

ANNUAL REPORT - 2009



NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT)

31 MARCH 2009

ANNUAL REPORT

NAME OF RETIREMENT FUND : Natal Joint Municipal Pension Fund
(Retirement)

**FINANCIAL SERVICES BOARD
REGISTRATION NUMBER** : 12/8/6676/2

**SOUTH AFRICAN REVENUE
SERVICES APPROVAL NUMBER** : 5538 699 843

FOR THE PERIOD : 1 April 2008 to 31 March 2009

CONTENTS

Schedule	ITEM	Schedule	ITEM
Regulatory Information	1	Statement of changes in net assets and funds	6 Annexure B
Statement of responsibility by the Committee of Management	2	Notes to the financial statements	6 Annexure B
Statement of responsibility by the Principal Officer	3	Report by the independent auditors to the Registrar of Pension Funds on factual findings	7 Annexure C
Report of the auditor general	4 Annexure A	Assets held in compliance with Regulation 28	8 Annexure D
Report of the Committee of Management	5	Schedule IA pertaining to annual financial statements	8 Annexure D
Statement of net assets and Funds	6 Annexure B	Assurance report of the independent auditors to the Registrar of Pension Funds	9 Annexure E
		Report of the valuator	10 Annexure F

ANNUAL GENERAL MEETING

The **ANNUAL GENERAL MEETING** of the General Committee of the Fund will be held at the Sinodale Centre, Pietermaritzburg, on Friday 5 February 2010. 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.

KEY PERFORMANCE OBJECTIVES

KEY PERFORMANCE OBJECTIVES FOR THE FINANCIAL YEAR ENDING 31 MARCH 2009				
GOAL	KEY PERFORMANCE INDICATOR	TARGET	PERFORMANCE RESULTS	REASON FOR VARIANCE
To Identify a new IT Platform for both Benefit and finance	The appointment of an appropriate service provider	31/03/2009	Achieved E.B. Spheres was appointed.	N/A
Implementation of PF 130.	<ul style="list-style-type: none"> - Risk Management Policy - Performance Appraisal Policy - Code of Conduct Policy - Communication Policy Statement - Investment Policies for three funds 	31/03/2009	All approved by Committee of Management. Amendments to Regulations approved by General committee at AGM.	N/A
Archiving	-	31/03/2009	All documentation: Pensions Contributions Widows, Estate and Beneficiaries. Are being successfully converted into our new electronic archiving system.	N/A

The Long Term Investment Objectives of the Funds as approved by the Committee of Management are:

- To achieve a long-term real return of at least CPI plus 4.5% net of investment fees over rolling five-year periods. This long term real rate of return is, in the COM considered opinion, the minimum required.
- In addition, the manager is expected to add returns of 2% a year in excess of that achieved from the passive benchmark portfolio, measured over rolling 5 year periods

PERFORMANCE RESULTS

Year	CPI +4.5%	Superannuation Fund % Return	Retirement Fund % Return	Provident Fund % Return
5 years to 31 st March 2009	10,9%	15,0	15,6	17,5

Year	Superannuation Fund % Return	Benchmark <u>+ 2%</u>	Retirement Fund % Return	Benchmark <u>+ 2%</u>	Provident Fund % Return	Benchmark <u>+ 2%</u>
5 years to 31 st March 2009	15,0	13,8	15,6	14,1	17,5	15,9

Source: Alexander Forbes

The Fund has achieved the investment objective for all the three Funds

19th October 2009

PIETERMARITZBURG



MR. S. CAMILLERE
PRINCIPAL OFFICER

SCHEDULE - A

Item 1

The following Annual Report and Financial Statements for the year ended 31 March 2009 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.

REGULATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2009

FUND'S REGISTERED OFFICE (the Fund is a self-administered Fund)

Postal Address:	Physical Address:
P.O. Box 890 Pietermaritzburg 3200	2 nd Floor Timpen 17 Timber Street Pietermaritzburg 3201

FINANCIAL REPORTING PERIODS

Current Period:	Previous Period:
1 April 2008 to 31 March 2009	1 April 2007 to 31 March 2008

RESPONSIBLE PERSON IN TERMS OF SECTION 8 OF THE PENSION FUNDS ACT, 1956

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

BOARD OF TRUSTEES

Employer Representatives

Full Name	Date Appointed	Date Resigned
Cllr. Buthelezi Lazarus Duduzile	02.03.2001	20.07.2007
Cllr. Mrs Madlopha Celiwe Qhamkile	24.03.2006	-
Cllr. Mrs. Msibi Veronica Zanele	02.03.2001	-
Cllr. Mrs. Msibi Beauty Duduzile	24.03.2006	08.02.2008
Cllr. Mrs. Moolman Elsie Johanna	08.02.2008	16.10.2008
Cllr. Mvelase Siphos Andrias	23.03.2001	-
Cllr. Palmage Earl Andrew	23.07.2007	-

Member Representatives

Full Name	Date Appointed	Date Resigned
Mr. Mokoena Billy Sible	24.11.2006	24.11.2007
Mrs. Doku Dorothy Thandiwe	01.11.2007	-
Mr. Dube Xolani	30.11.2001	-
Mr. Hoosen Abdul Rahaman	29.11.2002	30.09.2007
Mr. MacLala Dennis Vdeni	22.02.2008	-
Ms. Mngadi Thandi Barbara	01.07.2002	-
Mrs. Myeza Dombi Rosemary	06.02.2004	-

Pensioner Representative

Full Name	Date Appointed	Date Resigned
Mrs. Nokukhanya Ntombifuthi Ndlela	01.09.2003	Passed away in Dec 2007

Provincial Minister of Local Governments Representative

Full Name	Date Appointed	Date Resigned
Mr. Owen Nkhonipho Mungwe	18.02.2005	-

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator:

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

AUDITORS

Statutory Auditor:

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

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) 5607000
E-mail Address	:	clientservicecentre@deloitte.co.za

Asset Consultants/Investment Advisor:

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) 2690000
E-mail Address	:	www.alexanderforbes.com
FAIS Number	:	1177

Custodian and Nominees:

Full Name	: Nedbank Limited (Head Office) - Reg. No. 1951/00009/06
Postal Address	: P.O. Box 3212, Johannesburg, 2000
Physical Address	: 13 Rivonia Road, Sandton, 2196
Telephone Number	: (011) 2943166
E-mail Address	: www.nedbank.co.za

Risk (Fidelity) Insurers:

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

The list of participating employers (Municipalities) and the list of participating employees are available at the Fund's offices if needed.

SCHEDULE - B

Item 2

STATEMENT OF RESPONSIBILITY BY THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2009

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 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
- 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 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 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 fulfill 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 and, as the Fund is a defined benefit Fund, individual investment choice do not apply

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

The annual financial statements 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 believes that all representations made to the Auditor-General during their audit were valid and appropriate. The Auditor-General's audit report is presented in Annexure A.

These financial statements:

- were approved by the Committee of Management.
- are certified by them to the best of their knowledge to be true;
- fairly represent the net assets of the Fund at 31 March 2009 as well as the results of its activities for the period then ended; and
- are signed on the Committee of Management's behalf by:

DATE: 9 / 4 / 2009


CHAIRPERSON
MR. M. JAGGETH


EMPLOYER REPRESENTATIVE
CH


MEMBER REPRESENTATIVE

SCHEDULE - C

Item 3

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER FOR THE YEAR ENDED 31 MARCH 2009

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.



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MRS. CAMILLERI
PRINCIPAL OFFICER

SCHEDULE - D

Item 4

REPORT OF THE AUDITOR-GENERAL ON

THE ANNUAL FINANCIAL STATEMENTS

OF THE FUND FOR THE YEAR ENDED

31 MARCH 2009

ANNEXURE A

REPORT OF THE AUDITOR-GENERAL TO THE BOARD OF TRUSTEES OF THE NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) AND THE REGISTRAR OF PENSION FUNDS ON THE FINANCIAL STATEMENTS OF THE NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) FOR THE YEAR ENDED 31 MARCH 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Natal Joint Municipal Pension Fund (Retirement) which comprise the statement of net assets and funds as at 31 March 2009, the statement of changes in net assets and funds for the year then ended, a summary of significant accounting policies and other explanatory notes, and the report of the board of trustees (committee of management) as set out in schedule C and on pages 1 to 17 of annexure B.

The board of trustees' responsibility 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), and for such internal control as the board of trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on those financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with 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 about 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 judgement, 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. 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.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

7. 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 accounting policy note to the financial statements.

Opinion

8. In my opinion the financial statements of the Natal Joint Municipal Pension Fund (Retirement) as at 31 March 2009 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

9. 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

10. I have reviewed the performance information as set out on the Annual Report.

The board of trustees' responsibility for the performance information

11. The board of trustees has additional responsibilities to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the entity.

The Auditor-General's responsibility

12. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
13. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
14. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my review.

Appreciation

15. The assistance rendered by the staff of the Natal Joint Municipal Pension Fund (Retirement) during the audit is sincerely appreciated

Auditor-General

Pietermaritzburg

14 October 2009



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

SCHEDULE - E

Item 5

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2009

DESCRIPTION OF FUND:

In terms of Section 1 of the Income Tax Act, 1962, the Fund is classified as a Pension Fund (defined benefit).

The Retirement Fund was established in 1967 as a defined contribution fund and was subsequently converted into a defined benefit fund in 1975, at which time the payment of lump sums and monthly pensions commenced upon the early retirement of members at age 55 to normal retirement at age 65, and to spouses upon the death of members, subject to the provisions of the Regulations, calculated on salary and service.

The Funds Rules & Regulations are available at the employer's offices, the Fund's offices and on the Fund's webpage (www.njmgf.co.za).

The strategy of the Committee of Management relative to unclaimed benefits is to endeavour to trace beneficiaries and thus effect payment of unclaimed benefits. The Fund has maintained complete records, as prescribed, in respect of unclaimed benefits.

With regards to contributions, members contribute at a rate of 7,00% of their pensionable emoluments in terms of regulation 15 whilst participating employers contribute at a rate of 13,65% of members' pensionable emoluments in terms of regulation 18(1)(b) together with a surcharge of 12% of members' pensionable emoluments.

INVESTMENT STRATEGY:

The primary objective of the Fund is to ensure that full benefits in accordance with the regulations of the Fund can be paid as and when they arise. It is provided in the Fund's regulations that pension increases must also keep up with a minimum of 75% of the cumulative increase in the consumer price index.

The broad investment objective is to invest in appropriate asset types that will deliver returns over a rolling 5-year periods (after tax and investment manager fees) of CPIX plus 4,5%. The Domestic Investment Managers are expected to produce a return of at least 2% per annum above their Benchmark net of fees, over rolling three-year periods. The Fund's International Investment Managers' are expected to produce a return of at least 1,5% per annum in excess of the equity component of the Benchmark. On the Absolute Return Fund component, the return should be at least equal to the return on LIBOR, net of fees, over rolling three-year periods.

The Committee of Management has appointed Investment Managers to invest the Fund's assets and meet the investment objectives set out in the Investment Policy Statement (which is available for inspection at the Fund's offices) and has also appointed Alexander Forbes as the investment consultant to report back on performance and ensure manager compliance with the mandate. The Committee of Management meets monthly to monitor the asset allocation, investment performance and compliance.

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

There are no investments held in Municipalities which participate in the Fund, nor any loans to members.

Assets under Management
Domestic Assets

MANAGER	VALUE OF ASSETS R	
	2009	2008
ALLAN GRAY LIMITED	504 051 070.26	558 556 458.75
CORONATION FUND MANAGERS	380 600 437.01	422 122 402.71
PRUDENTIAL PORTFOLIO MANAGERS	369 173 864.84	416 457 133.85
NIMPF (R)	7 464 000.00	16 964 000.00
Total value of domestic investments managed	1 261 289 372.11	1 414 099 995.31

International Assets

MANAGER	VALUE OF ASSETS R	
	2009	2008
ALLAN GRAY LIMITED	21 782 414.00	0.00
CORONATION FUND MANAGERS	10 177 627.93	0.00
PRUDENTIAL PORTFOLIO MANAGERS	8 671 638.10	0.00
RUSSELL INVESTMENT GROUP	54 897 123.63	79 968 459.85
ORBIS INVESTMENT MANAGEMENT	115 432 773.00	138 206 081.00
Total value of international investments managed	210 961 576.66	218 174 540.85

MEMBERSHIP STATISTICS

Contributing Members

Contributing Members

Membership of the Fund decreased by 7.32% to a total of 4318 during the year as reflected hereunder:-

		2009	2008
Membership as at 1 April 2008		4 659	5 306
Admissions		990	71
Transfer	External	-	1
	Internal	962	60
	External Fund – In	13	-
Re-admission		-	-
New Members		15	10
Exits		1 331	718
Retirement	At pension/optional retirement age	41	70
	Early	39	32
Ill-health	(at least 10 years service)	41	46
	(less than 10 years service)	5	2
Retrenchment	(at least 10 years service)	-	-
	(less than 10 years service)	-	-
Death		153	198
Resignation		22	32
Dismissal		21	18
Transfer	Internal	962	60
	External	2	29
	External to – Super Fund Provident	23	136
		17	89
Deferred Beneficiary		-	-
Other		5	6
Membership as at 31 March 2009		4 318	4 659

Pensioners/Dependant Beneficiaries

The number of pensioners and dependant beneficiaries increased by 2.62% to a total of 3871 during the year as reflected hereunder:-

	PENSIONERS ORDINARY			DEPENDANT BENEFICIARIES
	Males	Females	* Other	Widows
At beginning of year	1061	201	70	2440
Additions	192	18	1	337
Exits	180	23	11	235
At end of year	1073	196	60	2542

* Refers to those benefits which are payable by an employer, until such time as the persons concerned attain the pension age.

Deferred Pensioners

	Number
At beginning of year	6
Additions	
Exits	1
At end of year	5

Unclaimed Benefits

	Amount R
At beginning of year	638 230.23
Unclaimed benefits received	2 728 086.29
Unclaimed benefits paid	1 242 624.62
Forfeited to the Fund	-
At end of year	2 123 691.90

Actuarial Report

Please refer to attached Actuarial Report for the Retirement Fund as at 31 March 2009.

Surplus Apportionment

There was no surplus available for distribution at the surplus apportionment date (31 March 2003). Future surpluses as may be disclosed are for the account of the employers and may be used by them at their discretion for any of the purposes set out in Section 15E of the Pension Funds Act, 1956.

Subsequent Events

At the Annual General Meeting in November 2008, it was unanimously approved to merge the Natal Joint Municipal Pension Fund (Superannuation Fund) and the Natal Joint Municipal Pension Fund (Retirement). The reason for the merger is to remove historical discrimination in benefits.

As agreed at the Annual General Meeting, the surcharges which are currently being paid in respect of members of the Superannuation Fund and the Retirement Fund will be replaced by a single surcharge with effect from 1 July 2009. Local authorities are therefore reminded that with effect from 1 July 2009 the Employer's contribution to the Merged Fund will comprise of the basic contribution of 18% plus the surcharge of 11%, making a total Employer contribution rate of 29% of pensionable salaries.

ANNEXURE B

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
STATEMENT OF NET ASSETS AND FUNDS FOR THE YEAR ENDED 31/03/2009

ASSETS	NOTES	2009 R	2008 R
NON-CURRENT ASSETS		1,472,250,948.77	1,632,274,536.16
PROPERTY PLANT AND EQUIPMENT	1	0.00	0.00
INVESTMENTS (Incl. Investment Properties)	2	1,472,250,948.77	1,632,274,536.16
HOUSING FACILITIES	3	0.00	0.00
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
CURRENT ASSETS		13,965,697.31	10,086,952.82
TRANSFERS RECEIVABLE	5	87,489.43	87,489.43
ACCOUNTS RECEIVABLE	4	6,378,109.90	1,517,256.99
CONTRIBUTIONS RECEIVABLE	12	7,858,096.65	7,862,662.23
CASH AT BANK	24	(357,998.87)	619,544.17
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
TOTAL ASSETS		1,486,216,646.08	1,642,361,488.98
FUNDS AND LIABILITIES			
MEMBERS' FUNDS AND SURPLUS ACCOUNT		1,457,305,679.86	1,571,703,128.87
ACCUMULATED FUNDS		1,457,305,679.86	1,571,703,128.87
AMOUNTS TO BE ALLOCATED	23	0.00	0.00
MEMBERS SURPLUS ACCOUNT	21	0.00	0.00
RESERVES			
RESERVE ACCOUNTS	21	0.00	0.00
REVALUATION RESERVE: PROP. PLANT & EQUIP	6	0.00	0.00
TOTAL FUNDS AND RESERVES		1,457,305,679.86	1,571,703,128.87
NON-CURRENT LIABILITIES		3,689,647.57	1,545,827.03
EMPLOYER SURPLUS ACCOUNTS	21	0.00	0.00
FINANCIAL LIABILITIES	16.1	0.00	0.00
PROVISIONS	16.2	1,565,535.67	907,586.80
UNCLAIMED BENEFITS	9	2,123,691.90	638,240.23
CURRENT LIABILITIES		25,221,318.45	69,112,533.08
TRANSFERS PAYABLE	7	6,412,128.05	49,524,350.77
BENEFITS PAYABLE	8	16,355,634.71	17,294,775.05
ACCOUNTS PAYABLE	10	2,416,492.03	2,547,342.65
RETIREMENT FUND TAXATION	11	(962,936.34)	(253,933.39)
TOTAL FUNDS AND LIABILITIES		1,486,216,646.08	1,642,361,488.98

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS FOR THE YEAR ENDED 31/03/2009

	NOTES	2009 R	2008 R
CONTRIBUTIONS RECEIVED AND ACCRUED	12	111,137,732.56	108,867,600.48
CONTRIBUTIONS TRANSFERRED FROM RESERVE A/C'S	21	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM SURPLUS A/C'S	21	0.00	0.00
SURPLUS IMPROPERLY UTILISED	22	0.00	0.00
REINSURANCE PROCEEDS		0.00	0.00
NET INVESTMENT INCOME	13	(126,857,997.69)	108,066,598.09
(LESS) ALLOCATED TO UNCLAIMED BENEFITS		0.00	0.00
OTHER INCOME		0.00	0.00
LESS:		6,307,840.91	6,452,600.14
REINSURANCE PREMIUMS		0.00	0.00
ADMINISTRATION EXPENSES	14	7,015,343.86	6,452,600.14
RETIREMENT FUND TAXATION	11	(709,092.95)	0.00
NET INCOME BEFORE BENEFITS AND TRANSFERS		(22,038,106.04)	210,481,598.43
TRANSFERS AND BENEFITS		91,116,718.35	97,975,843.49
TRANSFERS FROM OTHER FUNDS	5	601,979.12	87,488.20
TRANSFERS TO OTHER FUNDS	7	11,181,927.70	36,607,427.41
BENEFITS - CURRENT MEMBERS	8	82,536,769.77	61,455,904.38
NET INCOME AFTER BENEFITS AND TRANSFERS		(113,154,824.39)	112,505,754.94
FUNDS AND RESERVES		1,570,460,504.25	1,459,197,373.93
BALANCE AT BEGINNING OF PERIOD		1,571,703,128.87	1,459,196,215.34
PRIOR-YEAR ADJUSTMENTS		0.00	(683,593.29)
OTHER	9	(1,242,624.62)	636,753.28
TRANSFER BETWEEN RESERVE ACCOUNTS	21	0.00	0.00
INVESTMENT INCOME ALLOCATED		0.00	0.00
CURRENT MEMBERS		0.00	0.00
FORMER MEMBERS		0.00	0.00
SURPLUS AND RESERVE ACCOUNTS	21	0.00	0.00
SURPLUS APPORTIONMENT	21	0.00	0.00
REVALUATION SURPLUS: PROP, PLANT & EQUIPMENT	6	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS		0.00	0.00
EMPLOYER SURPLUS ACCOUNT		0.00	0.00
MEMBER SURPLUS ACCOUNT		0.00	0.00
ALLOCATION TO/FROM SURPLUS ACCOUNTS		0.00	0.00
BENEFITS TO FORMER MEMBERS		0.00	0.00
SURPLUS TRANSFERS PAYMENTS		0.00	0.00
BENEFITS ENHANCEMENTS - OTHER		0.00	0.00
SURPLUS TRANSFERS RECEIVED		0.00	0.00
BALANCE AT END OF PERIOD		1,452,305,679.56	1,571,703,128.87

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

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 adjustment.
- * 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.
- * Depreciation is calculated on the straight-line method to write off the cost of each asset, or the revalued amounts, to their residual values over the estimated useful life as follows
 - * Computer equipment and software 5 years
 - * Office equipment 5 years
 - * Furniture & fittings 10 yearsThe useful life of furniture has been changed from 7 to 10 years. Of the existing assets the useful life has been further extended to September 2012 when the lease on the current premises expires.
- * 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 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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

Accounts receivable

Accounts receivable originated by the Fund is stated at cost.

Cash and cash equivalents

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 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.

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/66/6/2)
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

1. PROPERTY, PLANT AND EQUIPMENT
 1.1 CURRENT YEAR

	COMPUTER EQUIPMENT AND SOFTWARE	OFFICE EQUIPMENT	FURNITURE & FITTINGS	TOTAL
	R	R	R	R
AT 01/04/2008				
GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
ADDITIONS	0.00	0.00	0.00	0.00
DISPOSALS	0.00	0.00	0.00	0.00
REVALUATION RESERVE	0.00	0.00	0.00	0.00
OTHER MOVEMENTS	0.00	0.00	0.00	0.00
AT 31/03/2009	0.00	0.00	0.00	0.00
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES				
AT 01/04/2008	0.00	0.00	0.00	0.00
DEPRECIATION CHARGES	0.00	0.00	0.00	0.00
ACCUMULATED DEPRECIATION ON DISPOSALS	0.00	0.00	0.00	0.00
IMPAIRMENT WRITE DOWN	0.00	0.00	0.00	0.00
OTHER MOVEMENTS	0.00	0.00	0.00	0.00
NET CARRYING AMOUNT 31/03/2009	0.00	0.00	0.00	0.00

1.2 PREVIOUS YEAR

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

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

2. INVESTMENTS

	NOTES	TOTAL LOCAL		TOTAL FOREIGN		FAIR VALUE 2009		FAIR VALUE 2008		CATEGORIZED PER	
		R		R		R		R		AC133	R
CASH AND DEPOSITS		207,945,706.06				207,945,706.06		207,515,097.00			A
KRUGER BONDS		0.00				0.00		0.00			A
LOANS OTHER THAN HOUSING		0.00				0.00		0.00			A
DERIVATIVES		0.00				0.00		0.00			A
BILLS BONDS AND SECURITIES		140,537,796.00				140,537,796.00		216,148,616.30			A
INVESTMENT PROPERTIES		0.00				0.00		0.00			A
EQUITIES	2.1	782,058,539.77		40,631,690.03		822,690,229.80		905,681,113.37			A
EQUITIES WITH PRIMARY LISTING ON JSE		629,839,878.12				629,839,878.12		680,722,734.59			A
EQUITIES WITH SECONDARY LISTING ON JSE		151,930,501.65		40,631,690.03		151,930,501.65		224,711,018.78			A
FOREIGN LISTED EQUITIES		0.00				40,631,690.03		0.00			A
EQUITY INDEXED LINKED INVESTMENTS		0.00				0.00		0.00			A
UNLISTED EQUITIES		215,360.20				215,360.20		215,360.20			A
PREFERENCE SHARES		1,907,748.28				1,907,748.28		2,997,766.96			A
INSURANCE POLICIES		68,948,559.20				68,948,559.20		40,438,301.42			A
NON LINKED RELATED POLICIES		0.00				0.00		0.00			A
LINKED RELATED POLICIES		68,948,559.20				68,948,559.20		40,438,301.42			A
COLLECTIVE INVESTMENT SCHEMES		50,534,862.50		170,329,896.63		230,864,759.13		254,447,800.91			A
DERIVATIVE MARKET INSTRUMENTS		9,379,160.20				9,379,160.00		(54,804,219.70)			A
PARTICIPATING MORTGAGE BONDS		0.00				0.00		0.00			A
INVESTMENT IN PARTICIPATING		0.00				0.00		0.00			A
OTHER		3.00				0.00		0.00			A
TOTAL LOCAL AND FOREIGN		1,261,280,772.11		210,261,576.66		1,471,542,348.77		1,532,274,536.16			A

A - Held for trading - Fair Value (IAS39 - At fair value through statement of changes in net assets and funds)

2.1 INVESTMENT PROPERTIES

	TOTAL		ADDITIONS		DISPOSAL		FAIR VALUE ADJUSTMENT		OTHER		CARRYING VALUE	
	R		R		R		R		R		R	
at 01/04/2008	0.00		0.00		0.00		0.00		0.00		0.00	
TOTAL	0.00		0.00		0.00		0.00		0.00		0.00	
												at 01/04/2008
												R
												0.00
												0.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

3. HOUSING FACILITIES

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

	2009 R	2008 R
ACCRUED INTEREST /DIVIDENDS	5,514,147.86	0.00
ADMINISTRATION	0.00	0.00
CONTRIBUTIONS	0.00	504,613.06
FUND MANAGERS	0.00	0.00
INTEREST	167,204.86	197,607.56
K.Z.N.M.P.F.	0.00	0.00
L.A. - ANNUITY REFUNDS	106,961.93	227,330.03
L.A. - MEDICAL BOARD FEES	24,801.41	0.00
L.A. - PENALTY INTEREST DUE	10,602.47	446,788.36
L.A. - SURCHARGES	74,996.00	0.00
SUNDRY DEBITORS	286,781.52	0.00
PENSIONS - REFUNDS OF OVER PAYMENTS	176,243.87	132,127.73
PREPAID FUND MANAGERS FEES	9,774.95	0.00
PROPERTY AND ALLIED	0.00	0.00
PENSIONABLE SERVICE DEBTORS	6,595.83	2,790.25
TRANSFERS INWARD	0.00	0.00
TOTAL	6,778,109.90	1,517,256.99

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

5. TRANSFERS FROM OTHER FUNDS

IN TERMS OF SECTION 14	EFFECTIVE 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	
			R		R		R		R		R		R	
KZNMPF	Apr-08	0	0.00		87,489.43		874,695.97		(72,716.85)		601,979.12		87,489.43	
NJMPF (S)	TO	0	0.00		0.00		0.00		0.00		0.00		0.00	
OTHER	Mar-06				0.00		0.00		0.00		0.00		0.00	
TOTAL		0	0.00		87,489.43		874,695.97		(72,716.85)		601,979.12		87,489.43	

6. REVALUATION RESERVE - PROPERTY, PLANT AND EQUIPMENT

AT BEGINNING OF PERIOD	CURRENT YEAR		PREVIOUS YEAR	
	C.00	R.00	C.00	R.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	0.00	0.00

7. TRANSFERS TO OTHER FUNDS

IN TERMS OF SECTION 14	EFFECTIVE 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	
			R		R		R		R		R		R	
KZNMPF	Apr-08	2	382,710.74		13,229,291.06		3,096,291.13		(232,146.39)		9,216,252.86		5,886,952.94	
NJMPF (S)	TO	0	0.00		29,124,818.96		6,078,640.97		2,159,058.83		37,314,255.61		48,263.18	
OTHER	Mar-09	2	470,921.96		7,160,330.73		803,356.05		576,217.11		7,767,541.85		476,871.96	
TOTAL		4	853,632.70		49,514,440.75		8,978,288.15		2,500,629.55		54,294,150.42		6,412,128.08	

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

8. BENEFITS
8.1 BENEFITS - CURRENT MEMBERS

	A		B		C		D		E		AS PER DATE	
	AT BEGINNING OF PERIOD	R	BENEFITS FOR CURRENT PERIOD	R	RETURN ALLOCATED	R	PAYMENTS	R	TRFD TO UNCLAIMED BENEFITS	R	AT END OF PERIOD	R
MONTHLY PENSION	8491		48,916,824.21		0.00		48,916,824.21		0.00		8,91	
LUMP SUM ON RETIREMENT	3,219,095.72		9,035,363.05		348,963.42		10,885,401.64		(198,234.52)		2,914,254.67	
- FULL BENEFIT	3,219,095.72		9,035,363.05		348,963.42		10,885,401.64		(198,234.52)		2,914,254.67	
- PENSIONS COMMUTED	0.00		0.00		0.00		0.00		0.00		0.00	
LUMP SUM BEFORE RETIREMENT	14,075,688.82		19,240,767.18		2,794,841.91		22,854,239.54		(684,832.76)		14,334,371.13	
- DISABILITY BENEFITS PAID BY THE FUND	0.00		0.00		0.00		0.00		0.00		0.00	
- DEATH BENEFITS	12,051,897.32		11,058,915.95		2,498,420.95		1,951,282.00		(314,675.75)		11,962,531.98	
- WITHDRAWALS 10 YEARS OR MORE	1,929,936.83		5,100,031.77		289,723.99		4,512,425.81		(350,157.61)		5,086,841.79	
- WITHDRAWALS < 10 YEARS	45,226.67		281,419.45		2,662.05		141,951.73		0.00		19,989.45	
- R FORFEITMENTS	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)	17,294,775.45		77,392,964.44		3,143,805.33		82,356,975.39		(381,067.28)		15,355,634.71	

BENEFITS FOR CURRENT PERIOD (B) INCLUDING RETURN ALLOCATED (C)

77,392,964.44

RETURNS ALLOCATED (C) TO INVESTMENT INCOME

3,143,805.33

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

80,536,769.77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

9 UNCLAIMED BENEFITS

	2009 R	2008 R
BALANCE AT BEGINNING OF PERIOD	638,238.23	345,029.67
TRANSFERRED FROM BENEFITS PAYABLE & ACC. FUNDS	2,728,086.29	1,815,855.27
INVESTMENT INCOME ALLOCATED	0.00	0.00
LESS:	1,242,624.62	1,522,654.71
TRACING EXPENSES	0.00	0.00
ADMINISTRATION EXPENSES	0.00	0.00
FORFEITED TO THE FUND	0.00	393,553.32
BENEFITS PAID	1,242,624.62	1,129,101.39
BALANCE AT END OF PERIOD	2,123,691.90	638,238.23

10. ACCOUNTS PAYABLE

	2009 R	2008 R
ACTUARY'S FEES	0.00	0.00
ADMINISTRATION	46,241.52	0.00
BENEFITS BY INSTALMENTS	1,998,461.09	538,343.49
CONTRIBUTIONS DUE FOR REFUND	359,236.71	226,079.76
FUND MANAGERS	0.00	0.00
INTEREST / DIVIDENDS	48,681.41	48,681.41
INTERNAL AUDIT	0.00	0.00
ADMIN EXPENSES AS PER MEMBERS RATIO	898,935.33	1,754,276.49
OPERATING EXPENSES	74,434.97	74,434.97
PROPERTY & ALLIED	0.00	0.00
SUBSISTENCE AND TRAVEL	0.00	0.00
SURPLUS SCRP	0.00	0.00
VAT	0.00	(94,473.47)
TOTAL	3,416,492.03	2,547,342.65

11. RETIREMENT FUND TAXATION

	2009 R	2008 R
TAXABLE INCOME	0.00	0.00
LESS: FORMULA REDUCTION	0.00	0.00
RETIREMENT FUND TAXABLE AMOUNT	0.00	0.00
RETIREMENT FUND TAXATION AT RELEVANT RATE	0.00	0.00
AT BEGINNING OF PERIOD	(253,933.39)	308,606.00
RET. FUND TAXATION - CURRENT	(709,002.95)	0.00
RET. FUND TAXATION - PRIOR YEAR UNDERPROVISION	0.00	0.00
RETIREMENT FUND TAXATION PAID	0.00	562,539.39
AT END OF PERIOD	(962,936.34)	(253,933.39)

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

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	
	R	R	R	R	R	R	R	R	R	R
MEMBERS CONTRIBUTIONS - RECEIVED AND ACCRUED	1,018,172.15		21,254,070.10				21,204,755.71		1,367,486.74	
EMPLOYER CONTRIBUTIONS - RECEIVED AND ACCRUED	3,245,585.79		41,445,449.77				41,431,421.54		3,259,533.89	
EMPLOYER CONTR. - RECEIVED AND ACCRUED - RISK RESERVE	0.00		0.00				0.00		0.00	
ADDITIONAL CONTRIBUTION IN RESPECT OF ACTUARIAL SHORTFALL - MEMBERS	307,890.28		4,790,374.35				4,697,286.64		310,668.03	
ADDITIONAL CONTRIBUTION IN RESPECT OF ACTUARIAL SHORTFALL - EMPLOYER	2,891,403.90		43,727,838.34				43,699,834.25		2,920,407.99	
ADDITIONAL CONTRIBUTION - INCREASES	0.00		0.00				0.00		0.00	
ADDITIONAL VOLUNTARY CONTRIBUTION - EMPLOYERS	0.00		0.00				0.00		0.00	
ADDITIONAL VOLUNTARY CONTRIBUTION - MEMBERS	0.00		0.00				0.00		0.00	
TOTAL	7,963,662.23		111,127,732.56		0.00		111,132,298.14		7,858,096.65	

TOWARDS RETIREMENT 111,127,732.56

TOWARD RE-INSURANCE AND EXPENSES 0.00

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS 111,127,732.56

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

13. NET INVESTMENT INCOME

	2009 R	2008 R
INCOME FROM INVESTMENT PROPERTY AND INVESTMENTS	99,479,698.72	37,797,773.64
DIVIDENDS	44,637,439.13	15,417,201.72
INTEREST	54,842,259.59	17,369,750.14
RENTALS	0.00	920,821.78
COLLECTIVE INVESTMENT SCHEMES DISTRIBUTION	0.00	0.00
MARKET RELATED INSURANCE POLICIES	0.00	0.00
INTEREST ON LATE PAYMENT OF CONTRIBUTIONS	14,525.41	452,133.46
INTEREST LEVIED ON SURPLUS IMPROPERLY USED	0.00	0.00
ADJUSTMENT TO FAIR VALUE	(217,916,207.74)	78,477,709.22
PROFIT/LOSS ON SALES OF INVESTMENTS	25,064,343.81	125,723,577.94
INVESTMENTS WRITTEN DOWN	(242,980,551.55)	(17,215,868.72)
ADJUSTMENTS	0.00	0.00
SUB TOTAL	(118,421,683.61)	116,637,616.32
LESS:	8,436,314.08	8,571,018.23
COSTS INCURRED IN MANAGING INVESTMENTS	8,436,314.08	8,571,018.23
INTEREST PAID ON BORROWINGS	0.00	0.00
TOTAL	(126,857,997.69)	108,066,598.09

14. ADMINISTRATION EXPENSES

(R1 STATED)

	NOTES	2009 R	2008 R
COST OF ADMINISTRATION		4,714,108.80	4,706,643.28
ADMINISTRATION EXPENSES		866,278.47	1,005,204.60
AMOUNTS WRITTEN OFF		0.00	0.00
DEPRECIATION - AT COST		0.00	0.00
LEVIES (FINANCIAL SERVICES BOARD)		94,737.80	88,582.42
OFFICE EXPENSES		649,363.19	646,243.15
OPERATING LEASE PAYMENTS		349,753.73	314,943.00
PENALTIES		0.00	0.00
PROJECT COSTS - NEW IT PLATFORM		450,317.52	31,099.26
STAFF COSTS & PRINCIPAL OFFICER EXPENSES	14.2	2,311,641.09	2,320,369.92
SECRETARIAL FEES			
NON-ADMINISTRATIVE EXPENSES		2,302,735.06	1,745,956.86
ACTUARY'S FEES		981,171.59	572,959.08
AUDIT FEES		412,600.28	242,318.68
AUDIT SERVICES		412,070.78	242,343.68
AUDIT EXPENSES		0.00	0.00
OTHER		0.00	0.00
CONSULTANCY FEES		279,899.51	449,701.66
FEES PAYABLE TO BOARD MEMBERS	14.1	510,260.60	200,021.44
FIDELITY COVER		37,515.00	0.00
OFFICE		231,018.00	281,436.00
MAILINGS FOR MEMBERS		211,424.53	247,237.74
MEETING COSTS /TRUSTEE TRAINING		70,293.49	34,128.26
TOTAL		7,016,843.86	6,452,600.14

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

14.1 FEES PAYABLE TO BOARD MEMBERS

	2009 R	2008 R
REIMBURSIVE MEETING ALLOWANCE	310,360.60	300,021.44
TOTAL	310,360.60	300,021.44

14.2. STAFF COSTS & PRINCIPAL OFFICER EXPENSES (NOTE 14.2.1)

	2009 R	2008 R
SALARIES	1,850,668.62	1,994,218.26
EMPLOYER CONTRIBUTIONS TO RETIREMENT FUNDS	220,838.91	254,270.47
TRAINING EXPENSES	12,794.27	16,302.67
OTHER	227,338.29	355,779.52
TOTAL	2,311,640.09	2,620,569.92

14.2.1 PRINCIPAL OFFICER REMUNERATION

	2009 R	2008 R
SALARIES	262,283.42	286,208.79
ALLOWANCES	0.00	0.00
RETIREMENT FUND CONTRIBUTION	0.00	10,663.19
BONUS	78,685.02	0.00
OTHER PAYMENTS	0.00	98,742.28
TOTAL	340,968.44	395,614.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

15. PRIOR YEAR ADJUSTMENT

Please refer to Principal Accounting Policies - Basis of Preparation

16. FINANCIAL LIABILITIES AND PROVISIONS

16.1 FINANCIAL LIABILITIES

	2009 R	2008 R
	0.00	0.00

16.2 PROVISIONS

	2009 R	2008 R
ACTUARY'S FEES	671,188.70	300,000.00
ACCUMULATED LEAVE	314,531.34	364,293.43
STAFF BONUS	259,354.26	31,678.46
AUDIT FEES	320,881.37	211,624.91
BAD & DOUBTFUL DEBT	0.00	0.00
PROPERTY & ALLIED	0.00	0.00
PRESCRIBED MINIMUM BENEFITS	0.00	0.00
TOTAL	1,565,955.67	907,596.80

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 capitalised 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 recognised 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 security 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

* **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 legal 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 instruments will fluctuate as a result of changes in market prices and 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 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 2009

20. OPERATING LEASE COMMITMENTS

	2009 R	2008 R
FUTURE MINIMUM OPERATING LEASE PAYMENTS		
WITHIN ONE YEAR	360,939.37	366,822.00
BETWEEN ONE AND FIVE YEARS	630,590.08	1,146,966.00
TOTAL	991,529.45	1,513,788.00

NATAL JOINT MUNICIPAL PENSION FUND (RETIREMENT) (REF. NO. 12/8/6676/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALLOCATION TO PENSIONER 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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM RESERVE ACCTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTIONS TRANSFERRED FROM SURPLUS ACCTS	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	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LESS:									
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	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFERS AND BENEFITS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFERS FROM OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFERS TO OTHER FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BENEFITS - CURRENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET INCOME AFTER BENEFITS AND TRANSFERS	0.00	0.00	0.00	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	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 APPORTIONMENT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CONTRIBUTION HOLIDAY - BEFORE SURPLUS 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	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2009

22. SURPLUS IMPROPERLY UTILISED RECEIVABLE

	2009 R	2008 R
OPENING BALANCE	0.00	0.00
AMOUNT PAYABLE BY EMPLOYER	0.00	0.00
INTEREST RAISED	0.00	0.00
LESS		
PAYMENTS RECEIVED	0.00	0.00
SETTLEMENT FROM EMPLOYER SURPLUS A/C	0.00	0.00
OTHER	0.00	0.00
TOTAL RECEIVABLE	0.00	0.00
DISCLOSED AS:		
NON-CURRENT PORTION	0.00	0.00
CURRENT PORTION	0.00	0.00

23. AMOUNTS TO BE ALLOCATED

	2009 R	2008 R
SURPLUS TO BE APPORTIONED	0.00	0.00
INVESTMENT RETURN TO BE ALLOCATED	0.00	0.00
OTHER	0.00	0.00
TOTAL AMOUNTS TO BE ALLOCATED	0.00	0.00

24. CASH AT BANK

	2009 R
CASH AT BANK - NEDBANK	(357,998.87)
UNPRESENTED CHEQUES	2,444,803.94
OTHER	0.00
BALANCE AS PER BANK STATEMENT	2,086,805.07

25. NON-CURRENT ASSETS HELD FOR SALE

NIL

26. RESTATEMENT OF PRIOR YEAR FIGURES

27. BENEFITS BY INSTALMENTS

This amount represents the lump sum contribution in respect of retrenchment benefits for Unusekeli employees paid in advance by EZN Department of Local Government and Traditional Affairs