

ANNUAL FINANCIAL STATEMENTS

NAME OF RETIREMENT FUND: Tourism, Hospitality and Catering (THACSA) Pension Fund

**FINANCIAL SERVICES BOARD
REGISTRATION NUMBER:** 12/8/20517

FOR THE PERIOD: 1 JANUARY 2016 to 31 DECEMBER 2016

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* Not subject to any engagement by an auditor

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

REGISTERED OFFICE OF THE FUND

Postal address: PO Box 836
Cape Town
8000

Physical address: 6 Mispel Road
Parc du Cap
Bellville
7535

FINANCIAL REPORTING PERIODS

Current year: 1 January 2016 to 31 December 2016
Prior year: 1 January 2015 to 31 December 2015

BOARD OF FUND

Full name	E-mail Address	Capacity*	Date appointed/reappointed	Date resigned
Andy Nold	Nold@newmarkhotels.com	E / C	1 January 2016	
Crosby Boo	westerncape@saccawu.org.za	M / VC	1 January 2016	
Selywn Veley	Srv@newmarkhotels.com	E	1 January 2016	
Renier Grosch	Renier@g3grp.co.za	E	1 January 2016	
Hugh Von Zahn	Hvonzahn@mweb.co.za	E	1 January 2016	
Susanne Fausner-Ringer	susanne.fausner@greenways.co.za	E	1 January 2016	
Chris Godenir	gm@peninsula.co.za	E	1 January 2016	
Chris Bosenberg	Bosle@globa.co.za	I	1 January 2016	
Washington Mtinkulu	westerncape@saccawu.org.za	M	1 January 2016	
Alfred Green	westerncape@saccawu.org.za	M	1 January 2016	
Nikiwe Kaptein-Lujabe	kbarnes@metropolitan.co.za	M	1 January 2013	1 January 2016
Xoliswa Tamane	kbarnes@metropolitan.co.za	M	1 January 2013	1 January 2016
Vincent Sotyifa	kbarnes@metropolitan.co.za	M	1 January 2013	1 January 2016
Mary Mageqa	westerncape@saccawu.org.za	M	1 January 2016	
Holisma Ngoro	westerncape@saccawu.org.za	A	1 January 2016	
Michelle De Witt	mdewitt@horwarthll.co.za	E	1 January 2016	
Kolisang Thabata	bthabata@fedcraw.org.za	M	1 October 2016	
Enoch Hibana	bthabata@fedcraw.org.za	M	1 October 2016	
Beauty Halam	bthabata@fedcraw.org.za	M	1 October 2016	

- * - 'M' denotes member elected
- 'E' denotes employer appointed
- 'A' denotes alternate
- 'C' denotes chairperson
- 'I' denotes independent

Governance note: schedule of meetings* held by the Board of Fund in terms of the rules of the fund

Meeting date	Place of meeting	Quorum (yes/no)
10 February 2016	Atlantic Imbizo Conference & Function Studio, V&A Waterfront	Yes
20 April 2016	The Forum, V&A Waterfront	Yes
15 June 2016	Atlantic Imbizo Conference & Function Studio, V&A Waterfront	Yes
10 August 2016	Atlantic Imbizo Conference & Function Studio, V&A Waterfront	Yes
5 October 2016	The Peninsula All Suite Hotel, Beach Road, Sea Point	Yes
30 November 2016	The Forum, V&A Waterfront	Yes

* Only meetings held by the Board of Fund and does not include meetings held by the sub-committees

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

FUND OFFICERS

Principal Officer

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Kevin L. Barnes	PO Box 836 Cape Town 8000	Momentum Retirement Administrators 8th Floor, No 1 Adderley Street Cape Town 8001	(021) 421 0190	KBarnes@metropolitan.co.za	1 November 1998

Monitoring Person*

Full name	Postal address	Physical address	Telephone number	E-mail address	Date appointed
Kevin L. Barnes	PO Box 836 Cape Town 8000	Momentum Retirement Administrators 8th Floor, No 1 Adderley Street Cape Town 8001	(021) 421 0190	KBarnes@metropolitan.co.za	1 November 1998

**(In terms of Section 13A of the Pension Funds Act)*

PROFESSIONAL SERVICE PROVIDERS

Actuary/Valuator

Full name	Postal address	Physical address	Telephone number	E-mail address
Sean Christian Neethling	PO Box 2212 Belville 7535	6 Mispel Road Parc du Cap Belville 7530	(021) 940 4008	sean.neethling@mnhholdings.co.za

Auditor

Full name	Postal address	Physical address	Telephone number
PricewaterhouseCoopers Inc.	PO Box 2799 Cape Town 8000	5 Silo Square V&A Waterfront Cape Town 8002	(021) 529 2000

Benefit Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	Registration number in terms of section 13B
MMI Group Limited	PO Box 2212 Belville 7535	6 Mispel Road Parc du Cap Belville 7530	(021) 940 5911	1 October 2003	24/90

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

PROFESSIONAL SERVICE PROVIDERS (continued)

Investment Administrator

Full name	Postal address	Physical address	Telephone number	Date appointed	FAIS registration number
MMI Group Limited	PO Box 2212 Bellville 7553	6 Mispel Road Parc du Cap Bellville 7530	(021) 940 5911	13 January 2004	6406
Allan Gray Life Ltd	PO Box 51318 Cape Town 8002	1 Silo Square V&A Waterfront 8001	(021) 415 2300	27 November 2003	6663
Investec Asset Management (Pty) Ltd	PO Box 1655 Cape Town 8001	36 Hans Strijdom Avenue Foreshore Cape Town 8001	(021) 416 1818	28 January 2004	587
Prudential Investment Managers (South Africa) (Pty) Ltd	PO Box 23167 Claremont 7735	7th Floor, Protea Place 40 Dreyer Street Claremont 7708	(021) 670 2885	1 September 2005	45199

Investment Advisor

Full name	Postal address	Physical address	Telephone number	FAIS registration number
Towers Watson (Pty) Ltd	Private Bag X30 Rondebosch 7701	Great Westford Building 2nd Floor, 240 Main Road Rondebosch, 7700	(021) 681 3700	2545

Risk Insurer

Full name	Postal address	Physical address	Telephone number	Date appointed	FSP approval no
MMI Group Limited	PO Box 2212 Bellville 7535	6 Mispel Road Parc du Cap Bellville 7530	(021) 940 5911	23 January 2012	6406

PARTICIPATING EMPLOYERS

The list of participating employers is available for inspection at the fund's registered office.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE B STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND FOR THE YEAR ENDED 31 DECEMBER 2016

Responsibilities

The Board of Fund hereby confirm to the best of their knowledge and belief that, during the year under review, in the execution of their duties they have complied with the duties imposed by Pension Funds Act legislation and the rules of the fund, including the following:

- 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 Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the fund;
- 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 rules of the fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the fund or reported where necessary, in accordance with section 13A and regulation 33 the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the rules of the fund; and
- ensured that investments of the fund were implemented and maintained in accordance with the fund's investment strategy.

Approval of the annual financial statements

The annual financial statements of Tourism, Hospitality and Catering (THACSA) Pension Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the fund and/or its benefit administrators, provide reasonable assurance that:

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

The annual financial statements set out on pages 10 to 26 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the fund and the Pension Funds Act. The Board of Fund is not aware of any instances of non-compliance during the financial year nor during the year up until the signature of these financial statements.

These annual financial statements have been reported on by the independent auditors, PricewaterhouseCoopers Inc., who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on page 7 to 9.

Instances of non-compliance

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were rectified before the Board of Fund's approval of the financial statements:

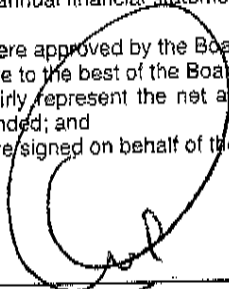
Nature and cause of non-compliance	Impact of non-compliance matter on the fund	Corrective course of action taken to resolve non-compliance matter
Section 13A: Late payment interest not raised for Century City Conference Centre for month of July 2016.	The fund may be liable for any investment loss suffered by the members.	The Section 13A notice for late payment interest was subsequently issued to Century City Conference Centre.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

These annual financial statements:


- were approved by the Board of Fund on _____;
- are to the best of the Board members knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the fund at 31 December 2016 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



Andy Nold
Chairperson

Date


7/6/17



Chris Bosenberg
Independent board member

Date

7 June 2017



Crosby Booi
Vice chairperson

Date

07 June 2017

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2016**

I confirm that, to the best of my knowledge, for the year under review the Tourism, Hospitality and Catering (THACSA) Pension Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation.



Kevin L. Barnes
PRINCIPAL OFFICER

7 JUNE 2017
Date

**SCHEDULE D
INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE TOURISM,
HOSPITALITY AND CATERING (THACSA) PENSION FUND**

Report on the Audit of the Financial Statements

Opinion

We have audited the annual financial statements of Tourism, Hospitality and Catering (THACSA) Pension Fund ("the Fund") set out on pages 13 to 26, which comprise the statement of net assets and funds as at 31 December 2016 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Registrar of Pension Funds.

In our opinion, the financial statements of Tourism, Hospitality and Catering (THACSA) Pension Fund for the year ended 31 December 2016 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial reporting framework and restriction on use

Without modifying our opinion, we draw attention to the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Registrar. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

Other information

The Board of Fund is responsible for the other information. The other information comprises the Annual Financial Statements in terms of section 15 of the Pension Funds Act no 24, 1956, but does not include the financial statements (schedule F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with the Pension Fund Act that came to our attention during the course of our audit of the financial statements.

PricewaterhouseCoopers Inc.

.....
PricewaterhouseCoopers Inc.

Director: PJ Liedeman

Registered Auditor

Address: 5 Silo Square, V&A Waterfront, Cape Town, 8002

Date: 07/06/2017

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. DESCRIPTION OF FUND

1.1. Type of fund

For the purposes of the prescribed financial statements, the fund is classified as a Pension Fund in terms of section 1 of the Income Tax Act, 1962. The fund is a defined contribution fund.

1.2. Benefits

1.2.1. The fund provides retirement, death and withdrawal benefits for members of the fund on their retirement through old age or ill-health, or upon termination of service for other reasons, as well as benefits for the dependants of deceased members.

1.2.2. Unclaimed benefits

Benefits will become unclaimed after 24 months from the date the member exits. The fund will keep records of all unpaid benefits for such period, as the board considers reasonable, but must not be less than the period prescribed by law. The member's benefit is retained in the fund and the relevant rate of return applied. The benefit, plus investment return, is to become payable to the member when claimed.

In respect of unclaimed benefits, the fund keeps record of all unclaimed benefits. Unclaimed withdrawal benefits remain in the Fund as required by PF Circular 126.

1.3. Contributions

1.3.1. The board recognises contributions for all known participating employers on the accrual basis. All arrear contributions may not be receivable subsequent to year end since employers could have terminated at/ before year end without notification to the board. Late payment interest in terms of Section 13A is collected.

During the period all contributions due were accrued for as receivable. The receivable included instances where member/s have stopped contributed, but did not formally exit the fund.

1.3.2 The member contribution rate towards retirement funding varies between 6%, 6.5%, 7%, 7.5% and 8% of pensionable salary.

The employer contribution rate towards costs and expenses varies between 6%, 7%, and 7.5% of pensionable salary.*

* The contribution includes contributions in respect of the unattached risk schemes.

1.4. Rule Amendments

1.4.1. Amendments

Rule amendment No.	Description and motivation	Date of board of resolution	Effective date	Date registered by the Financial Services Board
3	a) To add definitions to the Definition section of the rules, namely the Election Date being the date that the member elects to receive payment of his retirement benefit in writing, the Processing Reserve Account, being the account held in terms of rule B 4, and the Revision Date being 1 June 2010. b) To allow the member to postpone receiving a retirement benefit. c) To remove reference to specific unions in respect of member trustee elections. d) To remove the requirement for a trustee resolution to be ratified by the administrator. e) To adjust the Cost Account rule to allow for amounts transferred from the Dormant Member Contingency Reserve Account. f) To correct a cross-reference. g) To add a Processing Reserve Account to account for timing and mismatching differences between the return earned by the fund and the return allocated to members' shares.	20/04/2016	01/01/2016	05/08/2016

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.5. The rules make provision for the following reserve accounts :

1.5.1. Dormant Member Contingency Reserve Account

This account may be less than the total theoretical accumulation of the Dormant Members Member's Shares. The quantum of a benefit paid from this account will therefore be determined by the Board of Fund in consultation with the Valuator.

This reserve shall be credited with amounts as determined by the Board of Fund in consultation with the Valuator, and interest (positive or negative) as declared by the Board of Fund in consultation with the Valuator. This reserve will be debited with a transfer to the Cost account to cover any fund expense associated with Dormant members, any benefit payment made to Dormant members in terms of the fund's rules, and any amount that the Board of Fund, in consultation with the Valuator, requests to be transferred to any other fund account.

1.5.2. Cost Account

The Cost account shall be credited with the remainder of the Employer's contribution after crediting the Net Employer's Contribution to each Member's Net Contributions account, and interest (positive or negative) as declared by the Board of Fund in consultation with the Valuator.

This account will be debited with the actual cost of the expenses defined in the definition of the Net Employer Contributions, the following fund's expenses (but not limited to) actuarial fees, fidelity cover, Board of Fund and principal officer expenses, legal and audit fees, Registrar fees, and any costs associated with Dormant members.

At each anniversary date the debit or credit balance in this account shall be offset against the balances in the various member contribution accounts.

2. INVESTMENTS

2.1 Investment strategy

The fund opted to invest in insurance policies and collective investment vehicles and therefore invested in a spread of portfolios with different risk and return profiles. The fund allows a maximum exposure of 75% to equities.

With effect from 1 July 2015 the fund has adopted a Life Stage Investment strategy. The fund is split into two strategies, namely a "Growth Portfolio" and a "Capital Protection Portfolio". Members' fund credits and contributions are invested according to their current age. Members below the age of 50 are fully invested in the Growth Portfolio. From age of 50 to age 59 the members' fund credits and contributions are transferred to the Capital Protection Portfolio, at a rate of 10% per year in order that by age 59 the members' investments and contributions have been fully transferred to the Capital Protection Portfolio.

With effect from 1 May 2016 the fund introduced individual member choice, which is available to all members, irrespective of age. Members have the option to switch to any of the three available options, namely the Growth Portfolio, the Capital Protection Portfolio and the Money Market Portfolio. Members are able to apportion their accumulated fund credits between the three investment options, and future contributions will be invested in the same proportion.

2.2. Management of investments

The fair value of the fund's investments, administered by the investment administrators at the end of the year was:

	31 December 2016	31 December 2015
	R	R
Allan Gray Life Ltd (Global Balanced)	125 185 430	75 643 705
Investec Asset Management (Pty) Ltd	48 266 937	31 663 763
Momentum Group Ltd (Multi Manager Smooth Growth Fund - Global)	271 523 281	369 625 105
Prudential Life Global Balanced Fund	149 375 785	-
Prudential Inflation Plus Fund	-	88 705 026
Total value of investments managed	594 351 433	565 637 599

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. MEMBERSHIP

	Active members	Deferred members	Unclaimed benefits
Number at the beginning of year	4 533	8 178	38 960
Adjustments	(8)	-	(17)
Additions	1 318	-	104
Transfers out	(16)	-	-
Withdrawals	(674)	(23)	-
Retirements	(31)	-	n/a
Retrenchments	(85)	-	n/a
Deaths	(14)	-	n/a
Unclaimed benefits paid	n/a	n/a	(23)
Number at the end of the year	5 023	8 155	39 024
Number at end of year (South African citizen)	5 023	8 155	39 024

Of the 39 024 under Unclaimed benefits, 36 032 are in respect of Dormant members.

The adjustments relate to duplicate records that were removed from the membership statistics.

4. ACTUARIAL VALUATION

The 31 December 2014 valuation was submitted to the Financial Services Board on 7 December 2015. The next statutory valuation will be as at 31 December 2017 and is due for submission to the Financial Services Board by 31 December 2018.

5. HOUSING LOAN FACILITIES

The fund does not grant direct housing loans to members, but assist members in securing a housing loan by means of a surety arrangement administered by Standard Bank. As at 31 December 2016 the outstanding balance of housing loan guarantees granted amounted to R533,844 - 38 members (2015: R605,168 - 32 members).

The total facility approved is R2,000,000 and is renewable on 31 August 2017.

6. INVESTMENTS IN PARTICIPATING EMPLOYERS

The fund holds no direct investments in the participating employers.

7. FIDELITY COVER

Fidelity Cover to the maximum amount of R10 000 000 was in place for the year ended 31 December 2016. The fidelity cover is underwritten by Camargue Underwriting Managers (Pty) Ltd.

8. DORMANT MEMBERS

Unclaimed benefits and deferred pensioners prior to 01 October 2003 are classified as dormant members.

The Fund has released part of the dormant member liabilities in the past based on legal and actuarial advice and on the approval of the Financial Services Board. A contingency reserve has been established to meet the liabilities of the dormant members.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 31 DECEMBER 2016**

	Note	31 December 2016 R	31 December 2015 R
ASSETS			
Non-current assets			
Investments	2	594 351 433	565 637 599
		9 158 371	7 901 844
Current assets			
Transfers receivable	5	-	897 210
Accounts receivable	4	4 912 063	3 648 931
Arrear contributions	10	1 926 034	1 839 311
Cash at bank		2 320 274	1 516 392
		603 509 804	573 539 443
Total assets			
FUNDS AND LIABILITIES			
Members' funds			
Members' individual accounts	15	269 947 981	257 444 237
Amounts to be allocated		4 377 346	6 576 504
Reserves			
Reserve accounts	14	267 635 318	254 670 398
		541 960 645	518 691 139
Total funds and reserves			
Non-current liabilities			
Unclaimed benefits	8	47 282 887	43 910 408
		14 266 272	10 937 896
Current liabilities			
Transfers payable	6	353 772	1 309 526
Benefits payable	7	12 109 528	7 195 017
Accounts payable	9	1 802 972	2 433 353
		603 509 804	573 539 443
Total funds and liabilities			

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Members' individual accounts & Amounts to be allocated		Reserve accounts Refer note 14		Current year 2016		Previous year 2015	
		R	R	R	R	R	R	R	R
Contributions received and accrued	10	31 088 595	6 617 504	37 706 099	33 311 609				
Reinsurance proceeds		4 254 144	-	4 254 144	5 018 731				
Net investment income	11	21 986 362	17 768 211	39 754 573	56 445 128				
Allocated to unclaimed benefits	8	(2 694 828)	-	(2 694 828)	(1 609 946)				
Less:									
Re-insurance premiums		-	(4 413 095)	(4 413 095)	(3 225 590)				
Administration expenses	12	-	(6 078 455)	(6 078 455)	(5 503 993)				
Net income before transfers and benefits		54 634 273	13 894 165	68 528 438	84 435 939				
Transfers and benefits									
Transfer from other funds	5	(43 139 860)	(2 119 072)	(45 258 932)	(56 541 686)				
Transfer to other funds	6	1 137 702	-	1 137 702	989 918				
Benefits	7	(744 724)	(2 119 072)	(2 863 796)	(8 452 764)				
		(43 532 838)		(45 651 910)	(49 078 840)				
Net income after transfers and benefits		11 494 413	11 775 093	23 269 506	27 894 253				
Funds and reserves									
Balance at the beginning of the year	14	264 020 741	254 670 398	518 691 139	490 798 886				
Transfer to cost account	14	(1 246 806)	1 246 806	-	-				
2015 valuation adjustment	14	56 979	(56 979)	-	-				
Balance at the end of the year		274 325 327	267 635 318	541 960 645	518 691 139				

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the fund. These policies have been applied consistently to all years presented, unless otherwise specifically stated.

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the fund and the provisions of the Pension Funds Act.

The annual financial statements are prepared on the historical cost and going concern basis, except where specifically indicated otherwise in the accounting policies below:

1.2. FINANCIAL INSTRUMENTS

Measurement

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds, include cash and bank balances, investments, housing loans, receivables and accounts payable.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

1.2.1. Investments

Investments are classified at fair value through the statement of changes in net assets and funds and are measured at fair value.

Insurance policies

Non - linked insurance policies

Non - linked insurance policies with insurers are valued on the basis of the policyholder's retrospective contribution to assets (i.e. accumulation at the actual investment return achieved on gross premiums.)

Linked or market-related policies

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

Collective investment scheme

Investments in collective investment schemes are valued at fair value which is the quoted unit values, as derived by the collective investment scheme manager with reference to the rules of each particular collective investment scheme, multiplied by the number of units.

1.2.2. Housing loans

Housing loans are measured at fair value. Housing loans are derecognised when the right to receive cash flows from the member has expired or been transferred and the fund has also transferred substantially all risks and rewards of ownership.

1.2.3. Accounts receivable

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.2.4. Cash and cash equivalents

Cash and equivalents comprise cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at fair value.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1.2.1. Investments (continued)

1.2.5. Accounts payable

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

1.3. RESERVES

Reserve accounts comprise particular amounts of designated income and expenses as set out in the rules of the fund and are recognised in the year in which such income and expenses accrue to the fund.

1.4. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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 of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

Contingent liabilities

A contingent liability is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets

A contingent asset is not recognised in the statement of net assets and funds, but disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

1.5. CONTRIBUTIONS

Contributions are measured at the fair value of the consideration received or receivable.

Contributions are accrued and recognised as income in accordance with the actuarial recommendations, and the rules of the retirement fund. Contributions received are apportioned between retirement funding and funding for risk and other expenses. The apportionment is governed by the rules of the fund and actuarial recommendations.

Voluntary contributions are recognised when they are received from annual payments or accrued where monthly recurring payments are made.

Any contributions outstanding at the end of the reporting year are recognised as a current asset – contribution receivable. Any contributions received in advance at the end of the reporting year are recognised as a current liability – accounts payable.

Contributions transferred from surplus accounts

Contributions transferred from surplus accounts include any contributions that are funded from the surplus accounts and relates to contribution holiday after surplus apportionment has been approved and the corresponding approval of the utilization of the employer and member surplus accounts.

Interest charged on late payment of contributions

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the fund.

1.6. FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for at the ruling rate of exchange on the transaction date. Assets and liabilities in foreign currencies are converted at the ruling rate of exchange on the statements of net assets and funds date.

Gains and losses on conversion are dealt with in the statement of changes in net assets and funds.

Income and expenditure relating to foreign investments are converted to South African currency at appropriate weighted average exchange rates, for the period.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1.7. INVESTMENT INCOME

Investment income comprises of dividends, interest and adjustment to fair value.

Dividends

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Collective investment schemes' distribution

Distribution from collective investment schemes are recognised when the right to receive payment is established.

Income from policies with insurance companies

Income from investment policies from insurance companies is included in the adjustment to the movement of the financial asset.

Adjustment to fair value

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered.

1.8. BENEFITS

Benefits payable and pensions are measured in terms of the rules of the fund.

Benefit payments and monthly pension payments are recognised as an expense when they are due and payable in terms of the rules of the fund. Any benefits not paid at the end of the reporting year are recognised as a current liability – benefits payable / due.

Reinsurance proceeds

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued and recognised as income at the same time as the recognition of the related claim.

1.9. TRANSFERS TO AND FROM THE FUND

Section 14 and 15B transfers to or from the fund are recognised on the date of approval of the scheme/arrangement of transfer of business by the Financial Services Board, as contained in the approval certificate from the Registrar.

Individual transfers (Section 13A(5) transfers) are recognised on the earlier of receipt of the written notice of transfer (Recognition of Transfer) or receipt of the actual transfer value.

All the above transfers are measured at the values as per the section 14 application or the value of the transfer at effective date of transfer adjusted for investment return or late payment interest as guided by the application.

1.10. ADMINISTRATION EXPENSES

Expenses incurred in the administration of retirement funds are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in the accounts payable note. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.11. RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

1.12. ACCOUNTING POLICIES, CHANGING IN ACCOUNTING ESTIMATES AND ERRORS

The fund applies adjustments arising from changes in accounting policies and errors prospectively. The adjustment relating to a change in the accounting policy or error is therefore recognised in the current and future years affected by the change.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. INVESTMENTS

2.1. Investment summary

	Note	Local	Total current year	Total previous year	Fair value current year	Categorised per IAS 39
Insurance policies	R	546 084 496	546 084 496	445 268 810	546 084 496	At fair value through statement of changes in net assets and funds
Collective investment schemes		48 266 937	48 266 937	120 368 789	48 266 937	At fair value through statement of changes in net assets and funds
Total		594 351 433	594 351 433	565 637 599	594 351 433	

Included in insurance policies are non-vested bonuses on non-linked insurance policies of R47 754 363 (2015: R57 375 940).

3. HOUSING LOAN FACILITIES

3.1. Housing loan guarantees

The fund does not grant direct housing loans to members, but assists members in securing a housing loan by means of a surety arrangement administered by Standard Bank.

As at 31 December 2016 the outstanding balance of housing loan guarantees granted amounted to R533,844 - 38 members (2015: R606,168 - 32 members). The total facility approved is R2,000,000 and is renewable on 31 August 2017.

4. ACCOUNTS RECEIVABLE

	31 December 2016	31 December 2015
	R	R
Reinsurance proceeds receivable	2 555 599	570 139
Prepaid trading fees	-	127 880
Late payment interest on contributions	295 371	250 006
Interest on bank account receivable	10 721	9 510
Cash-in-transit: Ring-fenced investment	2 050 372	2 658 990
PAYE receivable from the Receiver of Revenue	-	32 406
Total	4 912 063	3 648 931

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

5. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent) R	A	B	C	D	A+B+C-D
				At beginning of the year R	Transfers approved R	Return on Transfers R	Assets transferred R	At end of year R
In terms of section 14								
Hospitality & General Provident Fund (Airport Meals)	03/08/2016	20	-	-	81 822	-	(81 822)	-
Individual transfers in Prospective approvals in terms of section 14		9	-	897 210	1 055 880	-	(1 959 090)	-
Old Mutual Super Funds	01/06/2008	1	36 688	-	-	-	-	-
Hospitality & General Provident Fund	01/01/2010	15	186 492	-	-	-	-	-
Alexander Forbes Retirement Fund (PF)	01/08/2006	4	1 210 492	-	-	-	-	-
Hardes Williams, Gilbert & Associates Midas Umbrella Provident Plan	31/08/2012	61	2 031 157	-	-	-	-	-
Total		110	3 464 829	897 210	1 137 702	-	(2 034 912)	-
Transfers approved (B) Return on transfers (C)								1 137 702
Statement of changes in net assets and funds								1 137 702

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

6. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent) R	A At beginning of the year R	B Transfers approved R	C Return on transfers R	D Assets transferred R	A+B+C-D At end of year R
In terms of section 14								
Hospitality & General Provident Fund (Palm Garden)	01/10/2003	5	-	341 923	-	98 745	(402 272)	36 396
Hospitality & General Provident Fund (Second Avenue)	01/04/2005	2	-	158 158	-	51 098	(72 408)	136 848
Hospitality & General Provident Fund (City Lodge)	31/08/2008	2	-	81 792	-	19 679	-	101 471
Hospitality and General Provident Fund	31/08/2004	3	-	712 615	-	-	(712 615)	-
Nandos Employees Umbrella Fund	31/10/2013	1	-	5 169	(41)	-	-	5 128
Provident Fund Alexander Forbes Retirement Fund (Protea Hospitality Group)	30/06/2015	2	-	-	315 863	197 520	(513 183)	-
Fundsatwork Umbrella Provident Fund - Nandos Wonderpark	01/11/2014	13	-	-	63 505	-	-	63 505
Discovery Retirement Annuity Fund	30/04/2015	2	-	-	184	-	-	184
Alexander Forbes Retirement Fund - The Waterclub Court Body Corporate	31/10/2014	1	-	-	129	-	-	129
Individual transfers out		1	-	9 869	-	242	-	10 111
Prospective approvals in terms of section 14		249	-	-	-	-	-	-
Old Mutual Superfund Provident Fund	01/01/2011	8	129 204	-	-	-	-	-
Old Mutual Superfund Provident Fund	01/01/2011	13	898 629	-	-	-	-	-
Transfers to Nandos Employee Provident Fund:								
- Nandos Secunda	01/07/2016	23	314 350	-	-	-	-	-
- Nandos Hazview	01/07/2016	20	174 817	-	-	-	-	-
- Nandos Makopane	01/07/2016	20	312 146	-	-	-	-	-
- Nandos Potchefstroom	01/09/2016	31	163 810	-	-	-	-	-
Fundsatwork Umbrella Provident Fund	01/08/2016	87	6 109 590	-	-	-	-	-
- Ellermans House								
Fundsatwork Umbrella Provident Fund - Parkview	01/05/2016	47	219 278	-	-	-	-	-
Total		281	8 321 824	1 309 526	379 440	365 284	(1 700 478)	353 772

Transfers approved (B)

379 440

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Return on transfers (C)

Statement of changes in net assets and funds

365 284

744 724

7. BENEFIT PAYMENTS

7.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Lump sums on retirements					
- Full benefit	344 747	8 102 269	(7 668 352)	(52 320)	726 344
Lump sums before retirement					
- Death benefits	4 875 687	4 852 047	(3 137 008)	(1 428 362)	5 162 364
- Withdrawal benefits	1 501 898	28 592 632	(24 552 073)	(34 081)	5 208 376
- Retrenchment benefits	472 685	3 501 754	(2 936 095)	(25 900)	1 012 444
Other					
Divorce court order payments		603 208	(603 208)		
Total	7 195 017	45 651 910	(38 896 736)	(1 840 663)	12 109 528
Benefits for current year (B)					45 651 910
Return allocated (C)					<u>45 651 910</u>

Statement of changes in net assets and funds

8. UNCLAIMED BENEFITS

	R	R
	31 December 2016	31 December 2015
Balance at the beginning of the year	43 910 408	42 581 599
Transferred from benefits payable	1 840 663	1 324 596
Adjustments *	-	(1 233 811)
Investment income allocated	2 694 828	2 843 756
Less:		
* Benefits paid	(1 163 012)	(1 605 732)
Balance at the end of the year	47 282 887	43 910 408

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

9. ACCOUNTS PAYABLE

	31 December 2016	31 December 2015
	R	R
Actuarial fees due	18 236	-
Provision for audit fees	262 200	243 350
Group life premiums due	528 515	582 738
South African Revenue Services - PAYE	49 121	140 344
PHI and Funeral premiums (unapproved schemes)	331 831	442 550
Unallocated deposits	-	491 218
Fidelity cover premiums due	6 250	6 250
Communication fees due	9 861	-
Trustee expenses payable *	56 795	-
Legal fees due	3 420	-
Payroll services due	150	-
Administration fees due	504 977	496 199
Consultancy fees due	32 116	30 704
Total	1 802 972	2 433 353

* Related party

10. CONTRIBUTIONS

	At beginning of the year	Towards retirement	Towards re- insurance and expenses	Contributions received	At end of the year
	R	R	R	R	R
Member contributions received and accrued	916 585	20 186 496	-	(20 162 731)	940 350
Employer contributions received and accrued	922 726	10 818 880	6 617 504	(17 378 768)	980 342
Additional voluntary contributions - members	-	83 219	-	(77 877)	5 342
Total	1 839 311	31 088 595	6 617 504	(37 619 376)	1 926 034

Towards retirement 31 088 595
 Towards reinsurance and expenses 6 617 504

Statement of changes in net assets and funds **37 706 099**

11. NET INVESTMENT INCOME

	31 December 2016	31 December 2015
	R	R
Income from investments	18 532 379	31 092 720
• Interest	211 929	670 190
• Collective investment schemes distribution	1 348 019	4 148 588
• Income from insurance policies	16 972 431	26 273 942
Interest on late payment of contributions	45 365	15 646
Adjustment to fair value	23 908 924	28 239 992
	42 486 668	59 348 358
Less: Expenses incurred in managing investments	(2 732 095)	(2 903 230)
Total	39 754 573	56 445 128

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

12. ADMINISTRATION EXPENSES

	31 December 2016	31 December 2015
	R	R
Actuarial fees	205 562	164 958
Administration fees	3 877 449	3 363 984
Audit fees - Audit services	266 127	247 055
Investment consultancy fees	385 400	513 744
Fidelity premium	15 000	15 000
Financial Services Board levies	231 207	218 839
Other Expenses	338 866	306 380
Bank charges	34 827	33 630
Sundry expenses	380	339
General fund expenses - payroll	1 800	1 350
Collection fee	59 941	50 364
Consultancy fees - Sash Consulting	218 263	208 137
Legal fees	23 655	12 560
Board of fund expenses * 12.1	276 245	282 222
Principal officer expenses - remuneration *	482 599	391 811
Total	6 078 455	5 503 993

* Related party

12.1. Board of Fund Expenses

	31 December 2016	31 December 2015
	R	R
Remuneration	242 000	242 000
Travelling expenses	27 335	27 226
Venue hire / accommodation	6 910	12 996
Total	276 245	282 222

13. RELATED PARTY TRANSACTIONS

Contributions received from participating employers are considered related party transactions and are disclosed in note 10. Related party expenses relate to Board of Fund and Principal Officer expenses as disclosed in note 12.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

14. RESERVES

	Reserve Accounts Total	Dormant member contingency reserve	Cost account
	R	R	R
At beginning of year	254 670 398	252 102 213	2 568 185
Transfer between members' funds and reserves	(56 979)	2 511 206	(2 568 185)
Contributions received and accrued	6 617 504	-	6 617 504
Reinsurance proceeds	-	-	-
Net investment income	17 768 211	17 768 211	-
Allocated to unclaimed benefits	-	-	-
Less:	(10 491 550)	-	(10 491 550)
- Re-insurance premiums	(4 413 095)	-	(4 413 095)
- Administration costs	(6 078 455)	-	(6 078 455)
Net income before transfers and benefits	268 507 584	272 381 630	(3 874 046)
Transfers and benefits	(2 119 072)	(2 119 072)	-
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Benefits	(2 119 072)	(2 119 072)	-
Net income after transfers and benefits	266 388 512	270 262 558	(3 874 046)
Transfer of miscellaneous fee from Active to Cost	1 246 806	-	1 246 806
Transfer of miscellaneous and admin fee from Dormant to Cost	-	(3 358 488)	3 358 488
At end of year	267 635 318	266 904 070	731 248

15. AMOUNTS TO BE ALLOCATED

	31 December 2016	31 December 2015
	R	R
Investment return to be allocated	847 657	1 403 284
Investment return on Sec 14 transfers out	-	112 333
Contributions to be allocated	3 435 247	4 099 357
Transfers to be allocated	94 442	961 530
Total amounts to be allocated	4 377 346	6 576 504