

ANNUAL REPORT - 2011



KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

31ST March 2011

ANNUAL REPORT

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 2010 to 31 March 2011

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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, in the month of NOVEMBER 2011. 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



MR. S. CAMILLERI
PRINCIPAL OFFICER

SCHEDULE - A**Item 1**

The following Annual Report and Financial Statements for the year ended 31 March 2011 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 2011

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 2010 to 31 March 2011	1 April 2009 to 31 March 2010

Responsible persons in terms of section 8 of the Pension Funds Act, 1956

Principle Officer	: Mr. Sam Camilleri
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) 2641800
E-mail Address	: director@njmpf.co.za

Board of trustees**- Employer Representatives**

Full Name	Date Appointed	Date Resigned
Cllr. Mrs. Msibi Veronica Zanele (V.C.)	02.03.2001	28.04.2010
Cllr. Mrs. Madlopha Celiwe Qhamkile	24.03.2006	26.11.2010
Cllr. Mvelase Sipho Andrias	23.03.2001	-
Cllr. Talmage Earl Andrew	23.07.2007	-
Cllr. Mrs. Shabalala J.N.	14.11.2008	-
Cllr. Mrs. Gumbi N.V	21.05.2010	-
Cllr. Mr. H.C. De Villiers	21.01.2011	-

- Member Representatives

Full Name	Date Appointed	Date Resigned
Mrs. Millar Denise Rosalie	01.09.2006	11.03.2011
Mr. Rajnarain Trevor	19.02.2010	11.03.2011
Mr. Geringer Johannes Gerhard	17.01.1997	-
Mr. Lemmer Diederik Arnoldus	24.11.2006	-
Miss Mkhwanazi Nokuthula Ntombenhle Pretty-Girl	05.02.2010	-
Mr. Ndlovu Mandla Elphas	11.03.2011	-
Ms. Mbatha Busisiwe Angelica	11.03.2011	-

Provincial Minister of Local Governments Representative

Full Name	Date Appointed	Date Resigned
The MEC has not made an appointment	-	-

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	:	pmbrrha@agsa.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) 560 7000
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) 269 0000
E-mail Address	:	www.alexanderforbes.com
FAIS Number	:	1177

- **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

- **Risk (Fidelity) Insurers**

Full Name	: Camargue – 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	: camargue@camargueum.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 2011**

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 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; and
- confirm that the Investments of the Fund are in accordance with the Investment Policy. The Fund is a defined contribution Fund which does not offer member choice.

KEY PERFORMANCE OBJECTIVES

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 CPIX plus 4.5% net of investment fees over rolling five-year periods.
- 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
- During the Financial year the Committee of Management and the Fund's Actuary having considered the Liabilities of the Fund, using appropriate stochastic asset modeling tools have from 1 April 2011 increased the long term investment objective return to at least CPIX plus 5.0%

net of investment fees over rolling five-year periods. This long term real rate of return is, in the Committee of Management considered opinion, the minimum required.

PERFORMANCE RESULTS

Year	CPI + 4.5%	Provident Fund % Return
5 years to 31 st March 2011	11,5	13,0

Year	Benchmark + 2%	Provident Fund % Return
5 years to 31 st March 2011	11,9	13,0

Source: Alexander Forbes

The Fund has achieved all investment objectives.

APPROVAL OF THE FINANCIAL STATEMENTS

The annual financial statements of the Fund are the responsibility of the Committee of Management. The Committee of Management fulfills 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 on; 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 2011 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:	1	5	0	9	2	0	1	1
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CHAIRPERSON
MR. K M JAGGETH



EMPLOYER REPRESENTATIVE
Cllr.



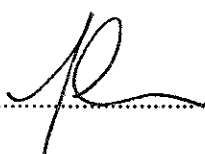
MEMBER REPRESENTATIVE

SCHEDULE - C

Item 3

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER FOR THE YEAR ENDED 31 MARCH 2011

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.

A handwritten signature in black ink, appearing to be 'S. Camilleri', is written over a horizontal dotted line.

MR. S. CAMILLERI
PRINCIPAL OFFICER

ANNEXURE A

SCHEDULE - D

Item 4

REPORT OF THE AUDITOR-GENERAL ON

THE ANNUAL FINANCIAL STATEMENTS

OF THE FUND FOR THE YEAR ENDED

31 MARCH 2011

REPORT OF THE AUDITOR-GENERAL TO THE BOARD OF TRUSTEES AND THE REGISTRAR OF PENSION FUNDS ON THE KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the KwaZulu-Natal Joint Municipal Provident Fund, which comprise the statement of net assets and funds as at 31 March 2011, the statement of changes in net assets and funds for the year then ended, a summary of significant accounting policies and other explanatory information, and the report of the committee of management as set out in schedule E 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 of these financial statements in accordance with the basis of accounting applicable to provident funds in South Africa as set out in annexure B to the financial statements, the requirements of the Pension Funds Act, 1956 (Act No. 24 of 1956), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 15 of the Pension Funds Act, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice No. 1111 of 2010* issued in *Government Gazette No.33872 of 15 December 2010*. 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 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.

Opinion

7. In my opinion, the financial statements of the KwaZulu-Natal Joint Municipal Provident Fund as at 31 March 2011 have been prepared, in all material respects, in accordance with the basis of accounting applicable to provident funds in South Africa as set out in annexure B of the financial statements and the requirements of the Pension Funds Act.

Emphasis of matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Financial reporting framework

9. The fund prepared its financial statements in accordance with the basis of accounting applicable to provident funds in South Africa as set out in annexure B of the financial statements and the requirements of the Pension Funds Act.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 7 to 8.

Predetermined objectives

11. There are no material findings on the annual performance report.

Compliance with laws and regulations

12. There are no findings concerning material non-compliance with laws and regulations applicable to the fund.

INTERNAL CONTROL

13. In accordance with the PAA and in terms of *General Notice No. 1111 of 2010*, issued in *Government Gazette No. 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. There are no significant deficiencies in internal control that resulted in a qualification of the auditor's opinion on the financial statements and/or findings on predetermined objectives and/or material non-compliance with laws and regulations.

OTHER REPORTS**Investigations completed**

14. An investigation was conducted by an independent consulting firm on the request of the fund. The investigation was initiated based on allegations of the misappropriation of funds by a senior official within the accounting function of the fund. The investigation has resulted in the removal and criminal prosecution of the senior official involved.
15. An investigation was also completed for alleged irregularities in the submission of travel claim reimbursements by a trustee. The investigation resulted in the removal and criminal prosecution of this trustee.

Investigations in progress

16. Investigations are currently in progress relating to allegations of fraud against two trustees for the alleged irregularities in the submission of travel claim reimbursements.

Auditor-General

Pietermaritzburg
31 August 2011



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 2011

Description of the fund

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

The Provident Fund was established in 1996 as a defined contribution fund, and provides lump sum benefits only upon the retirement or death of members based on total accruals in respect of contributions paid by both member and employer, plus profit and interest earned.

The Funds Rules & Regulations are available at the employer's offices, the Fund's offices and on the Fund's webpage (www.njmpf.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 may choose to contribute at a rate of 5%, 7% or 9,25% of their pensionable emoluments in terms of regulation 14(a), whilst participating employers contribute at a rate of 1,95 times of the rate of members' contributions in terms of regulation 17(1)(b).

Investment strategy

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. The members bear the investment risk as benefits payable from the Fund are dependent on the returns earned on the underlying assets.

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.

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.

The broad investment objective which is contained in the Funds Investment Policy Statement 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 five-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	
	2011	2010
ALLAN GRAY LIMITED	251,839,781.73	247 888 040.64
CORONATION FUND MANAGERS	288,618,562.84	202 987 995.96
PRUDENTIALPORTFOLIO MANAGERS	291,278,971.39	190 427 836.70
KZNJMPF	50,345,707.67	65 938 988.32
Total value of domestic investments managed	882,083,023.63	707 242 861.62

International Assets

MANAGER	VALUE OF ASSETS R	
	2011	2010
ALLAN GRAY LIMITED	12,652,967.25	11 657 738.40
CORONATION FUND MANAGERS	5,410,864.50	5 154 624.96
PRUDENTIALPORTFOLIO MANAGERS	4,663,560.75	4 442 710.89
RUSSELL INVESTMENT GROUP	50,858,219.75	18 772 930.68
ORBIS INVESTMENT MANAGEMENT LTD	143,416,357.03	112 257 305.18
Total value of international investments managed	217,001,969.28	152 285 310.11

MEMBERSHIP STATISTICS

- Contributing Members

Membership of the Fund increased by 7.91% to a total of 9 541 during the year as reflected hereunder:

		2011	2010
Membership as at 1 April 2010		8 842	7 976
Admissions		1 202	1354
Transfer			
	External	-	-
	Internal	5	7
	Fund	8	36
Re-admission		4	-
New Members		1 185	1 311
Exits		503	488
Retirement	At pension/optional retirement age	18	21
	Early	20	19
Ill-health	(at least 10 years service)	8	7
	(less than 10 years service)	8	5
Retrenchment	(at least 10 years service)	-	-
	(less than 10 years service)	-	-
Death		123	116
Resignation		250	243
Dismissal		47	47
Transfer			
	Internal	4	8
	External	4	1
	Normal	-	-
	Fund	8	11
Deferred Beneficiary		-	-
Other		13	10
Membership as at 31 March 2011		9 541	8 842

- **Unclaimed Benefits**

	Amount R
At beginning of year	7 428 974.93
Unclaimed benefits received	8 804 815.62
Forfeited to the Fund	-
Unclaimed benefits paid	3 636 484.64
At end of year	12 597 305.91

- **Actuarial Report**

Please refer to attached Actuarial Report for the Retirement Fund as at 31 March 2011.

- **Surplus Apportionment for Members**

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 members and may be used for any of the purposes set out in Section 15D of the Pension Funds Act, 1956.

ANNEXURE B

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
STATEMENT OF NET ASSETS AND FUNDS FOR THE YEAR ENDED 31/03/2011

	NOTES	2011 R	2010 R
NON-CURRENT ASSETS		1,099,084,992.93	859,528,171.02
PROPERTY PLANT AND EQUIPMENT	1	0.00	0.00
INVESTMENTS	2	1,099,084,992.93	859,528,171.02
HOUSING FACILITIES	3	0.00	0.00
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
CURRENT ASSETS		37,247,046.48	36,408,211.59
TRANSFERS RECEIVABLE	5	10,190,220.10	8,457,249.51
ACCOUNTS RECEIVABLE	4	1,082,041.00	298,542.96
CONTRIBUTIONS RECEIVABLE	12	9,244,451.98	9,173,848.54
CASH AT BANK	24	16,730,333.40	18,478,570.58
SURPLUS IMPROPERLY UTILISED RECEIVABLE	22	0.00	0.00
TOTAL ASSETS		1,136,332,039.41	895,936,382.61
FUNDS AND LIABILITIES			
MEMBERS' FUNDS AND SURPLUS ACCOUNT		929,404,844.72	750,621,356.77
MEMBERS' INDIVIDUAL ACCOUNT		929,404,844.72	750,621,356.77
AMOUNTS TO BE ALLOCATED	23	0.00	0.00
MEMBERS SURPLUS ACCOUNT	21	0.00	0.00
RESERVES			
RESERVE ACCOUNTS		126,802,243.38	84,699,268.13
RISK RESERVES	21	28,452,308.44	23,051,484.63
INVESTMENT RESERVES	21	98,349,934.94	61,647,783.50
REVALUATION RESERVE: PROPERTY ,PLANT & EQUIPMENT	6	0.00	0.00
TOTAL FUNDS AND RESERVES		1,056,207,088.10	835,320,624.90
NON-CURRENT LIABILITIES		13,907,341.72	9,302,782.94
EMPLOYER SURPLUS ACCOUNTS	21	0.00	0.00
FINANCIAL LIABILITIES	16.1	0.00	0.00
PROVISIONS	16.2	1,310,035.81	1,873,808.01
UNCLAIMED BENEFITS	9	12,597,305.91	7,428,974.93
CURRENT LIABILITIES		66,217,609.59	51,312,974.77
TRANSFERS PAYABLE	7	747,115.50	1,709,069.79
BENEFITS PAYABLE	8	62,810,105.46	46,041,695.38
ACCOUNTS PAYABLE	10	2,660,388.63	3,562,209.60
RETIREMENT FUND TAXATION	11	0.00	0.00
TOTAL FUNDS AND LIABILITIES		1,136,332,039.41	895,936,382.61

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS FOR THE YEAR ENDED 31/03/2011**

	NOTES	MEMBERS' SHARE ACCOUNT	RISK RESERVE ACCOUNT	INVESTMENT RESERVE ACCOUNT	RESERVE ACCOUNTS TOTAL	CURRENT TOTAL	PREVIOUS YEAR TOTAL
CONTRIBUTIONS RECEIVED AND ACCRUED	12	157,696,426.46	38,673,085.42	0.00	38,673,085.42	196,369,511.88	158,771,427.59
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		14,618,727.96	(14,618,727.96)	0.00	(14,618,727.96)	0.00	0.00
NET INVESTMENT INCOME	13	0.00	0.00	110,175,945.54	110,175,945.54	110,175,945.54	171,841,777.23
(LESS) ALLOCATED TO UNCLAIMED BENEFITS		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
LESS:		0.00	8,380,989.62	0.00	8,380,989.62	8,380,989.62	8,969,405.29
REINSURANCE PREMIUMS		0.00	0.00	0.00	0.00	0.00	0.00
ADMINISTRATION EXPENSES	14	0.00	8,380,989.62	0.00	8,380,989.62	8,380,989.62	8,116,012.05
RETIREMENT FUND TAXATION	11	0.00	0.00	0.00	0.00	0.00	853,393.24
NET INCOME BEFORE BENEFITS AND TRANSFERS		172,315,154.42	15,673,367.84	110,175,945.54	125,849,313.38	298,164,467.80	321,643,799.53
TRANSFERS AND BENEFITS		77,448,042.54	0.00	(170,037.94)	(170,037.94)	77,278,004.60	56,190,791.65
TRANSFERS FROM OTHER FUNDS	5	4,269,934.80	0.00	170,037.94	170,037.94	4,439,972.74	12,171,737.11
TRANSFERS TO OTHER FUNDS	7	2,121,848.91	0.00	0.00	0.00	2,121,848.91	2,536,104.51
BENEFITS - CURRENT MEMBERS	8	79,596,128.43	0.00	0.00	0.00	79,596,128.43	65,826,424.25
NET INCOME AFTER BENEFITS AND TRANSFERS		94,867,111.88	15,673,367.84	110,345,983.48	126,019,351.32	220,886,463.20	265,453,007.88
FUNDS AND RESERVES		750,621,356.77	12,778,940.60	71,920,327.53	84,699,268.13	835,320,624.90	569,867,617.02
BALANCE AT BEGINNING OF PERIOD		750,621,356.77	23,051,484.63	61,647,783.50	84,699,268.13	835,320,624.90	569,867,617.02
PRIOR-YEAR ADJUSTMENTS		0.00	0.00	0.00	0.00	0.00	0.00
OTHER (*)		0.00	(10,272,544.03)	10,272,544.03	0.00	0.00	0.00
TRANSFER BETWEEN RESERVE ACCOUNTS	21	0.00	0.00	0.00	0.00	0.00	0.00
INVESTMENT INCOME ALLOCATED		83,916,376.07	0.00	(83,916,376.07)	(83,916,376.07)	0.00	0.00
CURRENT MEMBERS		82,272,100.00	0.00	(82,272,100.00)	(82,272,100.00)	0.00	0.00
FORMER MEMBERS		1,644,276.07	0.00	(1,644,276.07)	(1,644,276.07)	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		929,404,844.72	28,452,308.44	98,349,934.94	126,802,243.38	1,056,207,088.10	835,320,624.90

* - This amount was released from the Risk Reserve to the Investment Reserve based on the recommendation per the Actuary Report.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

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 years

The useful life of existing assets 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

- * Recognition
 - * 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.
- * Measurement

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.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

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.
- * All income derived from script lending is included in the investment income note.

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.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011**1. PROPERTY, PLANT AND EQUIPMENT****1.1 CURRENT YEAR**

	COMPUTER EQUIPMENT AND SOFTWARE R	OFFICE EQUIPMENT R	FURNITURE & FITTINGS R	TOTAL R
GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
ADDITIONS	0.00	0.00	0.00	0.00
LESS DISPOSALS	0.00	0.00	0.00	0.00
ADJ. TO USEFUL LIFE OF ASSETS	0.00	0.00	0.00	0.00
OTHER MOVEMENTS	0.00	0.00	0.00	0.00
AT 31/03/2011	0.00	0.00	0.00	0.00
LESS: ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
LESS DEPRECIATION CHARGES	0.00	0.00	0.00	0.00
ADD ACCUM. DEPRECIATION ON DISPOSALS	0.00	0.00	0.00	0.00
LESS IMPAIRMENT WRITE DOWN	0.00	0.00	0.00	0.00
LESS OTHER MOVEMENTS	0.00	0.00	0.00	0.00
NET CARRYING AMOUNT 31/03/2011	0.00	0.00	0.00	0.00

1.2 PREVIOUS YEAR

	COMPUTER EQUIPMENT AND SOFTWARE R	OFFICE EQUIPMENT R	FURNITURE & FITTINGS R	TOTAL R
GROSS CARRYING AMOUNT AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
ADDITIONS	0.00	0.00	0.00	0.00
LESS DISPOSALS	0.00	0.00	0.00	0.00
ADJ. TO USEFUL LIFE OF ASSETS	0.00	0.00	0.00	0.00
OTHER MOVEMENTS	0.00	0.00	0.00	0.00
AT 31/03/2010	0.00	0.00	0.00	0.00
LESS: ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES AT BEGINNING OF PERIOD	0.00	0.00	0.00	0.00
LESS DEPRECIATION CHARGES	0.00	0.00	0.00	0.00
ADD ACCUM. DEPRECIATION ON DISPOSALS	0.00	0.00	0.00	0.00
LESS IMPAIRMENT WRITE DOWN	0.00	0.00	0.00	0.00
LESS OTHER MOVEMENTS	0.00	0.00	0.00	0.00
NET CARRYING AMOUNT 31/03/2010	0.00	0.00	0.00	0.00

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011**2. INVESTMENTS**

	NOTES	TOTAL LOCAL R	TOTAL FOREIGN R	FAIR VALUE 2011 R	FAIR VALUE 2010 R	CATEGORIZED PER AC133 R
CASH AND DEPOSITS		126,484,125.00	0.00	126,484,125.00	143,406,444.54	A
KRUGER RANDS		0.00	0.00	0.00	0.00	A
LOANS OTHER THAN HOUSING DEBENTURES		0.00	0.00	0.00	0.00	A
BILLS BONDS AND SECURITIES		173,639,263.31	0.00	173,639,263.31	110,253,863.80	A
INVESTMENT PROPERTIES		0.00	0.00	0.00	0.00	A
EQUITIES		551,218,451.94	22,727,392.50	573,945,844.44	466,518,624.49	A
EQUITIES WITH PRIMARY LISTING ON JSE		403,609,937.82	0.00	403,609,937.82	326,980,633.87	A
EQUITIES WITH SECONDARY LISTING ON JSE		147,608,514.12	0.00	147,608,514.12	118,598,238.62	A
FOREIGN LISTED EQUITIES		0.00	22,727,392.50	22,727,392.50	20,939,752.00	A
EQUITY INDEXED LINKED INVESTMENTS		0.00	0.00	0.00	0.00	A
UNLISTED EQUITIES		0.00	0.00	0.00	0.00	A
PREFERENCE SHARES		0.00	0.00	0.00	0.00	A
INSURANCE POLICIES		0.00	0.00	0.00	0.00	A
NON LINKED RELATED POLICIES		0.00	0.00	0.00	0.00	A
LINKED RELATED POLICIES		0.00	0.00	0.00	0.00	A
COLLECTIVE INVESTMENT SCHEMES		30,741,183.40	50,858,219.75	81,599,403.15	42,091,932.56	A
DERIVATIVE MARKET INSTRUMENTS		0.00	0.00	0.00	0.00	A
PARTICIPATING MORTGAGE BONDS		0.00	0.00	0.00	0.00	A
INVESTMENT IN PARTICIPATING EMPLOYERS		0.00	0.00	0.00	0.00	A
OTHER		0.00	143,416,357.03	143,416,357.03	97,257,305.63	A
TOTAL LOCAL AND FOREIGN		882,083,023.65	217,001,969.28	1,099,084,992.93	859,528,171.02	A

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

A - Held for trading - Fair Value

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

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

	2011	2010
	R	R
ACCRUED INTEREST /DIVIDENDS	0.00	0.00
ADMINISTRATION	0.00	0.00
CONTRIBUTIONS	0.00	0.00
FUND MANAGERS	0.00	0.00
INTEREST	0.00	0.00
L.A. - MEDICAL BOARD FEES	1,414.00	3,425.96
L.A. - PENALTY INTEREST DUE	24,962.45	48,706.99
PENSION REFUNDS - RETRENCHMENTS	0.00	0.00
PREPAID FUND MANAGERS FEES	0.00	0.00
PROPERTY AND ALLIED	0.00	0.00
PENSIONABLE SERVICE DEBTORS	73,842.28	73,842.28
SUNDRY DEBTORS	981,822.27	32,889.77
TRANSFERS INWARD	0.00	139,677.96
TOTAL	1,082,041.00	298,542.96

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

5. TRANSFERS FROM OTHER FUNDS

EFFECT. DATE	NO. OF MEMBERS	APPLIED FOR NOT APPROVED R	AT BEGINNING OF PERIOD R	AMOUNTS RAISED AT END OF PERIOD R	RETURN ON TRANSFERS R	ASSETS TRANSFERRED R	AT END OF PERIOD R
IN TERMS OF SECTION 14							
NJMPF (R)	2	0.00	4,987,769.02	175,474.90	494,738.46	108,148.85	5,549,833.53
NJMPF (S)	7	0.00	3,469,480.49	1,378,992.51	892,934.70	1,101,021.13	4,640,386.57
OTHER			0.00	1,399,843.13	97,989.04	1,497,832.17	0.00
IN TERMS OF SECTION 15B							
TOTAL	9	0.00	8,457,249.51	2,954,310.54	1,485,662.20	2,707,002.15	10,190,220.10

6. REVALUATION RESERVE - PROPERTY, PLANT AND EQUIPMENT

	CURRENT YEAR	PREVIOUS YEAR
	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	0.00	0.00
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 R	AT BEGINNING OF PERIOD R	AMOUNTS RAISED AT END OF PERIOD R	RETURN ON TRANSFERS R	ASSETS TRANSFERRED R	AT END OF PERIOD R
IN TERMS OF SECTION 14							
NJMPF (R)	0	0.00	0.00	0.00	0.00	0.00	0.00
NJMPF (S)	8	0.00	1,115,497.49	979,104.79	201,828.31	1,549,315.09	747,115.50
OTHER	4	0.00	593,572.30	870,578.96	70,336.85	1,534,488.11	0.00
IN TERMS OF SECTION 15B							
TOTAL	12	0.00	1,709,069.79	1,849,683.75	272,165.16	3,083,803.20	747,115.50

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

8. BENEFITS

8.1 BENEFITS - CURRENT MEMBERS

	A AT BEGINNING OF PERIOD R	B BENEFITS FOR CURRENT PERIOD R	C RETURN ALLOCATED R	D PAYMENTS R	E TRF'D TO UNCLAIMED BENEFITS R	A+B+C-D-E AT END OF PERIOD R
MONTHLY PENSION	0.00	0.00	0.00	0.00	0.00	0.00
LUMP SUM ON RETIREMENT	6,662,316.96	15,815,640.55	631,740.87	14,831,777.13	81,355.07	8,196,566.18
- FULL BENEFIT	6,662,316.96	15,815,640.55	631,740.87	14,831,777.13	81,355.07	8,196,566.18
- PENSIONS COMMUTED	0.00	0.00	0.00	0.00	0.00	0.00
LUMP SUM BEFORE RETIREMENT	38,003,979.69	56,522,635.99	6,270,569.28	42,343,711.78	3,839,933.90	54,613,539.28
- DISABILITY BENEFITS PAID BY THE FUND	0.00	0.00	0.00	0.00	0.00	0.00
- DEATH BENEFITS	26,899,425.04	28,456,693.13	4,546,417.81	18,317,239.74	3,486,652.85	38,098,643.39
- WITHDRAWALS 10 YEARS OR MORE	10,988,013.12	25,786,187.81	1,627,191.63	22,206,462.83	130,286.13	16,064,643.60
- WITHDRAWALS < 10 YEARS	116,541.53	2,279,755.05	96,959.84	1,820,009.21	222,994.92	450,252.29
- 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 - DIVORCE ORDERS	0.00	355,541.74	0.00	355,541.74	0.00	0.00
STALE CHEQUES ETC	1,375,398.73	0.00	0.00	128,356.72	1,247,042.01	0.00
TOTAL (7.1)	46,041,695.38	72,693,818.28	6,902,310.15	57,659,387.37	5,168,330.98	62,810,105.46

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

72,693,818.28

RETURN ALLOCATED (C) TO INVESTMENT INCOME

6,902,310.15

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

79,596,128.43

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

9 UNCLAIMED BENEFITS

	2011	2010
	R	R
BALANCE AT BEGINNING OF PERIOD	7,428,974.93	1,809,560.96
TRANSFERRED FROM BENEFITS PAYABLE & ACC. FUNDS	8,804,815.62	6,760,699.75
INVESTMENT INCOME ALLOCATED	0.00	0.00
LESS:	3,636,484.64	1,141,285.78
TRACING EXPENSES	0.00	0.00
ADMINISTRATION EXPENSES	0.00	0.00
FORFEITED TO THE FUND	0.00	0.00
BENEFITS PAID	3,636,484.64	1,141,285.78
BALANCE AT END OF PERIOD	12,597,305.91	7,428,974.93

10. ACCOUNTS PAYABLE

	2011	2010
	R	R
ACTUARY'S FEES	0.00	155,452.68
MINIMUM LEASE PAYMENT	56,905.99	28,238.67
CONTRIBUTIONS PAID IN ADVANCE	0.00	0.00
CONTRIBUTIONS DUE FOR REFUND	281,582.46	281,582.46
FUND MANAGERS	0.00	0.00
INTEREST / DIVIDENDS	0.00	0.00
AUDIT FEES	0.00	0.00
INTEREST / DIVIDENDS	0.00	0.00
ADMIN EXPENSES AS PER MEMBERS RATIO	487,447.52	709,780.16
INTERNAL AUDIT	0.00	0.00
OPERATING EXPENSES	0.00	0.00
PROPERTY & ALLIED	0.00	0.00
SUBSISTENCE AND TRAVEL	0.00	0.00
SUNDRY CREDITORS	1,834,452.66	2,387,155.63
TOTAL	2,660,388.63	3,562,209.60

11. RETIREMENT FUND TAXATION

	2011	2010
	R	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	0.00	746,690.21
RET. FUND TAXATION - CURRENT	0.00	853,393.24
RET. FUND TAXATION - PRIOR YEAR UNDERPROVISION	0.00	0.00
RETIREMENT FUND TAXATION PAID	0.00	1,600,083.45
AT END OF PERIOD	0.00	0.00

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

12. CONTRIBUTIONS

	A AT BEGINNING OF PERIOD R	B CONTRIBUTIONS TOWARDS RETIREMENT R	C TOWARDS RE- INSURANCE AND EXPENSES R	D CONTRIBUTIONS RECEIVED R	A+B+C-D AT END OF PERIOD R
MEMBERS CONTRIBUTIONS - RECEIVED AND ACCRUED	3,111,489.13	66,566,974.69	0.00	66,574,313.61	3,104,150.21
EMPLOYER CONTRIBUTIONS - RECEIVED AND ACCRUED	4,400,982.99	91,129,451.77	0.00	91,240,139.10	4,290,295.66
EMPLOYER CONTR. - RECEIVED AND ACCRUED - RISK RESERVE	1,661,376.42	38,673,085.42	0.00	38,484,455.73	1,850,006.11
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	9,173,848.54	196,369,511.88	0.00	196,298,908.44	9,244,451.98

TOWARDS RETIREMENT 196,369,511.88

TOWARD RE-INSURANCE AND EXPENSES 0.00

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS 196,369,511.88

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

13. NET INVESTMENT INCOME

	2011	2010
	R	R
INCOME FROM INVESTMENT PROPERTY AND INVESTMENTS	40,147,286.92	28,401,276.51
DIVIDENDS	18,349,100.69	10,495,404.84
INTEREST	21,798,186.23	17,905,871.67
RENTALS	0.00	0.00
COLLECTIVE INVESTMENT SCHEMES DISTRIBUTION	0.00	0.00
MARKET RELATED INSURANCE POLICIES	0.00	0.00
INTEREST ON LATE PAYMENT OF CONTRIBUTIONS	80,359.88	52,344.80
INTEREST LEVIED ON SURPLUS IMPROPERLY USED	0.00	0.00
ADJUSTMENT TO FAIR VALUE	74,656,233.35	147,232,105.23
PROFIT /(LOSS) ON SALES OF INVESTMENTS	36,701,256.12	28,505,515.66
INVESTMENTS WRITTEN UP/(DOWN)	37,954,977.23	118,726,589.57
ADJUSTMENTS	0.00	0.00
SUB TOTAL	114,883,880.15	175,685,726.54
LESS:	4,707,934.61	3,843,949.31
COST INCURRED IN MANAGING INVESTMENTS	4,707,934.61	3,843,949.31
INTEREST PAID ON BORROWINGS	0.00	0.00
TOTAL	110,175,945.54	171,841,777.23

14. ADMINISTRATION EXPENSES

	NOTES	2011	2010
		R	R
COST OF ADMINISTRATION		6,372,732.39	5,551,541.31
ADMINISTRATION EXPENSES		909,657.78	1,408,612.53
AMOUNTS WRITTEN OFF		0.00	0.00
DEPRECIATION - AT COST		0.00	0.00
LEVIES (FINANCIAL SERVICES BOARD)		102,508.75	78,437.35
OFFICE EXPENSES		340,440.68	446,168.61
OPERATING LEASE PAYMENTS		436,138.99	407,987.73
PENALTIES		0.00	0.00
PROJECT COSTS - NEW IT PLATFORM		240,103.50	432,395.34
STAFF COSTS & PRINCIPAL OFFICER EXPENSES	14.2	4,343,882.69	2,777,939.75
SECRETARIAL FEES		0.00	0.00
NON-ADMINISTRATIVE EXPENSES		2,008,257.23	2,564,470.74
ACTUARY'S FEES		(253,441.74)	583,967.68
AUDIT FEES		236,566.77	380,802.09
AUDIT SERVICES		236,566.77	380,802.09
AUDIT EXPENSES		0.00	0.00
OTHER		0.00	0.00
CONSULTANCY FEES	14.1	906,242.83	465,489.50
FEES PAYABLE TO BOARD MEMBERS		643,266.46	523,941.76
FIDELITY COVER		31,500.00	16,875.00
MEMBER COMMUNICATION		444,122.91	593,394.71
MAILINGS FOR MEMBERS		232,701.09	269,019.37
MEETING COSTS /TRUSTEE TRAINING		211,421.82	324,375.34
TOTAL		8,380,989.62	8,116,012.05

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

14.1 FEES PAYABLE TO BOARD MEMBERS

	2011 R	2010 R
REIMBURSIVE MEETING ALLOWANCE	643,266.46	523,941.76
TOTAL	643,266.46	523,941.76

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

	2011 R	2010 R
SALARIES	3,024,105.64	2,391,203.07
EMPLOYER CONTRIBUTIONS TO RETIREMENT FUNDS	1,153,167.76	204,272.05
TRAINING EXPENSES	22,977.44	30,929.85
OTHER	143,631.85	151,534.78
TOTAL	4,343,882.69	2,777,939.75

14.2.1 PRINCIPAL OFFICER REMUNERATION

	2011 R	2010 R
SALARIES	463,271.62	291,108.00
ALLOWANCES	18,252.00	18,360.00
RETIREMENT FUND CONTRIBUTION	126,103.60	0.00
INCENTIVE BONUS	144,457.08	92,840.40
OTHER PAYMENTS	0.00	0.00
TOTAL	752,084.30	402,308.40

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

15. PRIOR YEAR ADJUSTMENT

Please refer to Principal Accounting Policies - Basis of Preparation

16. FINANCIAL LIABILITIES AND PROVISIONS

16.1 FINANCIAL LIABILITIES

	2011 R	2010 R
	0.00	0.00

16.2 PROVISIONS

	2011 R	2010 R
ACCUMULATED LEAVE	291,667.24	243,449.60
ACTUARY'S FEES	122,736.90	685,265.70
AUDIT FEES	285,303.36	322,755.09
STAFF BONUS	444,684.04	336,221.24
PROJECT - IT PLATFORM INSTALLATION	0.00	106,590.00
SYSTEM PROCESSING	117,491.30	179,526.38
TRUSTEE EXPENSES	48,152.97	0.00
TOTAL	1,310,035.81	1,873,808.01

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 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.

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

* **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 the maximum percentage allowed by the legislation.

* **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 2011, except as disclosed in note 14.1 and note 14.2.1

20. OPERATING LEASE COMMITMENTS

	2011 R	2010 R
FUTURE MINIMUM OPERATING LEASE PAYMENTS		
WITHIN ONE YEAR	445,811.17	415,190.11
BETWEEN ONE AND FIVE YEARS	195,404.25	255,109.66
TOTAL	641,215.42	670,299.77

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

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	84,699,268.13	0.00	0.00	71,920,327.53	12,778,940.60	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 - MEMBERS	0.00	0.00	(83,916,376.07)	0.00	0.00	(83,916,376.07)	0.00	0.00	0.00
CONTRIBUTIONS RECEIVED AND ACCRUED	0.00	0.00	38,673,085.42	0.00	0.00	0.00	38,673,085.42	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	(14,618,727.96)	0.00	0.00	0.00	(14,618,727.96)	0.00	0.00
NET INVESTMENT INCOME	0.00	0.00	110,175,945.54	0.00	0.00	110,175,945.54	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:	0.00	0.00	8,380,989.62	0.00	0.00	0.00	8,380,989.62	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	8,380,989.62	0.00	0.00	0.00	8,380,989.62	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	126,632,205.44	0.00	0.00	98,179,897.00	28,452,308.44	0.00	0.00
TRANSFERS AND BENEFITS	0.00	0.00	(170,037.94)	0.00	0.00	(170,037.94)	0.00	0.00	0.00
TRANSFERS FROM OTHER FUNDS	0.00	0.00	170,037.94	0.00	0.00	170,037.94	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	126,802,243.38	0.00	0.00	98,349,934.94	28,452,308.44	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	126,802,243.38	0.00	0.00	98,349,934.94	28,452,308.44	0.00	0.00

KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

22. SURPLUS IMPROPERLY UTILISED RECEIVABLE

	2011 R	2010 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

	2011 R	2010 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

	2011 R	2010
CURRENT ACCOUNT	2,914,724.66	10,037,391.81
UNCLAIMED BENEFITS MONEY MARKET ACCOUNT - STANDARD BANK	13,815,608.74	8,441,178.77
	16,730,333.40	18,478,570.58

25. NON-CURRENT ASSETS HELD FOR SALE

NIL

ANNEXURE C

REPORT OF THE AUDITOR-GENERAL OF KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND TO THE REGISTRAR OF PENSION FUNDS ON FACTUAL FINDINGS

Scope

I have performed the procedures agreed with you and enumerated below with respect to the accounting records of the KwaZulu-Natal Joint Municipal Provident Fund for the year ended 31 March 2011, as required by you in terms of section 15 of the Pension Funds Act in South Africa, (the Act). My engagement was undertaken in accordance with the International Standard on Related Services (4400) Engagements applicable to agreed-upon procedures engagements regarding financial information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Registrar of Pension Funds.

Procedures and findings

My procedures and the corresponding findings thereon are set out in the table below.

	Procedures	Findings
1	We selected a sample of the lesser of 25 or 10% of participating employers and for the following three months: April, August and March, performed the following procedures:	
1.1	We agreed, in total, the data received by the administrator to the cash received by the fund.	Procedure satisfactorily performed. We found that the data received by the administrator agreed to the cash received by the fund.
1.2	We inspected the bank statements, as appropriate, for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	Procedure satisfactorily performed. We found that contributions were deposited with a registered bank in accordance with section 13A of the Act and that late payment interest had been correctly raised in terms of regulation 33 were applicable.
1.3	We inspected the accounting records of the fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.	Procedure satisfactorily performed. We found that amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.
2	We inspected the list of investments held by the fund for any investments prohibited in terms of section 19 (4) of the Act.	Procedure satisfactorily performed. We found that the fund does not hold investments prohibited in terms of section 19(4) of the Act.

	Procedures	Findings
2.1	Where investments held in the participating employer exceeded 5%, we inspected the appropriate Financial Services Board approval.	Not applicable to the fund – no investments were held in the participating employer.
2.2	We obtained written confirmations of investment balances and agreed details of the confirmations received to the investment balances reflected in the general ledger.	<p>Procedure satisfactorily performed.</p> <p>We found that the investment balances agreed to the details in the confirmations received from the investment managers.</p>
3	We obtained the list of housing loans granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 March 2011 and performed the following procedures:	Not applicable to the fund – no housing loans were granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 March 2011.
3.1	We agreed the loans on the above list to the corresponding account in the general ledger.	Not applicable to the fund – no housing loans were granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 March 2011.
3.2	From the above list, we selected a sample of the lesser of 25 or 10% of housing loans. We determined whether the selected housing loans were granted in terms of the requirements of section 19(5) of the Act, in terms of the security provided and the interest rates applied to the loans.	Not applicable to the fund – no housing loans were granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 March 2011.
3.3	If the fund issued more than 100 loans or the total principal debt of all outstanding loans exceeded R500 000, we determined whether the fund was registered as a credit provider under the National Credit Act, 2005 (the NCA) and whether an assurance report had been issued to the National Credit Regulator in terms of section 16(1)(b) of the NCA and regulations 67 and 68 to the NCA.	Not applicable to the fund – no housing loans were granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 March 2011.
4	We obtained the list of housing loan guarantees granted to members by the fund in terms of section 19(5) of the Act as at 31 March 2011. We selected a sample of the lesser of 25 or 10% of housing guarantees from the list. For the sample selected, we compared the total for guarantees issued on behalf of the members to the total of member individual fund credits, to determine whether the total guarantees issued exceeded the total member individual fund credits allowed in terms of the Act	<p>Procedure satisfactorily performed.</p> <p>We noted that members guarantee did not exceed the resignation benefit as allowed by the Act.</p>

	Procedures	Findings
	and/or the rules of the fund.	
5	We obtained a list of other loans as at 31 March 2011 and determined whether these loans were granted in terms of the requirements of section 19(5)B.	Not applicable to the fund – no loans were granted to members by the fund in terms of section 19(5)B of the Act by the fund as at 31 March 2011.
6	We obtained written confirmation from the fund's insurer that fidelity insurance cover was in place throughout the period ended 31 March 2011.	Procedure satisfactorily performed. We found that fidelity insurance cover was in place for the financial period ending 31 March 2011.
7	We obtained the list of section 14 transfers to and from the fund throughout the period ended 31 March 2011, selected a sample of the lesser of 25 or 10% transfers in and the lesser of 25 or 10% transfers out, and performed the following procedures:	
7.1	We agreed the section 14 transfers to and from the fund to the approved section 14 documentation received from the Financial Services Board in respect of each transfer.	Procedure satisfactorily performed. We found that the section 14 transfers agree to the approved section 14 documentation received from the Financial Services Board.
7.2	We agreed the above list of section 14 transfers to the corresponding account in the general ledger.	Procedure satisfactorily performed. We found the section 14 transfers agree to the corresponding account in the general ledger.
7.3	We determined by inspection whether the transfers were received/paid within 60 days of approval and whether the growth and interest return had been allocated from date of receipt/payment.	Procedure satisfactorily performed. We found that the transfers had been received/paid within 60 days of approval and growth and interest return was allocated from date of receipt/payment.
7.4	In respect of unitised funds, we selected a sample of the lesser of 25 or 10% of the members transferred and recalculated the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was included from the date of receipt to the date of purchase)	Not applicable as the fund is not unitised.
8	We obtained a list of accumulated member credits as reflected on the administrator's member register as at 31 March 2011 and performed the following procedures:	
8.1	We agreed the closing balance on the list to the corresponding account in the	Procedure satisfactorily performed. We agreed the closing balance on the list to the

	Procedures	Findings
	annual financial statements as at 31 March 2011.	Member Share Account in the Annual financial statements and noted a difference of R5 225 797.91. This difference is 0.56% of Member Share Account which is below the difference allowed by the Financial Services Board
8.2	We selected a sample of the lesser of 25 or 10% of the members from the list and performed the following procedures:	
8.2.1	We agreed the member and employer contributions received for the selected members per the administrator's system to information supplied by the participating employers for a sample of 3 months.	Procedure satisfactorily performed. We agreed the contribution received for the selected members per the administrator's system to information supplied by the participating employers for the month of July, November and March.
8.2.2	In respect of unitised investment products, we recalculated the conversion of the selected contributions at the unit price per the administration system on the dates that the contributions were invested and determined whether these units were correctly calculated and added to the existing units for the full year.	Not applicable as the fund's investment products are not unitised.
8.2.3	In respect of unitised investment products, we recalculated the conversion of units at the end of the year at the year end unit price and agreed the amount to the member's record on the member register.	Not applicable as the fund's investment products are not unitised.
8.2.4	In respect of unitised investment products, we agreed the period end unit price as authorised in terms of the rules of the fund to the unit prices on the administration system used to calculate the member credits.	Not applicable as the fund's investment products are not unitised.
8.2.5	In respect of non-unitised investment products, we agreed the return allocated to the member's fund credit on the administrator's records to the return approved in accordance with a resolution of the Board of Trustees or the rules of the fund	Procedure satisfactorily performed. We agreed the return allocated to the member's fund credit on the administrator's records to the return approved in accordance with a resolution of the Board of Trustees.
8.3	We selected a sample of the lesser of 25 or 10% of members who switched between investment portfolios during the	Not applicable – In terms of the rules of the fund members cannot switch between investment portfolios.

	Procedures	Findings
	period and determined whether the portfolios were correctly switched and that the correct amount was switched in accordance with notification of the member's election. We inspected whether any fees deducted were approved by the Board of Trustees.	
8.4	If a surplus apportionment scheme was approved by the FSB in the current period, we selected a sample of the lesser of 25 or 10% from the surplus schedules and we agreed the allocation of the fund surplus of the scheme to the individual allocation in the member records per the administration system.	Not applicable – There was no approved surplus apportionment scheme in the current period.
8.5	For unitised investment products where member portfolios are backed by specific portfolios, we agreed the values of investments specified by the members investment choice to the members liabilities per product for that choice and inspected the accuracy of reconciling items.	Not applicable as the fund's investment products are not unitised.
9	We inspected the most recent statutory valuation report to determine whether the fund was under-funded. For under-funded funds we determined whether a scheme, as required in terms of section 18 of Pension Fund Act in South Africa, has been implemented to remedy the shortfall.	Not applicable as this is a defined contribution fund. The members benefits are not guaranteed.
10	We obtained the analysis of the movements in the fund's reserve accounts from the financial statements and performed the following procedures:	
10.1	We agreed the opening balance to the prior year financial statements.	Procedure satisfactorily performed. We found that opening balance agreed to the prior year financial statements.
10.2	We inspected the rules of the fund to determine whether the movements in the fund's reserve accounts were in terms of the rules of the fund and the Act.	Procedure satisfactorily performed. We found that the movements in the fund's reserve accounts were in terms of the rules of the Fund and the act.
11	We obtained a list of lump sum benefits reflected as expenses in the fund's	

	Procedures	Findings
	Statement of Changes in Net Assets and Funds and performed the following procedures:	
11.1	We agreed the list to the respective general ledger benefit expense accounts.	Procedure satisfactorily performed. We found that the list agreed to the respective general ledger benefit expense accounts.
11.2	We selected a sample of the lesser of 25 benefits or 10% of the total benefit expenses from the list and performed the following procedures:	
11.2.1	We agreed the claim to the applicable, authorised supporting documentation.	Procedure satisfactorily performed. We found that the claims agreed to the authorised supporting documentation.
11.2.2	For death benefits, where a portion of the benefit was reinsured by the fund, we determined whether the recovery from the insurer was received by the fund.	Not applicable to the fund – no portion of the benefit is reinsured by the fund.
11.2.3	We agreed the opening fund credit for the member to the opening fund credit report and determined whether contributions were added every month until the date of exit. We agreed the balance paid out to member to the fund credit report or administration system as at the date of exit.	Procedure satisfactorily performed. We agreed the opening fund credit for the member to the opening fund credit report and noted that contributions were added every month until the date of exit. We agreed the balance paid out to member to the fund credit report as at the date of exit.
11.2.4	We inspected whether the payments agreed to relevant authorisation.	Procedure satisfactorily performed. We found that the payouts made by the fund agreed to authorising documentation.
12	We obtained a copy of the listing of pensioners and performed the following procedures:	
12.1	We agreed the total pensions paid to the corresponding account in the general ledger.	Not applicable as there are no pensions in the provident fund. This is a defined contribution fund, and has only lump sum payments.
12.2	We selected a sample of the lesser of 25 or 10 % of pensions paid from the above list and performed the following procedures:	
12.2.1	We agreed the pensioner increases to authorisation by the Board of Trustees or other relevant supporting	Not applicable as there are no pensions in the provident fund. This is a defined contribution fund, and has only lump sum payments.

	Procedures	Findings
	documentation.	
12.2.2	We inspected evidence supporting the fact that the pensioners selected were still alive.	Not applicable as there are no pensions in the provident fund. This is a defined contribution fund, and has only lump sum payments.
13	Where the fund has reinsured its pensioners with an insurer, we obtained a written confirmation of the pensions paid from the insurer including asset and liability balances and agreed this to the fund's general ledger pension expense, asset and liability accounts.	Not applicable to the fund – no portion is reinsured by the fund.

As the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the procedures performed. Had we performed additional procedures or had we performed an audit or review of the relevant information, other matters might have come to our attention that would have been reported to you.

Our report is solely for regulatory purposes and may not be distributed to, or relied on, by parties other than the Registrar of Pension Funds.

Auditor-general
Pietermaritzburg

31 August 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE D

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

SCHEDULE 1A - PERTAINING TO THE FINANCIAL STATEMENTS

	Notes	Direct Investments	Non-Linked Insurance Policies	Linked Insurance Policies	Collective Investment Schemes	Total	Local	Foreign	%Age of Foreign Exposure
CASH AND DEPOSITS	A	143,214,458.40	0.00	0.00	0.00	143,214,458.40	143,214,458.40	0.00	0.00%
KRUGER RANDS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
LOANS	B	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
DEBENTURES	C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
BILLS BONDS AND SECURITIES	C	173,639,263.31	0.00	0.00	0.00	173,639,263.31	173,639,263.31	0.00	0.00%
PROPERTIES	D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
EQUITIES	E	573,945,844.44	0.00	0.00	0.00	573,945,844.44	551,218,451.94	22,727,392.50	3.96%
- EQUITIES WITH PRIMARY LISTING ON JSE		403,609,937.82	0.00	0.00	0.00	403,609,937.82	403,609,937.82	0.00	0.00%
- EQUITIES WITH SECONDARY LISTING ON JSE		147,608,514.12		0.00	0.00	147,608,514.12	147,608,514.12	0.00	0.00%
- FOREIGN LISTED EQUITIES		22,727,392.50	0.00	0.00	0.00	22,727,392.50	0.00	22,727,392.50	100.00%
- EQUITY INDEXED LINKED INVESTMENTS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- UNLISTED EQUITIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
PREFERENCE SHARES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
COLLECTIVE INVESTMENT SCHEMES	I	0.00	0.00	0.00	81,599,403.15	81,599,403.15	30,741,183.40	50,858,219.75	62.33%
INSURANCE POLICIES:		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- LINKED POLICIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
- NON-LINKED POLICIES		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
DERIVATIVE MARKET INSTRUMENTS	G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
PARTICIPATING MORTGAGE BONDS		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
OTHER	K	143,416,357.03	0.00	0.00	0.00	143,416,357.03	0.00	143,416,357.03	100.00%
TOTAL		1,034,215,923.18	0.00	0.00	81,599,403.15	1,115,815,326.33	898,813,357.05	217,001,969.28	19.45%

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

A. DIRECT CASH AND DEPOSITS

	Fair Value
NEDBANK ACCOUNT - Current Accounts	2,773,966.88
NEDBANK ACCOUNT - Payables	-1,825,742.78
NEDBANK ACCOUNT - Receivables	8,048,399.22
NEDBANK INTEREST ACC - Current Accounts	11,451.35
STD CALL ACCOUNT 01 - Deposit Accounts	50,345,707.67
CORONATION ACTIVE - Deposit Accounts	35,200,000.00
CORONATION CASH INT - Deposit Accounts	192,408.82
INITIAL MARGIN - Deposit Accounts	2,208,586.00
VARIATION MARGIN - Deposit Accounts	643,385.42
VARIATION MARGIN INT - Current Accounts	7,627.66
PRUDENTIAL MONEY - Deposit Accounts	2,118,115.26
PRU MM FUND B INT - Deposit Accounts	10,157.92
SAFEXBR VAR MARG - Deposit Accounts	74,375.00
SAFEXBR INT ACCOUNT - Current Accounts	5,977.32
YILED MARGIN - Current Accounts	1,585.98
INKOTHA CALL INT - Deposit Accounts	5,178.08
SANLAM CALL BOND INT - Deposit Accounts	18,345.21
STANDARD BABK - Current Account	2,914,724.68
STANDARD BANK - Unclaimed Account	13,815,608.74
ABSA NCD 7.425 26052011	3,195,600.01
ZAM000015189 NEDBANK NCD 250712 8.25%	1,060,000.00
ZAM000016021 ABSA NCD 6.825 030511	3,137,400.00
RMB NCD 230511 6.725	1,041,900.00
ZAM000026913 ABSA NCD 5.60	5,074,499.98
RMB FRN J3M 1.1 260712	1,011,700.00
INVESTEC FRN J3M 1.5 5072012	1,015,300.00
NED FRN J3M 1.125 13072012	1,014,100.00
NED FRN J3M 1.05 100812	1,008,900.00
NED FRN J3M 0.475 170811	3,020,699.99
NED FRN J3M 0.425 230811	1,005,900.00
NED FRN J3M 0.8 140912	4,011,199.99
ZAM000007657 RMB NCD 11052012	1,047,400.00
TOTAL	143,214,458.40

B. DIRECT LOANS

	Fair Value
	0.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

C1. DEBENTURES

	Secured by/ Unsecured	Redemption Val
		0.00
TOTAL DEBENTURES		0.00

C2. BILLS, BONDS AND SECURITIES

	Secured by/ Unsecured	Fair Value
GOVERNMENT OR PROV. ADMIN		29,561,436.08
RSA 2015 13.50%		54,280
RSA 10.50 % 2025/26/27		3,537,335
RSA 2014 8.75%		45
RSA 2017 8.25%		3,358,959
RSA 2018 8.00%		343,829
R206 RSA 15012014		2,111,966
RSA 2020 7.25%		5,935,510
R208 RSA 310321		2,572,174
RSA 2036 6.25%		615,183
REPUBLIC OF SA 2023 5.50% 104.080645		2,480,071
RSA 2033 3.45% 122.916129		168,750
REP OF SA CPI 6.25% 31032028 142.84		7,246,641.22
REPUBLIC OF SOUTH AFRICA INFLATION LINKED BOND CPI 110.68		1,136,693
PARASTATAL BONDS		12,563,609
TRANSNET 914 PC 14112017		814,599
TRANSNET 8.9 PC 14112027		7,293,007
ESKOM HOLDINGS LTD 10% 25012023		1,598,518
NRA013 SA NATIONAL ROADS AGENCY CPI 4.25 31102013 155.119		496,427
NRA028 12.25 301128		301,524
TELKOM SA LIMITED		559,279
TRANSNET 10.50 17092020		1,043,541
UG21 UMGENI WATER 02032021		456,713.58
CORPORATE BONDS		124,514,218.61
AIR02 ACSA 11.68 30042023 AO23		1,842,490
DV21 DBSA 150616		45,109
TRANS CAL 2016 12.5%		1,459,730
TRANSCAL 9 PC 2852021		20,006
AB06 SUB DEBT 2015		962,872
AB07 SUB DEBT 070314		200,110
AIRL02 ACSA 5.5 CPI 18022014 165.36071		585,521
SABSA HOLD 9.935 PC 19712		1,162,475
BIDVEST 10.19 06082014		1,787,133
CITY OF CAPE TOWN 11.615 15062024		1,104,504
DBSA 10% 2023		1,637,122
FRB03 BND 9% 15092014		499,851
IPL4 IMPERIAL 290314		1,002,746
NED6 SUB 200913		823,694
NED7 SUB 08022012		257,567
OLD MUTUAL LIFE 8.92 PC 27102015		1,468,112
SCMB SUBORDINATED DEBT		528,979
SMF1 SAPPI 27062013		304,761
SNT01 SANTAM 150917		453,353
TFS06 TOYOTA FINANCIAL SERV SA 8.05% 203014		2,225,148
ABSA 8.45 PC 3411AO3		129,891
ABSA 8.3 PC 1511MN1		2,880,015
ABS6 8.2% 2020		22,355
ABSA BANK LTD CPI 5.5% 07122023		2,090,031
AIR03 ACSA 10.86 09032016		1,253,798
DEVELOPMENT 9.45 PC 722020		1,257,096
FRB05 FNB 21122018		1,467,902
FIRST RAND 8.75 14032015		5,002,901
HOME OBLIG 10.43 PC 1972045		517,438
MOMENTUM 812 PC 1592015		486,043
NEDB LTD 10.54 PC 1792015		844,090
STANDARD BANK OF SA 10.82 24112016		1,095,944
SCMB SUB DEBT 2015		1,463,421
SCMB SUB DEBT 2023		746,478
SBS5 SBSA 071211		1,038,005
STANDARD BANK FIXED 11.42 07072016		3,824,787

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

	Secured by/ Unsecured	Fair Value
SLI1 SANLAM 15082013		540,463
SAPPI 10.64 PC 141011AO14		532,869
SAPPI MANUFACTURING 12.13 30062012		639,008
SA ROADS 2025 9%		1,921,095
CITY OF CAPE TOWN 11.16% 15032025		511,479
STANDARD BANK CPI 5.5% 07122023		6,132,208
INVESTEC BANK LIMITED 12032015		1,580,639
EKURHULENI METRO MUN 10.56% 28072020		508,744
FIRSTRAND 8.5 01092014		1,005,276
FIRSTRAND LTD 10.50% 14042015		324,253
IMPERIAL GROUP 9.78 28092017		2,017,369
MTN 10.130 PC 130717		1,068,581
STANDARD BANK OF SA LTD 8.90% 22092017		1,929,164
INVESTEC 16 PC 31312		2,351,171
MTN HLDG 10.19 PC 1372014		213,190
MTN 7.80 PC 281013		5,747,338
FRBC21 FSR 12 12122018 JD21 PERPETUAL CALLABLE		248,413
ABSA CPI LINKED 6 20092019 164.23548		3,141,923
ABSA 8.80 11092026		2,137,164
EKURHULENI METROPOL MUNICIPALITY R208 + SPREAD 185 110320		609,022
NEDBANK DOMESTIC MEDIUM TERM NOTE 9.36 23032016		1,003,773
ABSA 5.50 CPI LINKED 07122028 BASE CPI 65.05040323		3,422,915
AFRICAN BANK 8.00 INDEXED LINKED 08052014 103.370968		992,937
EGL01 EAGLE BONDS 9.9561 31072012		186,761
EQS FRN J3M 0.5 220915		1,028,879
INV FRN J3M 2.65 200922		1,203,240
NEDBANK 10.55 15092015		2,433,159
NEDBANK LTD 11.39% 09092019		1,282,562
SBK CAPITAL NOTE 5.75 NACS 102.430830 09042019		3,250,400
SBS7 STD 2013		103,887
ANGLO AMERICAN SA FINANCE LIMITED		2,376,710
ABL5 AFRICAN BANK 9.70 11082011		10,112
ABL8A AFRICAN BANK 13.00 19092013		535,164
AFRICAN BANK 15032015		1,485,756
ABLS1 ABSA CALLABLE BOND J3M160 08082012		14,929
ABSA FIXED RATE 15.5 13072016		277,121
AIRL01 CP 3.64 30102028		2,585,199
CAPITEC BANK LTD 13% 02112014		603,621
EGL02 EAGLE BONDS 10.01463 30112011		107,724
FIRSTRAND LINKED NOTE 5.5% 07122023		3,961,659
RANDMERCH 10.08 PC 282013		485,637
FIRSTRAND 10.75 10122024		1,867,803
INV FRN J3M 0.55 22062020		1,511,490
NEDH1A NEDBANK CALLABLE BOND 15.05 20112018 (J+712.50)		547,793
THEKW 9.86 PC 181012		734,845
INVESTEC FRN J3M 2.00 15062012		2,335,541
INVESTEC FRN J3M 1.46 280613		500,381
INVESTEC BANK LTD 9.51 15032016		1,108,544
NEDBANK LIMITED 9.68% 19042015		1,063,621
EQSTRA CORP PTY LTD CPI 181114 108.370000		1,498,662
FIRST RAND INDEX LINKED 2.75 22012022		394,873
FIRSTRAND BANK SENIOR UNSECURED INDEXED RATE NOTES		231,332
FIRSTRAND BANK SENIOR UNSECURED INDEXED RATE NOTES		151,102
INVESTEC FRN J3M 1.75 2806215		1,201,089
NEDBANK FRN J3M 1.50 09092012		810,031
NEDBANK LTD J3M 0.22 15092015		1,010,849
STD FR J3M 2.2 241120116		906,915
STANDARD BANK OF SA CPI LN 2.5 310117		3,114,240
AFRICAN BANK LIMITED FD 11.50% 15032015		522,930
AFRICAN BANK LTD FRN J3M 4.00 31032018		1,400,367
BARLOWORLD LIMITED 9.94% 021017		598,816
OTHER		7,000,000.00
INKOTHA CALL BOND 31082011 LINKED TO REPO INDIRECT FUNCTI		3,000,000
SCB002		4,000,000
TOTAL BILL BONDS AND SECURITIES		173,639,263.31

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

D. DIRECT PROPERTIES

	Fair Value
TOTAL	0.00

E. DIRECT EQUITIES

	Fair Value
E1: PRIMARY LISTING ON JSE	403,609,937.82
E2: SECONDARY LISTING ON JSE	147,608,514.12
E3: FOREIGN LISTED EQUITIES	22,727,392.50
E4: EQUITY LINKED INSTRUMENTS	0.00
E5: UNLISTED EQUITIES	0.00
TOTAL EQUITIES	573,945,844.44

E1: EQUITIES WITH PRIMARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
SOL	SASOL LTD	641,407	142,297	0.02%	55,707,852.53
MTN	MTN GROUP LTD	1,884,529	288,691	0.02%	39,426,529.87
SBK	STANDARD BANK GROUP LTD	1,585,345	318,264	0.02%	33,099,456.00
IMP	IMPALA PLATINUM	631,714	69,158	0.01%	13,536,986.92
REM	REMGRO LTD	481,106	109,540	0.02%	12,192,897.40
	SUB TOTAL				153,963,722.72
	OTHER				
ASA	ABSA GROUP LIMITED	718,210	453,152	0.06%	11,907,445.70
FSR	FIRSTRAND LTD	5,637,942	2,414,514	0.04%	11,835,020.70
ANG	ANGLOGOLD LTD	381,272	1,686,407	0.44%	11,010,285.00
WHL	WOOLWORTHS HOLDINGS LTD	851,287	139,847	0.02%	10,898,683.25
NTC	NETWORK HEALTHCARE HOLDINGS LIMITED	1,440,885	2,872,109	0.20%	9,876,573.50
SLM	SANLAM ORDINARY SHARES	2,100,000	1,261,300	0.06%	8,379,360.00
IPL	IMPERIAL HOLDINGS LTD	210,292	242,933	0.12%	6,365,850.60
BVT	BIDVEST GROUP LTD	327,349	167,280	0.05%	6,359,823.46
TFG	THE FOSCHINI GROUP LTD	240,498	181,520	0.08%	6,181,312.30
VOD	VODACOM GROUP LTD	1,487,954	312,120	0.02%	5,910,158.52
AFE	AECI LTD	119,136	326,236	0.27%	5,478,866.10
HAR	HARMONY GOLD MINING CO	429,677	215,220	0.05%	5,208,455.53
SAP	SAPPI LTD	537,118	567,047	0.11%	5,054,133.00
EXX	EXXARO RESOURCES	358,120	244,322	0.07%	5,026,840.26
NPK	NAMPAK ORDINARY SHARES	693,595	223,779	0.03%	4,978,207.94
SUI	SUN INTERNATIONAL (SA)	111,095	909,475	0.82%	4,564,005.50
TON	TONGAAT HULLET LIMITED	104,812	3,134,220	2.99%	4,439,987.07
TRE	TRENCOR LTD	187,469	2,517,252	1.34%	4,242,225.00
RDF	REDEFINE INCOME FUND LTD	2,690,172	193,558	0.01%	4,213,590.00
SPP	SPAR GROUP LIMITED	171,677	1,084,134	0.63%	4,060,965.00
GFI	GOLD FIELDS LTD	720,797	188,059	0.03%	3,976,484.95
MMI	MMI HOLDINGS LIMITED	1,503,533	139,481	0.01%	3,909,836.25
ARL	ASTRAL FOODS LTD	42,144	144,970	0.34%	3,845,913.50
MPC	MR PRICE GROUP LTD	248,406	455,219	0.18%	3,750,766.25
KIO	KUMBA IRON ORE LIMITED	321,912	278,308	0.09%	3,541,024.00
AIP	ADCOCK INGRAM HOLDINGS LTD	173,997	457,019	0.26%	3,476,152.35
ILV	ILLOVO	459,639	1,428,844	0.31%	3,391,665.15
DBNPN7	NASPERS LIMITED	16,000	137,491	0.86%	3,241,066.00
NED	NEDCOR LIMITED	505,072	567,925	0.11%	2,993,712.54

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

E1: EQUITIES WITH PRIMARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
DSY	DISCOVERY HOLDINGS LTD	591,953	73,024	0.01%	2,782,944.64
MND	MONDI	146,896	39,410	0.03%	2,612,883.00
GRT	GROWTHPOINT PROPERTY LTD	1,571,517	151,022	0.01%	2,611,170.38
SPG	SUPER GROUP LTD	3,273,097	3,396,486	0.10%	2,513,399.64
FBR	FAMOUS BRANDS	95,818	64,192	0.07%	2,432,876.80
FPT	FOUNTAINHEAD PROP	996,043	386,369	0.04%	2,387,760.42
ACP	ACUCAP PROPERTIES	171,648	63,685	0.04%	2,190,764.00
TKG	TELKOM SA LIMITED	520,784	58,800	0.01%	2,175,600.00
ACL	ARCELORMITTAL SOUTH AFRICA LIMITED	445,752	23,000	0.01%	2,070,000.00
AEG	AVENG LTD	394,267	55,446	0.01%	1,977,758.82
EQS	EQSTRA HOLDINGS LIMITED	427,668	304,548	0.07%	1,973,471.04
FFA	FORTRESS INCOME FUND LTD	220,750	172,851	0.08%	1,892,718.45
GMB	GLENRAND MIB LTD	298,025	908,992	0.31%	1,817,984.00
MTX	METOREX LTD	1,002,263	260,388	0.03%	1,684,710.36
OMN	OMNIA HOLDINGS	67,250	22,396	0.03%	1,640,283.04
AFP	ALEX ANDER FORBES PREFS	236,716	180,829	0.08%	1,627,461.00
CPL	CAPITAL PROPERTY FUND	717,578	202,807	0.03%	1,612,315.65
TBS	TIGER BRANDS LTD.	190,355	9,034	0.00%	1,581,040.34
AVI	AVINIA	349,108	51,700	0.01%	1,550,483.00
AVU	AVUSA LIMITED	124,377	61,662	0.05%	1,515,035.34
PGR	PEREGRINE HOLDINGS LTD	228,129	140,000	0.06%	1,512,000.00
GDF	GOLD REEF CASINO RESORTS LTD	1,180,605	91,677	0.01%	1,466,832.00
GRF	GROUP FIVE LTD	120,912	53,105	0.04%	1,449,766.50
RIN	REDEFINE PROPERTIES INTERNATIONAL LTD	336,575	223,964	0.07%	1,440,088.52
DTC	DATATEC LTD	185,592	38,800	0.02%	1,439,480.00
MVG	MVELAPHANDA GROUP LTD	565,474	441,145	0.08%	1,411,664.00
CAT	CAXTON CTP PUBLISHERS	495,640	100,898	0.02%	1,398,446.28
BAW	BARLOWORLD LIMITED	230,455	18,000	0.01%	1,344,600.00
ADH	ADCTECH LTD	400,838	235,783	0.06%	1,273,228.20
MVS	MVELASERVE LIMITED	141,562	104,029	0.07%	1,227,542.20
JDG	JD GROUP LTD	170,500	25,008	0.01%	1,210,387.20
NBAGLI	NB ANGLO SUB 270711	15,000	7,811	0.05%	1,204,612.42
TDH	TRADEHOLD LIMITED	34,733	177,500	0.51%	1,198,125.00
CMP	CMP CIPLA MEDPRO SOUTH AFRICA LTD	454,027	171,135	0.04%	1,179,120.15
HLM	HULAMIN LIMITED	316,785	159,050	0.05%	1,113,350.00
SAC	SA CORPORATE REAL ES	2,081,869	316,381	0.02%	1,012,419.20
HPA	HOSPITAL PROPERTY FUND LTD	88,761	74,230	0.08%	1,009,528.00
LBH	LIBERTY HOLDINGS LTD	286,022	14,000	0.00%	995,400.00
GUJ	GUJMA AST GROUP	968,357	1,600,000	0.17%	992,000.00
AFX	AFRICAN OXYGEN LTD	342,853	52,966	0.02%	953,388.00
RBP	ROYAL BAFOKENG PLATINUM LIMITED	164,793	14,400	0.01%	900,000.00
OPT	OPTIMUM COAL HOLDINGS LTD	251,786	26,565	0.01%	850,080.00
SNU	SENTULA MINING LIMITED	586,559	306,307	0.05%	842,344.25
LHC	LIFE HEALTHCARE GROUP LIMITED	1,042,210	51,852	0.00%	823,928.28
MDC	MEDI-CLINIC CORP. LTD	652,315	27,500	0.00%	797,500.00
DAW	DISTRIBUTION & WAREHOUSING NETWORK	240,243	114,272	0.05%	742,768.00
EMI	EMIRA PROPERTY FUND	508,010	51,544	0.01%	666,463.92
RES	RESILIENT PROPERTY & INCOME FUND LTD	257,895	22,062	0.01%	661,860.00
ILA	ILIAD AFRICA LTD	138,218	91,900	0.07%	653,409.00
HCI	HOSKEN CONSOLIDATED INVESTMENTS LD	132,401	6,721	0.01%	524,170.79
DST	DST DISTELL GROUP LTD	202,396	7,000	0.00%	504,000.00
YRK	YORK TIMBER HOLDINGS LIMITED	331,241	136,496	0.04%	503,670.24
CLR	CLOVER INDUSTRIES LIMITED	179,112	43,800	0.02%	468,660.00
GND	GRINDROD LIMITED	464,982	31,600	0.01%	468,628.00
ADR	ADCORP HOLDINGS	61,850	15,697	0.03%	435,591.75
CML	CORONATION FUND MANAGERS	314,819	22,533	0.01%	401,087.40
PFG	PIONEER FOOD GROUP LIMITED	201,197	7,000	0.00%	385,210.00
NHM	NORTHAM PLATINUM LTD	361,259	8,600	0.00%	378,400.00
APK	ASTRAPAK LTD	135,131	40,498	0.03%	345,042.96
CRM	CERAMIC INDUSTRIES LTD	20,293	2,380	0.01%	330,820.00
INL	INVESTEC LTD	272,837	6,053	0.00%	319,598.40
BDM	BDM BUILDMAX	3,444,716	2,127,651	0.06%	297,871.14
AMA	AMALGAMATED APPLIANCE HOLDINGS LTD	212,190	138,922	0.07%	262,562.58
BCX	BUSINESS CONNEXION	303,729	49,900	0.02%	261,975.00

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SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

E1: EQUITIES WITH PRIMARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
SUR	SPUR CORPORATION LTD	97,633	19,200	0.02%	253,440.00
CBH	CONTRY BIRD HOLDINGS LIMITED	202,069	69,700	0.03%	243,950.00
SYC	SYCOM PROPERTY FUND	216,182	11,436	0.01%	231,922.08
GPL	GRAND PARADE INVESTMENTS LTD	462,331	71,850	0.02%	215,550.00
RMI	RMI HOLDINGS LIMITED	1,485,688	17,381	0.00%	202,488.65
CSB	CASHBUILD LIMITED	25,190	2,000	0.01%	187,000.00
HYP	HYPROP INVESTMENTS LTD	166,113	3,359	0.00%	179,169.06
ITE	ITALILE LTD	1,033,333	41,106	0.00%	178,811.10
DGC	DIGICORE HOLDINGS LIMITED	247,669	58,665	0.02%	161,328.75
CVI	CAPEVIN INVESTMENTS LTD	42,000	1,900	0.00%	156,750.00
SSK	STEFANUTTI STOCKS HOLDINGS LIMITED	188,081	14,950	0.01%	154,882.00
KEL	KELLY GROUP LIMITED	100,000	35,900	0.04%	137,138.00
CLH	CITY LODGE HOTELS	42,862	1,800	0.00%	121,320.00
JCD	JCI LTD	3,780,509	1,156,252	0.03%	115,625.20
PIK	PIC N PAY	480,397	2,200	0.00%	101,244.00
MFL	MFL METROFILE HOLDINGS LTD	408,085	52,141	0.01%	98,025.08
UCS	UCS GROUP LIMITED	288,423	40,500	0.01%	83,025.00
SOV	SOVEREIGN FOOD INVESTMENTS LIMITED	47,817	13,177	0.03%	75,767.75
DTA	DELTA EMD LTD	49,166	8,994	0.02%	71,502.30
SKY	SEA KAY HOLDINGS LTD	488,864	437,740	0.09%	70,038.40
ABSP	ABSA BANK LTD PREF	4,945	80	0.00%	68,560.00
RNG	RANDGOLD & EXPLORATION CO LTD	74,813	21,000	0.03%	60,900.00
TSX	TRANS HEX GROUP LTD	106,051	7,543	0.01%	19,310.08
FPTN	FOUNTAINHEAD PROPERTY TRUST NIL PAI	166,667	64,650	0.04%	11,637.00
PWK	PICK N PAY HOLDINGS LTD	527,249	500	0.00%	9,580.00
COM	COMAIR LTD	489,176	2,400	0.00%	5,496.00
MOB	MOBILE INDUSTRIES LTD	1,068,040	506,593	0.05%	5,065.93
	TOTAL OTHER				249,646,215.10
	TOTAL EQUITIES				403,609,937.82

E2: EQUITIES WITH SECONDARY LISTING ON JSE - DIRECT HOLDINGS

Share Code	Description	Issued Shares	Fund Holdings	%age of Issued	Fund Market Value
SAB	SA BREWERIES ORD SHARES	1,658,503	162,373	0.01%	39,394,937.26
	TOTAL OTHER				39,394,937.26
BIL	BILLITON PLC	2,209,215	98,457	0.00%	26,583,390.00
AGL	ANGLO AMERICAN PLC	1,342,930	71,602	0.01%	25,186,003.50
NPN	NASPERS LTD	406,171	54,716	0.01%	19,916,624.00
MNP	MONDI PLC	367,241	125,058	0.03%	8,178,793.20
OML	OLD MUTUAL PLC	5,695,126	396,017	0.01%	5,928,374.49
INP	INVESTEC PLC	538,817	111,389	0.02%	5,842,353.05
CFR	COMPAGNIE FIN RICHMONT	5,220,000	129,570	0.00%	5,133,563.40
CSO	CAPITAL SHOPPING CENTRES GROUP PLC	860,096	122,000	0.01%	5,108,140.00
REI	REINET INVESTMENTS SCA	1,959,413	425,958	0.02%	4,936,853.22
CCO	CAPITAL & COUNTIES PROPERTIES PLC	621,829	76,600	0.01%	1,399,482.00
	TOTAL - OTHER				108,213,576.86
	TOTAL				147,608,514.12

E3: EQUITIES - FOREIGN

Share Code	Description	Issued Shares	Fund Holdings	%age of Issued	Fund Market Value
BTI	BRITISH AMERICAN TOBACCO PLC SHARES	2,025,756	82,570	0.00	22,727,392.50
	TOTAL				22,727,392.50

E5: EQUITIES - UNLISTED

Share Code	Description	Issued Shares (000's)	Fund Holdings	%age of Issued Shares	Fund Market Value
					0.00
	TOTAL				0.00

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

G: DERIVATIVE MARKET INSTRUMENTS LISTED ON JSE

OPTION

Share Code	Description	Strike Price	Expiry date	Put/Call	Premium	Full Exposure (Notional amount)
	TOTAL OPTIONS					0.00

FUTURES/FORWARD - SAFEX

Share	Description	Put/Call	Expiry Date	Full Exposure
ALSIM1	ALSI TOP 40 JUNE 2011		06/2011	-19597500
B22185	IMPALA PLAT SEPT 2010 131.00 PUT	PUT	09/2011	
B25836	BILQ JUN11 157 PUT	PUT	06/2011	328.62
B25920	IMPQ JUN11 139.59 PUT	PUT	06/2011	18929.59
B25922	IMPQ JUN11 187.91 CALL	CALL	06/2011	518234.75
B25924	IMPQ JUN11 250.54 CALL	CALL	06/2011	-60094.23
B31306	DTOPM1 PUT 5800.00 220711	PUT	07/2011	-766705.61
B31822	DTOPZ1 PUT 5500.00 161211	PUT	12/2011	-706659.84
B31824	DTOPU1 PUT 5650.00 16092011	PUT	09/2011	-762010.48
B37043	DTOP SEP 11 6000 PUT	PUT	09/2011	-1714236.88
B37163	DTOP DEC11 5950 PUT	PUT	12/2011	-1592935.86
DTOPM1	DTOPM1 JUNE 2011		06/2011	4072200
B37024	ALSI SEPT11 23000 PUT	PUT	09/2011	-77252
B39757	ALSI SEPT11 27000 PUT	PUT	09/2011	136110
B40471	ALSI SEPT11 31700 CALL	CALL	09/2011	-32940
Y186K1	R186 MAY 2011		05/2011	13969786
	TOTAL FUTURES			-6,594,745.94

I: COLLECTIVE INVESTMENT SCHEMES

Share Code	Description	Fund Market Value
CAB001	CAB001 CORONATION ACTIVE BOND	7,118,821.21
RILWEQTB	RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC	50,858,219.75
CCOREA	CORONATION STRATEGIC CASH PF	2,189,232.86
PHIFB	PRU HIGH INTEREST FUND CLASS B	21,433,129.33
	TOTAL	81,599,403.15

K: OTHER PORTFOLIO ASSETS

Share Code	Description	Fund Market Value
ALGLFORB	ALLAN GAY LIFE ORBIS GLOBAL EQUITY	45,342,181.10
ALGLPFMF	ALLAN GRAY LIFE FOREIGN PORTFOLIO MUTUAL FUNDS	98,074,175.93
	TOTAL	143,416,357.03

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

J: RISK MANAGEMENT

CREDIT / COUNTER PARTY RISK

Description	Direct Investment in counter party	Deposit/Liquid Asset with counter party	Script lending trans.	Open financial instruments mark to market value	Guarantees	Any other instruments	Total per counter party	Exposure to counter party as a %age of the fair value of the assets of the fund
BANKS								
ABSA BANK	66,268,635.04	62,295,319.72	0.00	0.00	0.00	116,058,803.91	241,681,221.29	21.66%
AFRICAN BANK LIMITED	11,976,005.70	0.00	0.00	0.00	0.00	26,686,828	38,662,833.58	3.46%
FIRSTRAND BANK LTD	0.00	0.00	0.00	0.00	0.00	4,947,265.85	4,947,265.85	0.44%
INVESTEC BANK LTD	11,835,020.70	0.00	0.00	0.00	0.00	15,155,365.20	26,990,385.90	2.42%
CAPITEC BANK LIMITED	6,161,951.45	0.00	0.00	0.00	0.00	12,807,394.90	18,969,346.35	1.70%
DEVELOPMENT BANK OF SA	0.00	0.00	0.00	0.00	0.00	603,620.90	603,620.90	0.05%
NEDBANK LIMITED	2,993,712.54	9,008,074.67	0.00	0.00	0.00	2,939,326.24	2,939,326.24	0.26%
RMB	202,488.65	0.00	0.00	0.00	0.00	21,197,938.37	33,199,725.58	2.98%
STANDARD BANK OF SA	33,099,456.00	50,345,707.67	0.00	0.00	0.00	3,586,636.67	3,789,125.32	0.34%
SAFEXX		2,941,537.38	0.00	0.00	0.00	28,134,427.90	111,579,591.57	10.00%
ASSET MANAGERS LOCAL								
ALLAN GRAY	401,087.40	37,520,682.00	0.00	0.00	0.00	225,015,760.18	262,937,529.58	23.56%
CORONATION FUND MANAGERS	0.00	0.00	0.00	0.00	0.00	143,416,357.03	143,416,357.03	12.85%
PRUDENTIAL PORT MGR	401,087.40	35,392,408.82	0.00	0.00	0.00	9,308,054.07	45,101,550.29	4.04%
RUSSELL INVESTMENTS	0.00	2,128,273.18	0.00	0.00	0.00	21,433,129.33	23,561,402.51	2.11%
ASSET MANAGERS FOREIGN								
	0.00	0.00	0.00	0.00	0.00	50,858,219.75	50,858,219.75	4.56%
INSURANCE COMPANIES								
ALEXANDER FORBES	19,713,540.13	18,345.21	0.00	0.00	0.00	2,407,508.46	22,139,393.80	1.98%
LIBERTY GROUP LTD	1,627,461.00					0.00	1,627,461.00	0.15%
METROPOLITAN	995,400.00					0.00	995,400.00	0.09%
MOMENTUM GROUP LTD						0.00	0.00	0.00%
DISCOVERY HLD	2,782,944.64					486,043.25	486,043.25	0.04%
SANLAM	8,379,360.00	18,345.21				2,782,944.64	2,782,944.64	0.25%
OLD MUTUAL	5,928,374.49					0.00	8,397,705.21	0.75%
SANTAM LIMITED						1,468,112.26	7,396,486.75	0.66%
TOTAL	86,383,262.57	99,834,346.93	0.00	0.00	0.00	343,482,072.55	526,758,144.67	47.21%
PARTICIPATING EMPLOYERS								
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL	86,383,262.57	99,834,346.93	0.00	0.00	0.00	343,482,072.55	526,758,144.67	47.21%

FAIR ASSET VALUE OF THE FUND

1,115,815,326

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

SCHEDULE IA PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

J: RISK MANAGEMENT

EQUITY

Share Code	Description	Fair Value at end of	Open Financial	Total Fair Value	Market movement by
SOL	SASOL LTD	55,707,852.53	0.00%	55,707,852.53	58,493,245
MTN	MTN GROUP LTD	39,426,529.87	0.00%	39,426,529.87	41,397,856
SAB	SA BREWERIES ORD SHARES	39,394,937.26	0.00%	39,394,937.26	41,364,684
SBK	STANDARD BANK GROUP LTD	33,099,456.00	0.00%	33,099,456.00	34,754,429
BIL	BILLITON PLC	26,583,390.00	0.00%	26,583,390.00	27,912,560
AGL	ANGLO AMERICAN PLC	25,186,003.50	0.00%	25,186,003.50	26,445,304
BTI	BRITISH AMERICAN TOBACCO PLC SHARES	22,727,392.50	0.00%	22,727,392.50	23,863,762
NPN	NASPERS LTD	19,916,624.00	0.00%	19,916,624.00	20,912,455
IMP	IMPALA PLATINUM	13,536,986.92	0.00%	13,536,986.92	14,213,836
REM	REMGRO LTD	12,192,897.40	0.00%	12,192,897.40	12,802,542
TOTAL OF 10 LARGEST EQUITY HOLDINGS		287,772,069.98	0.00%	287,772,069.98	302,160,673.48
TOTAL MOVEMENT AS % OF NON CURRENT ASSETS					1.29

FAIR ASSET VALUE OF THE FUND

1,115,815,326

OTHER FINANCIAL HOLDINGS

Share Code	Description	Fair Value at end of Period	Open Financial Instruments marked to market value	Total Fair Value Equity Holdings and Open Instruments	Market movement by 5%
ALGLFPMF	ALLAN GRAY LIFE FOREIGN PORTFOLIO MUTUAL FUNDS	98,074,175.93	0.00%	98,074,175.93	102,977,884.73
RILWEQTB	RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC	50,858,219.75	0.00%	50,858,219.75	53,401,130.74
STDCAL01	STD CALL ACCOUNT 01 - Deposit Accounts	50,345,707.67	0.00%	50,345,707.67	52,862,993.05
ALGLFORB	ALLAN GAY LIFE ORBIS GLOBAL EQUITY	45,342,181.10	0.00%	45,342,181.10	47,609,290.16
CCASH	CORONATION ACTIVE - Deposit Accounts	35,200,000.00	0.00%	35,200,000.00	36,960,000.00
PHIFB	PRU HIGH INTEREST FUND CLASS B	21,433,129.33	0.00%	21,433,129.33	22,504,785.80
TN27	TRANSNET 8.9 PC 14112027	7,293,007.42	0.00%	7,293,007.42	7,383,836.49
210	REP OF SA CPI 6.25% 31032028 142.84	7,246,641.22	0.00%	7,246,641.22	7,608,423.96
CAB001	CAB001 CORONATION ACTIVE BOND	7,118,821.21	0.00%	7,118,821.21	7,474,762.27
SBSH11	STANDARD BANK CPI 5.5% 07122023	6,132,208.04	0.00%	6,132,208.04	6,350,318.27
TOTAL OF 10 LARGEST OTHER FINANCIAL HOLDINGS		329,044,091.67	0.00%	329,044,091.67	345,133,425.46
TOTAL MOVEMENT AS % OF NON CURRENT ASSETS					1.44

FAIR ASSET VALUE OF THE FUND

1,115,815,326

J: RISK MANAGEMENT

FOREIGN CURRENCY EXPOSURE

FOREIGN EXPOSURE

CODE	Description	Fair Value at end of Period	Market movement by 5%
ALGLFPMF	ALLAN GRAY LIFE FOREIGN PORTFOLIO MUTUAL FUNDS	98,074,175.93	102,977,884.73
RILWEQTB	RUSSELL INVESTMENTS WORLD EQUITY CLASS B ACC	50,858,219.75	53,401,130.74
ALGLFORB	ALLAN GAY LIFE ORBIS GLOBAL EQUITY	45,342,181.10	47,609,290.16
BTI	BRITISH AMERICAN TOBACCO PLC SHARES	22,727,392.50	23,863,762.13
TOTAL OF 10 LARGEST FOREIGN EQUITY HOLDINGS		217,001,969.28	227,852,067.74
TOTAL MOVEMENT AS % OF NON CURRENT ASSETS			0.97

FAIR ASSET VALUE OF THE FUND

1,115,815,326

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
1/12/2011	MNP	MONDI PLC	VARIOUS	156,264.00	2,400	VARIOUS	NEDBANK LTD	
1/12/2011	REI	REINET INVESTMENTS SCA	VARIOUS	172,500.00	15,000	VARIOUS	NEDBANK LTD	
1/12/2011	SLM	SANLAM LIMITED	VARIOUS	143,000.00	5,200	VARIOUS	NEDBANK LTD	
1/13/2011	BIL	BILLITON PLC	VARIOUS	1,267,684.00	4,700	VARIOUS	NEDBANK LTD	136,169.76
1/13/2011	SBK	STANDARD BANK GROUP LIMITED	VARIOUS	1,110,350.00	10,600	VARIOUS	NEDBANK LTD	12,331.86
1/24/2011	TFG	The Foschini Group Ltd	VARIOUS	221,245.68	2,598	VARIOUS	NEDBANK LTD	4,393.92
1/27/2011	MVS	MVELASERVE LTD	VARIOUS	228,000.00	19,000	VARIOUS	NEDBANK LTD	
1/27/2011	SLM	SANLAM LIMITED	VARIOUS	167,007.50	6,073	VARIOUS	NEDBANK LTD	
1/28/2011	GND	GRINROD LIMITED	VARIOUS	113,143.50	7,803	VARIOUS	NEDBANK LTD	
1/28/2011	GRT	GROWPOINT PROPERTIES LIMITED	VARIOUS	1,073,840.00	62,000	VARIOUS	NEDBANK LTD	
10/18/2010	AFX	AFRICAN OXYGEN LIMITED	VARIOUS	38,940.00	2,200	VARIOUS	NEDBANK LTD	
10/25/2010	MNP	MONDI PLC	VARIOUS	702,016.02	10,782	VARIOUS	NEDBANK LTD	
10/28/2010	AFX	AFRICAN OXYGEN LIMITED	VARIOUS	41,612.70	2,351	VARIOUS	NEDBANK LTD	
10/5/2009	AFE	AECI LIMITED	VARIOUS	83.00	1	VARIOUS	NEDBANK LTD	12,163.24
11/15/2010	IMP	IMPALA PLATINUM	VARIOUS	3,019,202.82	15,809	VARIOUS	NEDBANK LTD	17,001.90
11/15/2010	MND	MONDI LTD	VARIOUS	145,004.80	2,224	VARIOUS	NEDBANK LTD	
11/17/2010	MND	MONDI LTD	VARIOUS	217,507.20	3,336	VARIOUS	NEDBANK LTD	
11/17/2010	SLM	SANLAM LIMITED	VARIOUS	1,528,835.00	55,594	VARIOUS	NEDBANK LTD	
11/18/2010	CFR	COMPAGNIE FIN RICHMONT	VARIOUS	51,351.75	1,305	VARIOUS	NEDBANK LTD	
11/18/2010	MND	MONDI LTD	VARIOUS	79,544.00	1,220	VARIOUS	NEDBANK LTD	
11/22/2010	BIL	BILLITON PLC	VARIOUS	432,630.88	1,604	VARIOUS	NEDBANK LTD	
11/23/2010	KIO	KUMBA IRON ORE	VARIOUS	214,333.00	457	VARIOUS	NEDBANK LTD	
11/23/2010	SAB	SOUTH AFRICAN BREWERIES	VARIOUS	1,097,055.00	4,500	VARIOUS	NEDBANK LTD	350,550.01
11/24/2010	CFR	COMPAGNIE FIN RICHMONT	VARIOUS	58,119.95	1,477	VARIOUS	NEDBANK LTD	
11/25/2010	SLM	SANLAM LIMITED	VARIOUS	436,810.00	15,884	VARIOUS	NEDBANK LTD	
11/8/2010	BIL	BILLITON PLC	VARIOUS	3,236,640.00	12,000	VARIOUS	NEDBANK LTD	
11/8/2010	ILV	ILLOVO SUGAR LIMITED	VARIOUS	842,535.00	31,205	VARIOUS	NEDBANK LTD	
12/14/2010	EXX	EXXARO RESOURCES LIMITED	VARIOUS	714,873.50	4,406	VARIOUS	NEDBANK LTD	
12/15/2010	CSO	CAPITAL SHOPPING CENTRES GROUP PLC	VARIOUS	1,102,962.00	26,261	VARIOUS	NEDBANK LTD	
12/17/2010	CSO	CAPITAL SHOPPING CENTRES GROUP PLC	VARIOUS	2,058.00	49	VARIOUS	NEDBANK LTD	
12/17/2010	NTC	NETWORK HEALTHCARE HOLDINGS	VARIOUS	4,454,635.99	311,731	VARIOUS	NEDBANK LTD	67,563.51
12/24/2010	MND	MONDI LTD	VARIOUS	84,955.60	1,303	VARIOUS	NEDBANK LTD	
12/3/2010	NED	NEDBANK LIMITED	VARIOUS	415,213.92	2,904	VARIOUS	NEDBANK LTD	18,410.08
12/7/2010	MND	MONDI LTD	VARIOUS	144,874.40	2,222	VARIOUS	NEDBANK LTD	
2/14/2011	ANG	ANGLOGOLD ASHANTI LIMITED	VARIOUS	4,536,000.00	14,000	VARIOUS	NEDBANK LTD	15,142.40
2/14/2011	RDF	REDEFINE INCOME FUND LIMITED	VARIOUS	1,437,305.12	191,131	VARIOUS	NEDBANK LTD	28,669.65
2/15/2011	INP	INVESTEC PLC	VARIOUS	973,100.00	18,500	VARIOUS	NEDBANK LTD	45,360.82
2/15/2011	REI	REINET INVESTMENTS SCA	VARIOUS	196,650.00	17,100	VARIOUS	NEDBANK LTD	
2/16/2011	ASA	ASBA GROUP LIMITED	VARIOUS	1,372,500.00	10,000	VARIOUS	NEDBANK LTD	
2/16/2011	CFR	COMPAGNIE FIN RICHMONT	VARIOUS	503,680.00	12,800	VARIOUS	NEDBANK LTD	
2/16/2011	HAR	HARMONY GOLD MINING COMPANY	VARIOUS	1,175,990.00	11,500	VARIOUS	NEDBANK LTD	

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
2/16/2011	INP	INVESTEK PLC	VARIOUS	1,393,900.00	26,500	VARIOUS	NEDBANK LTD	
2/16/2011	NPN	NASPERS LIMITED	VARIOUS	6,340,950.00	16,775	VARIOUS	NEDBANK LTD	29,187.00
2/16/2011	REI	REINET INVESTMENTS SCA	VARIOUS	433,952.50	37,735	VARIOUS	NEDBANK LTD	
2/16/2011	SAB	SOUTH AFRICAN BREWERIES	VARIOUS	5,265,864.00	21,600	VARIOUS	NEDBANK LTD	
2/17/2011	SAP	SAPPI LIMITED	VARIOUS	229,740.06	6,523	VARIOUS	NEDBANK LTD	
2/18/2011	BVT	THE BIDVEST GROUP LIMITED	VARIOUS	649,300.05	4,333	VARIOUS	NEDBANK LTD	39,861.00
2/18/2011	GFI	GOLDFIELDS LIMITED	VARIOUS	635,850.00	5,400	VARIOUS	NEDBANK LTD	7,417.20
2/18/2011	MNP	MONDI PLC	VARIOUS	1,237,090.00	19,000	VARIOUS	NEDBANK LTD	
2/18/2011	SAB	SOUTH AFRICAN BREWERIES	VARIOUS	4,315,083.00	17,700	VARIOUS	NEDBANK LTD	
2/18/2011	SOL	SASOL LIMITED	VARIOUS	3,869,900.00	10,000	VARIOUS	NEDBANK LTD	165,232.20
2/2/2011	LHC	LIFE HEALTHCARE GROUP LTD	VARIOUS	240,260.64	15,216	VARIOUS	NEDBANK LTD	
2/24/2011	FPT	FOUNTAINHEAD PROPERTY TRUST	VARIOUS	4,941.40	797	VARIOUS	NEDBANK LTD	
2/9/2011	KIO	KUMBA IRON ORE	VARIOUS	118,657.00	253	VARIOUS	NEDBANK LTD	
3/1/2011	FSR	FIRST RAND	VARIOUS	2,865,600.00	144,000	VARIOUS	NEDBANK LTD	123,081.66
3/10/2011	ASA	ASBA GROUP LIMITED	VARIOUS	205,875.00	1,500	VARIOUS	NEDBANK LTD	
3/11/2011	ASA	ASBA GROUP LIMITED	VARIOUS	716,856.75	5,223	VARIOUS	NEDBANK LTD	
3/16/2011	REI	REINET INVESTMENTS SCA	VARIOUS	57,500.00	5,000	VARIOUS	NEDBANK LTD	
3/16/2011	SLM	SANLAM LIMITED	VARIOUS	1,897,500.00	69,000	VARIOUS	NEDBANK LTD	198,200.08
3/18/2011	GND	GRINROD LIMITED	VARIOUS	7,250.00	500	VARIOUS	NEDBANK LTD	
3/18/2011	IMP	IMPALA PLATINUM	VARIOUS	190,980.00	1,000	VARIOUS	NEDBANK LTD	
3/2/2011	TKG	TELKOM SA LIMITED	VARIOUS	567,996.00	15,600	VARIOUS	NEDBANK LTD	
3/22/2011	FPTN	FOUNTAINHEAD NPL	VARIOUS	21.28	133	VARIOUS	NEDBANK LTD	
3/22/2011	GRT	GROWPOINT PROPERTIES LIMITED	VARIOUS	42,364.72	2,446	VARIOUS	NEDBANK LTD	
3/24/2011	OML	OLD MUTUAL	VARIOUS	647,441.34	43,134	VARIOUS	NEDBANK LTD	
3/24/2011	RMI	RMI HOLDINGS LTD	VARIOUS	11,410.00	1,000	VARIOUS	NEDBANK LTD	
3/25/2011	BIL	BILLITON PLC	VARIOUS	4,234,604.00	15,700	VARIOUS	NEDBANK LTD	
3/25/2011	MTN	MTN GROUP LIMITED	VARIOUS	8,292,450.00	59,000	VARIOUS	NEDBANK LTD	207,229.36
3/28/2011	CSO	CAPITAL SHOPPING CENTRES GROUP PLC	VARIOUS	618,660.00	14,730	VARIOUS	NEDBANK LTD	
3/28/2011	ILV	ILLOVO SUGAR LIMITED	VARIOUS	217,350.00	8,050	VARIOUS	NEDBANK LTD	
3/29/2011	PIK	PICK N PAY STORES LIMITED	VARIOUS	48,300.00	1,000	VARIOUS	NEDBANK LTD	
3/29/2011	RDF	REDEFINE INCOME FUND LIMITED	VARIOUS	669,280.00	89,000	VARIOUS	NEDBANK LTD	
3/3/2011	CFR	COMPAGNIE FIN RICHMONT	VARIOUS	1,928,150.00	49,000	VARIOUS	NEDBANK LTD	21,312.57
3/3/2011	KIO	KUMBA IRON ORE	VARIOUS	892,038.00	1,902	VARIOUS	NEDBANK LTD	
3/30/2011	CPL	CAPITAL PROPERTY FUND	VARIOUS	243,970.00	31,000	VARIOUS	NEDBANK LTD	
3/30/2011	SBK	STANDARD BANK GROUP LIMITED	VARIOUS	104,750.00	1,000	VARIOUS	NEDBANK LTD	
3/31/2011	HAR	HARMONY GOLD MINING COMPANY	VARIOUS	1,608,345.28	15,728	VARIOUS	NEDBANK LTD	14,797.00
3/31/2011	SBK	STANDARD BANK GROUP LIMITED	VARIOUS	2,828,250.00	27,000	VARIOUS	NEDBANK LTD	
3/31/2011	TFG	The Foschini Group Ltd	VARIOUS	744,128.08	8,738	VARIOUS	NEDBANK LTD	
3/31/2011	ASA	ASBA GROUP LIMITED	VARIOUS	1,578,375.00	11,500	VARIOUS	NEDBANK LTD	
3/4/2011	CSO	CAPITAL SHOPPING CENTRES GROUP PLC	VARIOUS	609,000.00	14,500	VARIOUS	NEDBANK LTD	68,715.18
3/4/2011	GRT	GROWPOINT PROPERTIES LIMITED	VARIOUS	112,580.00	6,500	VARIOUS	NEDBANK LTD	

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value R	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
3/7/2011	BVT	THE BIDVEST GROUP LIMITED	VARIOUS	1,723,275.00	11,500	VARIOUS	NEDBANK LTD	
3/7/2011	EMI	EMIRA PROPERTY FUND LIMITED	VARIOUS	28,302.60	2,194	VARIOUS	NEDBANK LTD	
3/7/2011	REI	REINET INVESTMENTS SCA	VARIOUS	767,050.00	66,700	VARIOUS	NEDBANK LTD	
3/8/2011	REI	REINET INVESTMENTS SCA	VARIOUS	212,750.00	18,500	VARIOUS	NEDBANK LTD	
3/8/2011	TKG	TELKOM SA LIMITED	VARIOUS	728.20	20	VARIOUS	NEDBANK LTD	
3/9/2011	PAP	PANGBOURNE PROPERTIES LIMITED	VARIOUS	180,620.25	9,897	VARIOUS	NEDBANK LTD	2,083.45
3/9/2011	REI	REINET INVESTMENTS SCA	VARIOUS	212,750.00	18,500	VARIOUS	NEDBANK LTD	
5/17/2010	CCO	CAPITAL & COUNTIES PROPERTIES	VARIOUS	475,800.00	26,000	VARIOUS	NEDBANK LTD	
5/20/2010	CCO	CAPITAL & COUNTIES PROPERTIES	VARIOUS	18,300.00	1,000	VARIOUS	NEDBANK LTD	1,478.52
6/25/2010	OML	OLD MUTUAL	VARIOUS	15.01	1	VARIOUS	NEDBANK LTD	
8/25/2010	AFX	AFRICAN OXYGEN LIMITED	VARIOUS	388,196.40	21,932	VARIOUS	NEDBANK LTD	8,666.85
8/31/2010	ILV	ILLOVO SUGAR LIMITED	VARIOUS	34,587.00	1,281	VARIOUS	NEDBANK LTD	
9/3/2010	TKG	TELKOM SA LIMITED	VARIOUS	499,326.74	13,714	VARIOUS	NEDBANK LTD	65,700.00
9/30/2010	KIO	KUMBA IRON ORE	VARIOUS	512,148.00	1,092	VARIOUS	NEDBANK LTD	
12/20/2010	ABL	ABL	VARIOUS	-	57,390	VARIOUS	NEDBANK LTD	51,252.00
05/31/2010	ALT	ALT	VARIOUS	-	200	VARIOUS	NEDBANK LTD	678.00
01/24/2011	ARL	ARL	VARIOUS	-	1,000	VARIOUS	NEDBANK LTD	4,700.00
06/07/2010	BAW	BAW	VARIOUS	-	15,000	VARIOUS	NEDBANK LTD	3,000.00
11/29/2010	FBR	FBR	VARIOUS	-	5,200	VARIOUS	NEDBANK LTD	3,640.00
07/12/2010	FOS	FOS	VARIOUS	-	25,000	VARIOUS	NEDBANK LTD	42,500.00
04/26/2010	GDF	GDF	VARIOUS	-	1,939	VARIOUS	NEDBANK LTD	1,260.35
10/04/2010	GRF	GRF	VARIOUS	-	1,345	VARIOUS	NEDBANK LTD	995.30
08/17/2010	INL	INL	VARIOUS	-	3,000	VARIOUS	NEDBANK LTD	2,670.00
09/27/2010	IPL	IPL	VARIOUS	-	7,440	VARIOUS	NEDBANK LTD	14,880.00
04/12/2010	MET	MET	VARIOUS	-	12,569	VARIOUS	NEDBANK LTD	7,541.40
06/28/2010	MPC	MPC	VARIOUS	-	38,818	VARIOUS	NEDBANK LTD	49,221.22
07/12/2010	NPK	NPK	VARIOUS	-	32,000	VARIOUS	NEDBANK LTD	8,000.00
01/17/2011	REM	REM	VARIOUS	-	62,759	VARIOUS	NEDBANK LTD	71,019.07
12/13/2010	SPP	SPP	VARIOUS	-	14,335	VARIOUS	NEDBANK LTD	31,823.70
09/20/2010	SUI	SUI	VARIOUS	-	26,900	VARIOUS	NEDBANK LTD	26,900.00
06/28/2010	SYC	SYC	VARIOUS	-	278	VARIOUS	NEDBANK LTD	228.52
12/06/2010	VOD	VOD	VARIOUS	-	45,099	VARIOUS	NEDBANK LTD	79,958.35
09/20/2010	WHL	WHL	VARIOUS	-	35,100	VARIOUS	NEDBANK LTD	23,517.00
				95,640,417.63				2,084,504.13

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)
SCHEDULE 1A PERTAINING TO ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31/03/2011

Script lending Transaction date	Script on lent	Script name	Security in place	Fair value	No. of shares lent	Name of counter party	Script custodian	Manufactured dividend
1/7/2010 R 186		REPUBLIC OF SA (R186)	VARIOUS	370,990.01	321,316	VARIOUS	NEDBANK LTD	
11/9/2009 R 203		SOUTH AFRICAN BONDS	VARIOUS	392,909.29	395,326	VARIOUS	NEDBANK LTD	
11/9/2009 R 203		SOUTH AFRICAN BONDS	VARIOUS	1,286,487.07	1,294,400	VARIOUS	NEDBANK LTD	
2/2/2011 R 207		SOUTH AFRICAN BONDS(R207)	VARIOUS	2,321,082.50	2,500,000	VARIOUS	NEDBANK LTD	
2/27/2009 R 186		REPUBLIC OF SA (R186)	VARIOUS	132,778.48	115,000	VARIOUS	NEDBANK LTD	
2/27/2009 R 207		SOUTH AFRICAN BONDS(R207)	VARIOUS	413,616.90	445,500	VARIOUS	NEDBANK LTD	
9/25/2009 R 186		REPUBLIC OF SA (R186)	VARIOUS	33,930.10	29,387	VARIOUS	NEDBANK LTD	
9/25/2009 R 204		SOUTH AFRICAN	VARIOUS	143,215.20	145,000	VARIOUS	NEDBANK LTD	
9/25/2009 R 208		SOUTH AFRICAN BONDS	VARIOUS	45,219.90	52,000	VARIOUS	NEDBANK LTD	
9/25/2009 R 208		SOUTH AFRICAN BONDS	VARIOUS	43,480.67	50,000	VARIOUS	NEDBANK LTD	
9/25/2009 R 209		SOUTH AFRICAN BOND (R209	VARIOUS	303,291.45	420,000	VARIOUS	NEDBANK LTD	
				<u>5,487,001.57</u>				

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

ANNEXURE B TO SCHEDULE 1 (Regulation 12(2)(B)(vii))

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 OF THE PENSION FUND ACT, 1956 AT 31/03/2011

	R'000
A. TOTAL ASSETS OF THE FUND AS PER STATEMENT OF FUNDS AND NET ASSETS	1,136,332
B. LESS: NON-INVESTMENT ITEMS OF STATEMENT OF NET ASSETS & FUNDS	20,517
1 FIXED ASSETS	0
2 CURRENT ASSETS (EXCLUDING CASH AT BANK)	20,517
C. FAIR VALUE OF ASSETS - COMPLIANCE	1,115,815

Categories or kinds of assets	Permissible %age of adjusted asset value	Fair Value	% of Fair Value
	%	R'000	%
1 Deposits in banks, mutual banks, Postbank & SAFEX	100.00%	144,010	12.91%
Deposits and balances in current and savings accounts with a bank or a mutual bank, including negotiable deposits, and money market instruments in terms of which such a bank or mutual bank is liable. Paid-up shares of a mutual bank, or deposits and savings accounts with the Post Office savings bank, as well as margin deposits with Safex:	100.00%	+	12.88%
(i) Banks	20.00%	143,710	12.88%
(ii) Mutual banks	20.00%	0	0.00%
(iii) Post Office Savings Bank	20.00%	0	0.00%
(iv) SAFEX	5.00%	0	0.00%
(b) Territories outside the Republic—			
Deposits and balances in current and savings accounts with a bank including negotiable deposits and money market instruments in terms of which such a bank is liable.	15.00%	300	0.03%
2 Krugerrands	10.00%	0	0.00%
3 Bills, bonds and securities issued or guaranteed by and loans to or guaranteed by—	100.00%	1,599	0.14%
(a) Inside the Republic—	100.00%	1,599	0.14%
(i) a local authority authorised by law to levy rates upon immovable property	100.00%	0	0.00%
(ii) Development Boards established under the Black Communities Development Act, 1984 (Act No. 4 of 1984)	20.00%	0	0.00%
(iii) Rand Water Board	20.00%	0	0.00%
(iv) Eskom	20.00%	1,599	0.14%
(v) Land and Agricultural Bank of South Africa	20.00%	0	0.00%
(vi) Local Authorities Loans Fund Board	20.00%	0	0.00%
(b) Territories outside the Republic—			
— the foreign government concerned	15.00%	0	0.00%
4 Bills, bonds and securities issued by and loans to an institution in the Republic, which bills, bonds, securities and loans the Registrar approved in terms of section 19 (1) (h) of the Act before the deletion of that section by section 8 (a) of Act No. 53	100.00%	5,218	0.47%

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

ANNEXURE B TO SCHEDULE 1 (Regulation 12(2)(B)(vii))

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 OF THE PENSION FUND ACT, 1956 AT 31/03/2011

Categories or kinds of assets	Permissible %age of adjusted asset value	Fair Value	% of Fair Value
	%	R'000	%
5 Bills, bonds and securities issued by the government of or by a local authority in a territory other than the Republic, which territory the Registrar approved in terms of section 19 (1) (i) of the Act before the deletion of that section by section 8 (a)	100.00%	0	0.00%
6 Immovable property and claims secured by mortgage bonds thereon. Units in unit trust schemes in property shares and shares in, loans to and debentures, both convertible and non-convertible, of property companies:	25.00%	21,509	1.93%
(a) Inside the Republic—	25.00%	21,509	1.93%
(b) Territories outside the Republic—	10.00%	0	0.00%
7 Preference and ordinary shares in companies excluding shares in property companies. Convertible debentures, whether voluntarily or compulsorily convertible and units in equity unit trust schemes which objective is to invest their assets mainly in shares	75.00%	776,656	69.60%
These investments are subject to the following limitations::			
(a) Inside the Republic—	75.00%	529,709	47.47%
(i) Unlisted shares, unlisted convertible debentures and shares and convertible debentures listed in the Development Capital Sector of the Johannesburg Stock Exchange	5.00%	0	0.00%
(ii) Shares and convertible debentures listed on the Johannesburg Stock Exchange other than the Development Capital Sector	75.00%	529,709	47.47%
(aa) Companies with a market capitalisation of R2,000 million or less	75.00%	12,905	1.16%
(bb) Companies with a market capitalisation of more than R2,000 million	75.00%	516,804	46.32%
(b) Territories outside the Republic—	15.00%	165,347	14.82%
Preference and ordinary shares in companies, convertible debentures, whether voluntarily or compulsorily convertible			
(i) Unlisted shares and unlisted convertible debentures	2.5%	0	0.00%
(ii) Shares and convertible debentures listed on any recognised foreign exchange	15.00%	165,347	14.82%
(aa) Companies with a market capitalisation of R2,000 million or less	15.00%	0	0.00%
(bb) Companies with a market capitalisation of more than R2,000 million	15.00%	165,347	14.82%
(c) Inside the Republic-			
Units in equity collective investment schemes which objective is to invest their assets mainly in shares	75.00%	30,742	2.76%
(d) Outside the Republic Units in equity collective	15.00%	50,858	4.56%
Units in equity collective investment schemes which objective is to invest their assets mainly in shares			

KWAZULU NATAL JOINT MUNICIPAL PROVIDENT FUND (REF. NO. 12/8/32558/2)

ANNEXURE B TO SCHEDULE 1 (Regulation 12(2)(B)(vii))

ASSETS HELD IN COMPLIANCE WITH REGULATION 28 OF THE PENSION FUND ACT, 1956 AT 31/03/2011

Categories or kinds of assets	Permissible %age of adjusted asset value	Fair Value	% of Fair Value
	%	R'000	%
8 Listed and unlisted debentures, units in a unit trust scheme with the objective to invest income generating securities and any secured claim against individuals and companies.	25.00%	137,262	12.30%
(a) Inside the Republic—	25.00%	137,262	12.30%
(i) Claims against any individuals	25.00%	0	0.00%
(ii) Claims against companies	25.00%	137,262	12.30%
(b) Territories outside the Republic—	15.00%	0	0.00%
(i) Claims against any individuals	15.00%	0	0.00%
(ii) Claims against companies	15.00%	0	0.00%
9 Investments in the business of a participating employer inside the Republic in terms of:			
(a) section 19 (4) of the Act; or	5.00%	0	0.00%
(b) to the extent it has been allowed by an exemption in terms of section 19 (4A) of the Act	10.00%	0	0.00%
10 Any other assets not referred to in this Annexure, excluding—	2.50%	0	0.00%
(a) money in hand in the Republic;	95.00%	0	0.00%
(b) loans granted inside the Republic to members of the fund concerned in accordance with—	95.00%	0	0.00%
(i) the provisions of section 19 (5) of the Act; and			
(ii) such exemptions as may have been granted to the fund in terms of section 19 (6) (a) of the Act;			
(c) bills, bonds or securities issued or guaranteed by, or loans to or guaranteed by the Government of the Republic or a provincial administration;	100.00%	29,561	2.65%
(d) units in a unit trust scheme as defined in the Unit Trusts Control Act, 1981, the underlying assets which consist only of—	100.00%	0	0.00%
(i) assets referred to in paragraphs (i), (ii) and (iii) of item 1 (a) of this Annexure;	100.00%	0	0.00%
(ii) assets referred to in paragraph (c) of this item; or	100.00%	0	0.00%
(iii) assets referred to in items 3, 4 and 5 of this Annexure	100.00%	0	0.00%
Limitations in respect of investments in items 1,2,3,4,5 & items 10(c) & (d)	95.00%	180,388	16.17%
Limitations in respect of investments in items 6 & 7	90.00%	798,165	71.53%
Limitations in respect of investments in items 1(b),3(b),5,6(b)7(b),8(b)	15.00%	165,647	14.85%
TOTAL (EQUAL TO THE FAIR VALUE OF ASSETS (C) ABOVE)		1,115,815	

INVESTMENTS OUTSIDE THE REPUBLIC

Categories or kinds of assets	Permissible %age of adjusted asset value	Fair Value	% of Fair Value
	%	R'000	%
(a) Deposits with banks	15.00%	300	0.03%
(b) Bills, bonds and securities	15.00%	0	0.00%
(c) Immovable property, units in collective investment schemes in property shares, shares in, loans to and debentures of property	10.00%	0	0.00%
(d) Preference and ordinary shares in companies, convertible debentures	15.00%	165,347	14.82%
(e) Units in equity collective investment schemes	15.00%	50,858	4.56%
(f) Debentures & other secured claims against individuals & companies & units in income collective schemes	15.00%	0	0.00%
(g) Other	2.50%	0	0.00%
TOTAL	25.00%	216,505	19.40%

ANNEXURE E

REPORT OF THE AUDITOR-GENERAL TO THE TRUSTEES OF THE KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND AND THE REGISTRAR OF PENSION FUNDS

I have audited the attached Schedule IB 'Assets of the fund held in compliance with Regulation 28' (the "Schedule") by the KwaZulu-Natal Joint Municipal Provident Fund (the Fund) as at 31 March 2011, as set out on Annexure D.

Board of Trustees' Responsibility for Schedule IB

The Board of Trustees is responsible for the preparation of the Schedule in accordance with Regulation 28 of the Pension Funds Act of South Africa (the Act), from information derived from the accounting records of the fund, and for ensuring that the Schedule is in compliance with Regulation 28 of the Act. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and presentation of the Schedule that is free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies ; and
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the Schedule based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the Schedule 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 Schedule.

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

Opinion

In my opinion, Schedule IB 'Assets of the fund held in compliance with Regulation 28' by the KwaZulu-Natal Joint Municipal Provident Fund as at 31 March 2011 year ended has been prepared, in all material respects, in accordance with the requirements of Regulation 28 of the Pension Funds Act of South Africa.

Other matter - Restriction on use and distribution

Schedule IB is prepared solely for regulatory purposes and as a result, the Schedule and related auditor's report may not be suitable for another purpose and may not be distributed to or relied upon by any parties other than the trustees and the Registrar of Pension Funds.

Auditor-General
Pietermaritzburg

31 August 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence