
<i>SALARIES</i>	227,038.83	91,990.57
<i>RETIREMENT FUND CONTRIBUTION</i>	8,458.71	16,558.32
<i>OTHER PAYMENTS</i>	78,328.60	22,302.87
TOTAL	313,826.14	130,851.76

15. ***Prior Year Adjustments***

Please refer to Principal Accounting Policies – Basis of Preparation.

16. ***Financial liabilities and provisions***

16.1 ***Financial Liabilities***

<i>2008</i>	<i>2007</i>
<i>0.00</i>	<i>0.00</i>

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

16.2 PROVISIONS

	2008	2007
<i>ACTUARY'S FEES</i>	301,748.88	0.00
<i>ACCUMULATED LEAVE</i>	202,166.57	255,200.00
<i>STAFF SPECIAL BONUS</i>	25,026.77	0.00
<i>AUDIT FEES</i>	157,108.12	87,000.00
<i>BAD & DOUBTFUL DEBT</i>	0.00	0.00
<i>PROPERTY & ALLIED</i>	0.00	0.00
<i>PRESCRIBED MINIMUM BENEFITS</i>	0.00	0.00
<i>VAT - LAKE SIDE MALL</i>	0.00	0.00
<i>TOTAL</i>	686,050.34	342,200.00

16.3 Accounting for leases

Leases of property, plant and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term payables. The interest element is charged to the income statement over the lease period. The property, plant and equipment acquired under a finance lease contract is depreciated over the useful life of the asset.

Lease charges for property, plant and equipment classified as operating leases are recognized in the income statement over the period of the lease, not exceeding 5 years.

17. Financial instruments

- **Solvency risk**

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the funds contractual obligations to members. Continuous monitoring by the Committee of Management of the Fund's actuary takes place to ensure that appropriate assets are held where the funds obligation to members are dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

- **Legal risk**

Legal risk is the risk that the Fund will be exposed to contractual obligations which have not been provided for. Legal representatives of the Fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

- **Credit risk**

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation, and cause the Fund to incur a financial loss.

The Board monitors receivable balances on an ongoing basis with the result that the Fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

- **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The Fund's exposure to currency risk is in respect of foreign investments made on behalf of members of the Fund for the purpose of seeking desirable international diversification of investments. The Committee of Management monitors this aspect of the Fund's investments and limits it to 15% of total assets.

- **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Fund's liabilities are backed by appropriate assets and it has significant liquid resources.

- **Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates.

- **Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximising the Fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

18. Promised Retirement Benefits

The actuarial present value of promised retirement benefits, distinguishing between vested benefits and non-vested benefits, is set out in the report of the valuator.

19. Related Party Transactions

There are no related party transactions for the financial year ended 31 March 2008.

20. Operating Lease Commitments

	2008	2007
<i>Future minimum operating lease payments</i>		
<i>Within one year</i>	272 170	319 329
<i>Between one and five years</i>	712 978	1 366 443
Total	985 148	1 685 772

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

21 SURPLUS AND RESERVE ACCOUNTS

	MEMBER / PENSIONER SURPLUS ACCOUNT	EMPLOYER SURPLUS ACCOUNT	RESERVE ACCOUNTS	EMPLOYER PROTECTION RESERVE	CONTINGENCY RESERVE	INVESTMENT RESERVE	RISK RESERVE	PENSIONER RESERVE	OTHER RESERVES
AT BEGINNING OF PERIOD	0.00	0.00	84,422,880.35	0.00	0.00	72,904,070.16	11,518,810.19	0.00	0.00
ALLOCATION TO/FROM SURPLUS ACCOUNTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EMPLOYER SURPLUS APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MEMBER SURPLUS APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BENEFIT ENHANCEMENT - CURRENT MEMBERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS RECEIVED AND ACCRUED	0.00	0.00	19,577,317.29	0.00	0.00	0.00	19,577,317.29	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM RESERVE A/C'S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM SURPLUS A/C'S	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SURPLUS IMPROPERLY UTILISED	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
REINSURANCE PROCEEDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INVESTMENT INCOME	0.00	0.00	40,749,026.55	0.00	0.00	40,749,026.55	0.00	0.00	0.00
(LESS) ALLOCATED TO UNCLAIMED BENEFITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER INCOME	0.00	0.00	76,483.98	0.00	0.00	0.00	76,483.98	0.00	0.00
LESS:	0.00	0.00	4,626,570.16	0.00	0.00	0.00	4,626,570.16	0.00	0.00
REINSURANCE PREMIUMS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADMINISTRATION COSTS	0.00	0.00	4,626,570.16	0.00	0.00	0.00	4,626,570.16	0.00	0.00
RETIREMENT FUND TAXATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME BEFORE BENEFITS AND TRANSFERS	0.00	0.00	140,199,138.01	0.00	0.00	113,653,096.71	26,546,041.30	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

21 SURPLUS AND RESERVE ACCOUNTS C/F

	MEMBER / PENSIONER SURPLUS ACCOUNT	EMPLOYER SURPLUS ACCOUNT	RESERVE ACCOUNTS	EMPLOYER PROTECTION RESERVE	CONTINGENCY RESERVE	INVESTMENT RESERVE	RISK RESERVE	PENSIONER RESERVE	OTHER RESERVES
NET INCOME BEFORE BENEFITS AND TRANSFERS	0.00	0.00	140,199,138.01	0.00	0.00	113,653,096.71	26,546,041.30	0.00	0.00
TRANSFERS AND BENEFITS	0.00	0.00	23,998,623.40	0.00	0.00	8,798,869.10	15,199,754.30	0.00	0.00
TRANSFERS FROM OTHER FUNDS	0.00	0.00	1,101,547.93	0.00	0.00	1,101,547.93	0.00	0.00	0.00
TRANSFERS TO OTHER FUNDS	0.00	0.00	1,880,758.82	0.00	0.00	1,880,758.82	0.00	0.00	0.00
BENEFITS - CURRENT	0.00	0.00	23,219,412.51	0.00	0.00	8,019,658.21	15,199,754.30	0.00	0.00
NET INCOME AFTER BENEFITS AND TRANSFERS	0.00	0.00	116,200,514.61	0.00	0.00	104,854,227.61	11,346,287.00	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS	0.00	0.00	-71,903,859.15	0.00	0.00	-71,903,859.15	0.00	0.00	0.00
NET INVESTMENT RETURN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BENEFIT ENHANCEMENT - PENSIONERS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTION HOLIDAY - AFTER SURPLUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTION HOLIDAY - BEFORE SURPLUS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BALANCE AT END OF PERIOD	0.00	0.00	44,296,655.46	0.00	0.00	32,950,368.46	11,346,287.00	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS KZNMPF PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

22 SURPLUS IMPROPERLY UTILISED RECEIVABLE

	2008	2007
OPENING BALANCE		
AMOUNT PAYABLE BY EMPLOYER	0.00	0.00
INTEREST RAISED	0.00	0.00
LESS	0.00	0.00
PAYMENTS RECEIVED	0.00	0.00
SETTLEMENT FROM EMPLOYER SURPLUS A/C		
OTHER	0.00	0.00
	0.00	0.00
TOTAL AMOUNT RECEIVABLE		
DISCLOSED AS:		
NON-CURRENT PORTION	0.00	0.00
CURRENT PORTION	0.00	0.00

23 AMOUNTS TO BE ALLOCATED

	2008	2007
SURPLUS TO BE APPORTIONED		
INVESTMENT RETURN TO BE ALLOCATED	0.00	0.00
OTHER	0.00	0.00
	0.00	0.00
TOTAL AMOUNTS TO BE ALLOCATED	0.00	0.00

24 CASH AT BANK

	2008
CASH AT BANK	1,532,019.62
UNPRESENTED CHEQUES	2,444,292.42
BALANCE AS PER BANK STATEMENT	3,976,312.04

NOTES TO THE FINANCIAL STATEMENTS KZNMP PROVIDENT FUND - CONTINUED
FOR THE YEAR 01/04/2007 TO 31/03/2008

15 NON-CURRENT ASSETS HELD FOR SALE

During the previous financial year two separate sale agreements were entered into between the fund and the two existing co-owners of the Lakeside Mall in terms of which the two existing co-owners agreed the fund's interest in the Lakeside Mall. The sale agreement stipulates that the risks and rewards of ownership will only transfer on registration of the property in the purchasers' names. As at the 31st March 2007, registration of the property in the purchasers' names had not occurred and the property is therefore disclosed as a non-current asset held for sale.

During the current financial year the property was registered with the deeds office under the new owners.

Assets classified as held for sale	2008	2007
Investment properties	0.00	9,203,884.00

16 RESTATEMENT OF PRIOR YEAR FIGURES

The 2007 figures were restated due to the investment property, to account for the correct classification of the above transaction.