

ANNUAL FINANCIAL STATEMENTS

NAME OF RETIREMENT FUND: TOURISM, HOSPITALITY AND CATERING
(THACSA) PENSION FUND

FINANCIAL SERVICES BOARD REGISTRATION

NUMBER: 12/8/20517

SOUTH AFRICAN REVENUE SERVICES

APPROVAL NUMBER: 18/20/4/30827

for the period: 01 June 2013 to 31 December 2013

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* Not subject to audit

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE A

REGULATORY INFORMATION

for the 7 month period ended 31 December 2013

Registered office of the fund:

Postal address: PO Box 836
Cape Town
8000

Physical address: Mispel Street
Parc du Cap
Bellville
7535

Financial reporting periods:

Current: 01 June 2013 to 31 December 2013 (7 months)

Previous: 01 January 2012 to 31 May 2013 (17 months)

Board of trustees:

Full name	Capacity*	Date appointed	Date resigned
Andy Nold	E / C	9-Jan-96	
Crosby Booï	M / VC	31-Jan-90	
Peter Spickernell	E	1-Feb-79	3-Jul-13
Rey Franco	E	1-Sep-07	26-Aug-13
Selwyn Veley	E	31-Jan-00	
Renier Grosch	E	1-Jun-11	
Hugh Von Zahn	E	3-Aug-11	
Susanne Faussner-Ringer	E	12-Apr-13	
Chris Godenir	E	5-Jun-13	
Chris Bosenberg	I	1-Jan-13	
Washington Mtinkulu	M	31-Jan-90	
Alfred Green	M	4-Oct-06	
Nikiwe Kaptein	M	14-Dec-09	
Xoliswa Tamane	M	14-Dec-09	
Vincent Sotyifa	M	5-Dec-12	
Mary Mageqa	M	2-Oct-13	
Holomisa Nqoro	A	6-Feb-13	

* - 'C' denotes chairperson

* - 'E' denotes employer appointed

* - 'I' denotes independent

* - 'M' denotes member elected

* - 'VC' denotes vice-chairman

* - 'A' denotes alternate

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE A

REGULATORY INFORMATION

for the 7 month period ended 31 December 2013

Fund officers:

	Principal officer	Responsible Person*
Full name:	Kevin L. Barnes	Kevin L. Barnes
Postal address:	PO Box 836	PO Box 836
	Cape Town	Cape Town
	8000	8000
Physical address:	Momentum Retirement Administrators	Momentum Retirement Administrators
	8th Floor, No. 1 Adderley Street	8th Floor, No. 1 Adderley Street
	Cape Town	Cape Town
	8001	8001
Telephone number:	(021) 421 0190	(021) 421 0190
Email address:	kbarnes@metropolitan.co.za	kbarnes@metropolitan.co.za

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

Professional services providers:

	Actuary/Valuator	Auditors
Full name:	Sean Christian Neethling	PricewaterhouseCoopers Inc.
Postal address:	P O Box 2212	P O Box 2799
	Bellville	Cape Town
	7535	8000
Physical address:	6 Mispel Street	No 1 Waterhouse Place
	Bellville	Century City
	7530	Cape Town
		7441
Telephone number:	(021) 940 4008	(021) 529 2000
Qualifications:	BSc CFP FIA FASSA	Registered Auditors

	Benefit administrator	Fund Consultants
Full name:	Momentum Retirement Administrators (Pty) Ltd	Not applicable.
Postal address:	PO Box 2212	
	Bellville	
	7535	
Physical address:	Parc du Cap	
	6 Mispel Street	
	Bellville	
	7530	
Telephone number:	(021) 940 5111	

Benefit administrator's registration number in terms of section 13B: 24/453

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
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 REGULATORY INFORMATION
 for the 7 month period ended 31 December 2013

Professional services providers (continued):

	Investment administrators	Investment Advisors
Full name:	Momentum Investments (Pty) Ltd	Towers Watson
Postal address:	PO Box 2212	Private Bag X30
	Bellville	Rondebosch
	7535	7701
Physical address:	Parc du Cap	2nd Floor, Great Westerford Building
	6 Mispel Street	240 Main Road
	Bellville	Rondebosch
	7530	7701
Telephone number:	(021) 940 5111	(021) 681 3709

Investment administrator's registration number in terms of section 13B: 24/90

	Investment administrators	Investment Advisors
Full name:	Allan Gray Life Limited	Not applicable.
Postal address:	PO Box 51318	
	Cape Town	
	8002	
Physical address:	1 Silo Square	
	V & A Waterfront	
	8001	
Telephone number:	(021) 415 2300	

Investment administrator's registration number in terms of section 13B: 24/437

	Investment administrators	Investment Advisors
Full name:	Investec Asset Management (Pty) Ltd.	Not applicable
Postal address:	PO Box 1655	
	Cape Town	
	8000	
Physical address:	36 Hans Stijdom Avenue	
	Foreshore	
	Cape Town	
	8001	
Telephone number:	(021) 416 1818	

Investment administrator's registration number in terms of section 13B: 24/61

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

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SCHEDULE A

REGULATORY INFORMATION

for the 7 month period ended 31 December 2013

Professional services providers (continued):

	Investment administrators	Investment Advisors
Full name:	RE: CM Collective Investments (Pty) Ltd	Not applicable
Postal address:	PO Box 45040 Claremont 7735	
Physical address:	7th Floor, Claremont Central 8 Vineyard Road Claremont 7700	
Telephone number:	(021) 657 3440	

Investment administrator's registration number in terms of section 13B: 24/340

	Investment administrators	Investment Advisors
Full name:	Prudential Portfolio Managers (SA) (Pty) Ltd.	Not applicable
Postal address:	PO Box 23167 Claremont 7735	
Physical address:	7th Floor Protea Place 40 Dreyer Street Claremont 7708	
Telephone number:	(021) 670 2885	

Investment administrator's registration number in terms of section 13B: 24/67

	Risk insurers	Custodian and Nominees
Full name:	Momentum Life Limited	Not applicable
Postal address:	PO Box 2212 Bellville 7535	
Physical address:	6 Mispel Street Bellville 7530	
Telephone number:	(021) 940 5911	
FSB approval no:	24/90	

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/20517
 SCHEDULE A
 REGULATORY INFORMATION
 for the 7 month period ended 31 December 2013

Professional services providers (continued):

	Risk Insurers	Custodian and Nominees
Full name:	Sanlam Life Insurance Limited	Not applicable
Postal address:	Private Bag X8	
	Tyger Valley	
	7536	
Physical address:	Tyger Forum B Building, Ground Floor	
	Willie van Schoor Avenue	
	Bellville	
	7530	
Telephone number:	(021) 950 4608	
FSB approval no:	24/85	

List of participating employers:

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

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES
for the 7 month period ended 31 December 2013

Responsibilities

The board of trustees hereby certify to the best of their knowledge and belief that, during the period under review, in the execution of their 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 board of trustees;
- 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 of the Pension Funds Act;
- 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 in South Africa, the Financial Institutions (Protection of Funds) Act and all other applicable laws;
- ensured that fidelity cover was maintained. 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 Pension Fund are the responsibility of the board of trustees. The board of trustees 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 32 have been prepared in accordance with;

- the Regulatory Reporting Requirements for Retirement Funds in South Africa as indicated in the principal accounting policies contained in the notes to the financial statements on page 17 to 20.
- the financial rules of the fund; and
- the provisions of the Pension Funds Act in South Africa.

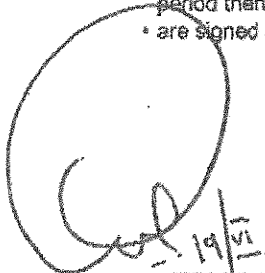
These financial statements have been reported on by the independent auditor, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The board of trustees believes that all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditor is presented on page 9.

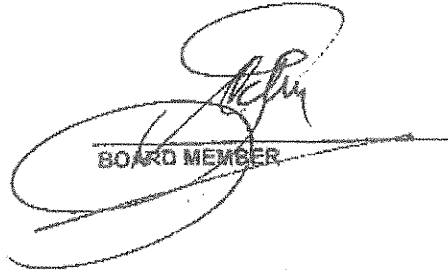
TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES CONTINUED
for the 7 month period ended 31 December 2013

Approval of the annual financial statements continued

These financial statements:

- were approved by the board of trustees on 4 JUNE 2014
- are certified by them to the best of their knowledge and belief to be correct;
- fairly represent the net assets of the fund at 31 December 2013 as well as the results of its activities for the period then ended; and
- are signed on behalf of the board of trustees by:

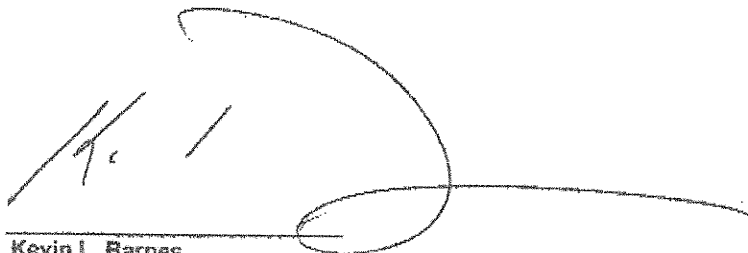

BOARD MEMBER


BOARD MEMBER


BOARD MEMBER

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
for the 7 month period ended 31 December 2013

I confirm that for the period under review Tourism, Hospitality and Catering Pension Fund has lodged with the Registrar of Pension Funds all such returns, statements, documents and any other such information required in terms of the Pension Funds Act in South Africa.



Kevin L. Barnes
Principal Officer

Date

20/6/2014

TOURISM, HOSPITALITY AND CATERING PENSION FUND

SCHEDULE D

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF TOURISM, HOSPITALITY AND CATERING PENSION FUND AND THE REGISTRAR OF PENSION FUNDS

We have audited the annual financial statements of the Tourism, Hospitality and Catering Pension Fund ('THACSA'), which comprise the report of the board of trustees, and the statement of net assets and funds as at 31 December 2013, and the statement of changes in net assets and funds for the 7 month period then ended, and the notes to the financial statements, which include the principal accounting policies and other explanatory notes, as set out on pages 10 to 32. The financial statements are prepared for the purpose of reporting to the Registrar of Pension Funds.

Trustees' Responsibility for the Financial Statements

The board of trustees is responsible for the preparation and presentation of these financial statements for regulatory purposes, in accordance with the basis of preparation applicable to retirement funds in South Africa, as set out in the notes to the financial statements, and for such internal control as the board of trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements of Tourism, Hospitality and Catering Pension Fund (THACSA) for the period ended 31 December 2013, have been prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Restriction on use

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



PricewaterhouseCoopers Inc.
Director: V. Wiese
Registered Auditor

No 1 Waterhouse Place, Century City, 7441

Date: 20 June 2014

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/20517
SCHEDULE E
REPORT OF THE BOARD OF TRUSTEES
 for the 7 month period ended 31 December 2013

1. DESCRIPTION OF THE 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 classified as 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 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.

1.2.3 In respect of unclaimed benefits, complete records, as prescribed, are maintained.

1.3. Contributions

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 accrual was based on instances where member/s have stopped contributed, but did not formally exit the fund.

Contribution rates

Member towards retirement funding: 6% / 7% / 7.5% / 8%
 Employer towards retirement funding, risk benefits and expenses 6% / 7% / 7.5% / 7.75% of monthly salary *

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

1.4. Rules amendments

No	Description and Motivation	Date of board of trustees' resolution	Effective date	Date registered by the FSB	Date approved by the SARS
14	To change the financial accounting period to coincide with the migration of the fund to a new admin platform	3/4/2013	1/1/2012	14/5/2013	14/5/2013

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/20517
 SCHEDULE E
 REPORT OF THE BOARD OF TRUSTEES - CONTINUED
 for the 7 month period ended 31 December 2013

1.5. Reserves

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 Trustees in consultation with the Valuator.

This reserve shall be credited with amounts as determined by the Board of Trustees in consultation with the Valuator, and interest (positive or negative) as declared by the Board of Trustees in consultation with 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 Trustees, in consultation with the Valuator, requests 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 Trustees in consultation with 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, trustees 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 policy for the year under review

The fund opted to invest in 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.

2.2. Management and performance of investments

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

	Current Period R	Previous Period R
Allan Gray Life Ltd (Global Balanced)	133,260,280	124,118,249
Investec Asset Management (Pty) Ltd (Domestic Balanced Unit Trust)	55,436,294	49,856,489
Momentum Group Ltd (Multi Manager Smooth Growth Fund - Global)	152,507,567	138,273,777
Prudential Inflation Plus Fund	72,376,815	68,826,804
RE:CM Holdings (Pty) Ltd (Balanced Fund)	73,516,473	63,646,177
	487,097,429	444,721,496

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/20517
 SCHEDULE E
 REPORT OF THE BOARD OF TRUSTEES - CONTINUED
 for the 7 month period ended 31 December 2013

3. MEMBERSHIP

	Active Members **	Dormant Members*	Unclaimed Benefits **
Numbers at the beginning of period	3,508	44,931	1,956
Adjustments *	80	-	182
Additions	595	-	290
Transfers out	(26)	-	-
Withdrawals	(336)	(22)	-
Retirements	(16)	(3)	-
Deaths	(6)	(1)	-
Unclaimed benefits paid	-	-	(9)
Numbers at end of period	3,799	44,905	2,419

* There are 8,460 deferred pensioners included in the closing Dormant membership number of 44,905. The remaining number of 36,445 are classified as "unclaimed benefit members" under the Dormant category.

** The adjustments on active members refer to members with entry dates prior to 01 June 2013 but not included in the prior period's closing balance. The adjustments for the Unclaimed Benefits relate to benefits older than two years that were not included in the prior period.

4. ACTUARIAL VALUATION

The 31 December 2009 valuation was submitted to the Financial Services Board on 21 December 2010. The valuator reported that the fund was in a sound financial condition. Owing to the extension of the previous financial period end to 31 May 2013, the next statutory valuation was due as at 31 December 2011. An application requesting an extension to submit the report on the statutory valuation until 31 May 2014 was approved by the Financial Services Board on 20 March 2014.

The December 2011 Valuation Report was submitted to the Financial Services Board on 14 April 2014.

5. SURPLUS APPORTIONMENT

The surplus apportionment date was 31 December 2003. A nil surplus apportionment scheme submission was made to the FSB and approved on 13 June 2006.

6. 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 2013 the outstanding balance of housing loan guarantees granted amounted to R1,212,923 - 59 members (31 May 2013: R1,292,216 - 64 members).

The total facility approved is R2,000,000 and is renewable on 30 November 2014.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE E
REPORT OF THE BOARD OF TRUSTEES - CONTINUED
for the 7 month period ended 31 December 2013

7. INVESTMENTS IN PARTICIPATING EMPLOYERS

The fund has no direct investments in any participating employer.

8. SUBSEQUENT EVENTS

On 14 March 2014 Regarding Capital Management paid an amount of R2,087,331 to the fund as final settlement of the outstanding balance of the deferred fees that were due to the fund. This brings the value of the fund's portfolio to the exact amount it should have been under the agreed original contract.

Other than the above, there were no further subsequent events on which to report.

9. SIGNIFICANT MATTERS

Dormant members

Unclaimed benefits and paid up members 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.

Overdeduction of Investment fees

RE:CM Holding (Pty) Ltd overdeducted for performance fees from 2005.

The overdeduction was valued at R4,339,466 as at 31 May 2013 and was accrued for as part of Accounts Receivable on the prior period financial statements.

The Fund and the investment manager reached an agreement on how to settle and reimburse the fund, and on 14 June 2013 the fund received an amount of R2 million in part settlement. The value outstanding as at 31 December 2013 was R2,293,921. Refer note 8 above.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE E
REPORT OF THE BOARD OF TRUSTEES - CONTINUED
for the 7 month period ended 31 December 2013

Regulation 28

As indicated in Schedule IB on page 4~~5~~, the fund has prepared the Schedule IB by including the fund's Momentum long-term policy under 'Category' 9 in terms of sub-regulation 8 (b) of R152,507,567 (May 2013: R138 273 777) without having obtained the confirmation as to the accuracy of the certificate and therefore should have reflected this policy on the 'Look-through' basis on Schedule IB.

The Fund has again requested confirmation but this Insurer has not been able to obtain the confirmation from their auditor on the accuracy of the certificates, due to outstanding guidance as to the format required for the audit confirmation.

The Trustees are aware of the above Regulation 28 matter and the Fund's requirements to comply with Regulation 28 and has again communicated the matter above to the Fund's investment administrators/insurer to resolve, and to ensure that the Fund complies with the Regulation.

There were no further significant matters noted during the period until date of signing these financial statements.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
As at 31 December 2013

	Notes	Current Period R	Previous Period R
ASSETS			
Non-current assets		487,097,429	444,721,496
Investments	1	487,097,429	444,721,496
Current assets		14,872,094	8,361,903
Accounts receivable	3	2,574,026	4,494,714
Bank		6,266,942	2,013,936
Transfers receivable	4	5,156,241	658,391
Contributions receivable	10	874,885	1,194,862
Total assets		<u>501,969,523</u>	<u>453,083,399</u>
FUNDS AND LIABILITIES			
Members' funds		230,295,084	206,957,350
Members' individual accounts		220,563,562	201,707,554
Amounts to be allocated	20	9,731,522	5,249,796
Reserves		213,771,124	199,767,829
Reserve accounts	18	213,771,124	199,767,829
Total funds and reserves		<u>444,066,208</u>	<u>406,725,179</u>
Non-current liabilities		33,296,723	26,646,962
Unclaimed benefits	7	33,296,723	26,646,962
Current liabilities		24,606,592	19,711,258
Transfers payable	5	1,052,787	1,084,195
Benefits payable	6	20,550,189	17,610,271
Accounts payable	8	3,003,616	1,016,792
Total funds and liabilities		<u>501,969,523</u>	<u>453,083,399</u>

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
for the 7 month period ended 31 December 2013

	Notes	Members' individual accounts	Reserve accounts note 18	Total current period (7 months)	Total previous period (17 months)
		R	R	R	R
Contributions received and accrued	10	14,249,617	2,761,805	17,011,422	37,733,345
Re-insurance proceeds - deaths		2,258,010	-	2,258,010	4,233,957
Net investment income	11	27,447,640	16,261,019	43,708,659	96,379,084
Other income	12	240,056	-	240,056	4,339,466
Less: Allocated to unclaimed benefits	7	(2,231,512)	-	(2,231,512)	(4,359,252)
Less:		-	(4,381,806)	(4,381,806)	(9,254,279)
Re-insurance premiums		-	(1,706,182)	(1,706,182)	(3,838,700)
Administration expenses	13	-	(2,675,624)	(2,675,624)	(5,415,579)
Net income before transfers and benefits		41,963,811	14,641,018	56,604,829	129,072,321
Transfers and benefits		(17,952,086)	(1,311,714)	(19,263,800)	(44,343,380)
Transfers from other funds	4	5,562,419	-	5,562,419	1,671,198
Transfers to other funds	5	(684,291)	-	(684,291)	(2,141,316)
Benefits	6	(22,830,214)	(1,311,714)	(24,141,928)	(43,873,262)
Net income after transfers and benefits		24,011,725	13,329,304	37,341,029	84,728,941
Funds and reserves					
Balance at beginning of period		206,957,350	199,767,829	406,725,179	321,996,238
Transfer to Reserve account	18	(673,991)	673,991	-	-
Balance at end of period		230,283,359	213,771,124	444,054,483	406,725,179

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PRINCIPAL ACCOUNTING POLICIES

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

1. Purpose and basis of preparation of financial statements

The 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 in South Africa. The financial statements are prepared on historical cost and going-concern bases except where specifically indicated in the accounting policies below:

1.1 Financial instruments

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:

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

Market related policies

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

Non-market related policies

Non-market related 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.)

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.

PRINCIPAL ACCOUNTING POLICIES CONTINUED

Purpose and basis of preparation of financial statements

Accounts receivable

Accounts receivable originated by the fund are financial assets and are stated at fair value.

Accounts payable

Accounts payable are recognised at fair value.

1.2 Cash and cash equivalents

Cash and deposits 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.

1.3 Contributions

Contributions for all known participating employers are recognised on the accrual basis and comprise of the invoice value of contributions due from members and employers.

1.4 Contributions receivable

Contributions receivable are recognised at original invoice amount.

1.5 Benefits

Death benefits

The liability for death benefits is recognised upon receipt of a completed death benefits application form.

Retirement benefits

The liability for retirement benefits is recognised upon receipt of a completed retirement benefits claim form.

Withdrawal benefits

Active members

The liability for a withdrawal benefit is recognised upon date of termination from the fund.

Dormant members

Unclaimed benefits and paid up members prior to 01 October 2003 are classified as dormant members. The benefit remains in the fund until claimed by the member, at which stage taxation is deducted and the net benefit paid to the member.

Non - contributing members

A member's claim will only be recognised as an unpaid benefit if the member does not contribute to the fund for more than 6 months. The benefit due to the member will then be disclosed as part of active members.

PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.6 Investment income

- 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.
- 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.

1.7 Transfers to and from the fund

Section 14 and 15B 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.

1.8 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of net assets and funds date, as determined by the judgment of the Board of Trustees of the fund.

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.

1.9 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.

PRINCIPAL ACCOUNTING POLICIES CONTINUED

1.10 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.

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.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

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for the 7 month period ended 31 December 2013

1. Investments

1.1 Investment summary

	Local		Foreign		Total		Categorised per IAS 39
	R		R		Current period R	Prior period R	
Non-market related policies	152,507,567				152,507,567	138,273,777	*
Market related policies	133,260,280				133,260,280	124,118,249	*
Collective investment schemes	201,329,582				201,329,582	182,329,470	*
Total	487,097,429		-		487,097,429	444,721,496	

Included in non-market related insurance policies is non-vested balances amounting to R35 323 286 (May 2013: R28 507 172).

* The investment is categorised as "financial assets held at fair value through the statement of changes in net assets and funds" as per IAS 39

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2. Housing loan facilities

2.2 Housing loan guarantees

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 2013 the outstanding balance of housing loan guarantees granted amounted to R1,212,923 - 59 members (31 May 2013: R1,292,216 - 64 members). The total facility approved is R2,000,000 and is renewable on 30 November 2014.

3. Accounts receivable

	31 December 2013	31 May 2013
	R	R
PAYE receivable from SARS	53,824	53,824
Interest on current bank accounts	23,560	-
Investment fee reimbursement (RE:CM)*	2,293,921	4,339,466
Late payment interest on contributions**	202,721	101,424
	<u>2,574,026</u>	<u>4,494,714</u>

*RE:CM Holdings (Pty) Ltd overdeducted for performance fees from 2005. The overdeduction was valued at R4,339,446 as at 31 May 2013. On 14 June 2013, the fund received an amount of R2 million in part settlement, leaving an outstanding balance of R 2,293,921 as at 31 December 2013. On 14 March 2014, RE:CM Holdings (Pty) Ltd paid an amount of R2 087 331 as final settlement of the outstanding balance of the deferred fees that were due to the fund.

** Related party receivable

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

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NOTES TO THE FINANCIAL STATEMENTS

for the 7 month period ended 31 December 2013

4. Transfers from other funds

	Effective date	Number of members	Approval date	Applied for not yet approved (Contingency)	A				B				C				D				(A+B+C-D)
					At beginning of period	Transfers approved	Return on transfers	Assets transferred	At end of period												
				R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	
<i>In terms of section 14</i>																					
<i>Prospective</i>																					
Hospitality Group Provident Fund (Nandos)	31-Aug-12	54	N/A	382,072	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Old Mutual Super Funds	1-Jun-08	1	N/A	36,688	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Hospitality & General Provident Fund	1-Jan-10	15	N/A	186,492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Alexander Forbes Retirement Fund (PF)	1-Aug-06	4	N/A	1,210,492	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Approved</i>																					
Hospitality Group Provident Fund (Nandos)	31-Aug-12	92	Various	-	-	226,732	-	-	-	-	-	-	-	-	-	-	-	-	-	226,732	
Old Mutual Superfund Pension Fund	1-Jan-13	3	2-May-12	-	-	258,623	114,402	-	-	-	-	-	-	-	-	-	-	-	-	373,025	
Hospitality Group Provident Fund (Nandos)	31-Aug-12	393	Various	-	-	3,439,720	1,116,764	-	-	-	-	-	-	-	-	-	-	-	-	4,556,484	
Masakhane Retirement Fund	1-Aug-06	8	15-May-13	-	653,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-	653,834	
Sanlam Futura Umbrella Fund	1-Nov-11	2	21-May-13	-	4,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,557	
Old Mutual Superfund Provident Fund	1-Oct-10	23	20-Jun-13	-	-	227,774	178,404	-	-	-	-	-	-	-	-	-	-	-	-	406,178	
Total		595		1,815,744	658,391	4,152,849	1,409,570	1,064,569	5,156,241												

Transfers approved
Return on transfers

4,152,849
1,409,570

Statement of changes in net assets and funds

5,562,419

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5. Transfers to other funds

	Effective date	Number of members	Approval date	A		B		C		D		(A+B+C+D)	
				Applied for not yet approved (Contingency)	At beginning of period	Transfers approved	Return on transfers	Assets transferred	At end of period				
				R	R	R	R	R	R	R	R	R	R
<i>In terms of section 14</i>													
Hospitality & General Provident Fund (Palm Garden)	1-Oct-03	12	14-Jul-05	-	310,106	-	31,817	-	-	-	341,923		
Hospitality & General Provident Fund (Second Avenue)	1-Apr-05	2	13-Mar-12	-	143,441	-	14,717	-	-	-	158,158		
Hospitality & General Provident Fund (City Lodge)	31-Aug-08	3	N/A	-	74,180	-	7,612	-	-	-	81,792		
Alexander Forbes Retirement Fund:													
The Waterclub Court Body Corporate (Raddison)	31-Mar-12	164	N/A	3,649,579	-	-	-	-	-	-	-		
Hospitality & General Provident Fund	30-Apr-12	1	22-Jan-14	-	-	82,807	28,164	-	-	-	110,971		
AON Umbrella Pension Fund	31-Jan-12	1	18-Dec-13	-	-	186,947	70,220	-	-	-	257,167		
Evergreen Pension Fund (Village & Life)	31-Aug-08	2	24-Jul-13	-	-	15,889	4,527	20,416	-	-	-		
Evergreen Pension Fund (Village & Life)	31-Jul-08	1	24-Jul-13	-	-	9,361	2,548	11,909	-	-	-		
Evergreen Pension Fund (Village & Life)	30-Sep-08	1	27-Jun-13	-	-	22,765	6,812	29,577	-	-	-		
Infinity Provident Fund	28-Feb-05	39	16-Jul-13	-	556,468	-	6,218	562,686	-	-	-		
Corporate Selection Umbrella Fund	30-Sep-11	1	22-Nov-13	-	-	10,636	4,964	15,600	-	-	-		
Corporate Selection Umbrella Fund	31-Oct-11	4	31-Oct-13	-	-	52,871	22,640	75,511	-	-	-		
Alexander Forbes Retirement Fund	30-May-10	1	31-May-10	-	-	101,569	1,207	-	-	-	102,776		
Total		232		3,649,579	1,084,195	482,845	201,446	715,699	1,052,787				

Transfers approved 482,845
 Return on transfers 201,446
Statement of changes in net assets and funds
684,291

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6. Benefits	A					B					C					D					E					(A+B+C+D-E)																								
	At beginning of period					Benefits for current period					Prior period adjustment					Return allocated					Payments					Transferred to unclaimed benefits					At end of period																			
	R					R					R					R					R					R					R																			
6.1 Benefits - current members																																																		
Lump sums on retirements																																																		
Full benefit	(32,542)					3,962,408					-					6,871					1,492,510					33,129															2,477,356									
Lump sums before retirement																																																		
Death benefits	5,725,942					3,074,295										556,835					3,118,629																				6,238,443									
Withdrawal benefits	11,916,871					11,088,871										1,094,911					7,568,724					(4,741,258)															11,790,670									
Retrenchment benefits						4,351,320										6,418					4,314,018																				43,720									
Net benefit payments	17,610,271					22,476,894					-					1,665,035					16,493,881					(4,708,129)															20,550,189									
Benefits for current period																																									22,476,894									
Return allocated																																									1,665,035									
Statement of changes in net assets and funds																																														24,141,928				

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7. Unclaimed benefits

	31 December 2013 R	31 May 2013 R
At beginning of period	26,646,962	20,265,706
Transferred from benefits payable	4,708,129	3,540,774
Investment return allocated	2,231,512	4,359,252
Less:	(289,880)	(1,518,770)
Benefits paid	(289,880)	(1,518,770)
Balance at end of period	33,296,723	26,646,962

8. Accounts payable

	31 December 2013 R	31 May 2013 R
Fidelity cover premiums due	6,250	15,000
Administration fees due*	747,170	266,210
Unclaimed benefit admin fee due*	24,000	34,186
Actuarial fees due*	90,060	-
Audit fees due	180,120	215,175
Group life cover premiums due	919,692	211,516
PHI and Funeral cover premiums	794,163	-
South African Revenue Services - PAYE	27,754	-
Collection fees due	6,792	-
Unidentified deposits	207,615	274,705
	3,003,616	1,016,792

* Related party payable

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10. Contributions

	At beginning of period		Towards retirement		Towards re-insurance and expenses		Contributions received 7 months		At end of period	
	R		R		R		R		R	
Member contributions - received and accrued	-		8,449,877		-		8,449,877		-	
Employer contributions - received and accrued	211,517		5,059,420		2,761,805		7,898,177		134,565	
Unallocated contributions*	983,345		740,320		-		983,345		740,320	
	1,194,862		14,249,617		2,761,805		17,331,399		874,885	

Towards retirement

Towards re-insurance and expenses

Statement of changes in net assets

14,249,617
2,761,805
17,011,422

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11. Net investment income

	31 December 2013 R 7 months	31 May 2013 R 17 months
Income from insurance policies	9,596,275	9,413,202
Interest on late payment of contributions	101,297	101,537
Collective investment schemes distribution	1,941,298	33,977,199
Net interest received	162,855	155,979
Adjustment to fair value	33,389,580	55,174,100
	45,191,305	98,822,017
Less: Expenses incurred in managing investments *	(1,482,646)	(2,442,933)
	43,708,659	96,379,084

* Included in this amount are fees towards investments with Momentum, Investec, Alan Gray and RE:CM. It excludes the fees charges by the collective investment scheme, Prudential, which are offset by the scheme against income.

12. Other income

	31 December 2013 R 7 months	31 May 2013 R 17 months
RE:CM fee refund*	240,056	4,339,466
	240,056	4,339,466

* RE:CM Holding (Pty) Ltd overdeducted for performance fees from 2005. The overdeduction was valued at R4,339,466 as at 31 May 2013. In June 2013, the fund was reimbursed with an amount of R2 million, leaving an outstanding balance of R2 293 921 as at 31 December 2013. On 14 March 2014 RE:CM Holding (PTY) Ltd paid an amount of R2 087 331 to the fund as final settlement of the outstanding balance of deferred fees that were due to the fund.

13. Administration expenses

Notes	31 December 2013 R 7 months	31 May 2013 R 17 months
Actuarial fees	90,060	121,433
Administration fees - active members*	1,055,607	2,040,788
Administration fees - dormant members*	565,274	1,558,355
Unclaimed benefit admin fee	71,724	192,984
Audit fees - current year	183,607	216,599
Bank charges	12,426	4,850
Collection fees	6,793	21,787
Investment consultancy fees	159,061	347,344
Consultancy fees - Sash consulting	7,326	98,183
Fidelity cover	6,250	15,000
FSB Levies	162,457	151,286
General fund expenses - flowers	-	350
General fund expenses - sundry	939	-
Communication costs	-	15,134
General fund expenses - admin of PO salary	870	1,680
Legal fees	1,820	7,064
Printing costs	448	-
Principal officer expenses**	13.2	211,292
Trustee expenses#	13.1	139,670
	2,675,624	5,415,579

Related parties transactions

* MRA (Pty) Ltd as benefit administrator receives administration fees.

** The principal officer, Kevin Barnes, is an employee of the fund and receives a monthly salary.

The trustees receive attendance fees for each trustee meeting attended.

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13.1. Trustee expenses

	31 December 2013 R 7 months	31 May 2013 R 17 months
Meeting attendance fees	139,670	177,846
	139,670	177,846

* Included in the above amount is attendance fee in respect of an independent trustee.

13.2. Principal officer

	31 December 2013 R 7 months	31 May 2013 R 17 months
Remuneration	211,292	444,896
	211,292	444,896

16. Risk management policies

• **Inadequate investment returns**

Risk that inadequate investment returns are achieved compromising potential net replacement ratios that could be achieved.

Continuous monitoring by the Board takes place to ensure that appropriate returns are achieved given the investment strategy. This risk is reviewed annually in context of the long term investment strategy.

• **Credit risk**

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

The Board mandated the asset managers to manage this risk and report on it annually.

• **Benchmark risk**

Benchmark risk is the risk that inappropriate benchmarks are selected that results in return objectives not being met.

With the use of experts, the Board selects and reviews benchmarks on an annual basis in context of the fund's long term investment strategy.

• **Cash flow risk**

Cash flow risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in the interest rate.

The fund's investment manager monitors cashflows by using regular cash flow statements provided by the benefit administrator.

• **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 (volatility) risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market. Market risk applies to all investments accounted for at fair value.

Monitoring by the board takes place to ensure that appropriate assets are held where the fund's obligation to members is dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

• **Inappropriate mandates**

Risk that the mandates provided to the asset managers/ portfolios selected are not suitable to achieve the funds objectives.

The Board of trustees regularly review the fund's investment policy and contracts with asset managers to ensure that the asset allocation is appropriate relative to the fund's return objectives.

17. Related party transactions

The fund is administered by Momentum Retirement Administrators (Pty) Ltd.

All transactions with related parties have been separately disclosed in the financial statements (refer to notes 3,8 & 13).

Contributions of R5,059,420 (May 2013: R9,592,139) towards retirement and R2,761,805 (May 2013: R6,362,679) towards costs were received from the employer. Refer to note 10 for details.

The principal officer is an employee of the fund and received a salary of R211,292 for the 7 month period (R444,896 for the 17 month period ended May 2013)

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
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NOTES TO THE FINANCIAL STATEMENTS
for the 7 month period ended 31 December 2013

18. Surplus and reserve accounts

	Total reserves	Dormant member contingency reserve	Cost account
	R	R	R
Balance at beginning of period	199,767,829	199,404,298	363,531
Contributions received and accrued	2,761,805	-	2,761,805
Net investment income	16,261,019	16,243,814	17,205
Less:	(4,381,806)	(565,274)	(3,816,532)
Re-insurance premiums	(1,706,182)	-	(1,706,182)
Administration expenses	(2,675,624)	(565,274)	(2,110,350)
Net income before transfers and benefits	214,408,847	215,082,838	(673,991)
Transfers and benefits	(1,311,714)	(1,311,714)	-
Benefits	(1,311,714)	(1,311,714)	-
Net income after transfers and benefits (carried forward)	213,097,133	213,771,124	(673,991)
Transfers between reserve accounts	673,991	-	673,991
At end of period	213,771,124	213,771,124	-

19. Contingent liability

Dormant members

Unclaimed benefits and paid up members prior to 1 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.

The fund still has a contingent liability towards these dormant members in the event that they do all claim their full benefits.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
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20. Amounts to be allocated

	31 December 2013	31 May 2013
	R	R
Return to be allocated	1,983,738	(2,518,481)
RE:CM investment fee rebate	2,293,921	4,339,466
Cost account return to be allocated	(673,991)	-
Transfers in to be allocated	5,387,534	889,684
Contributions to be allocated	740,320	2,398,068
Death lumpsums	-	141,059
	<u>9,731,522</u>	<u>5,249,796</u>

TOURISM, HOSPITALITY AND CATERING PENSION FUND (THACSA)

Reference number : 12/8/20517

SCHEDULE HB

REPORT OF THE VALUATOR

Particulars of financial condition of the Fund as at 31 December 2011

1. Net assets available for benefits: R321 996 238
2. The actuarial value of the net assets available for benefits, for the purposes of comparison with the actuarial present value of promised retirement benefits was R321 996 238
3. The actuarial present value of promised retirement benefits as at 31 December 2011:
 - Active members' Shares of Fund: R159 847 118
4. The following contingency reserve accounts were held as at 31 December 2011:
 - Dormant Member Contingency Reserve: R162 149 120
5. Details of the valuation method adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary of report:

The active member liability was determined as the sum of the members' Share of Fund

The Dormant Member Contingency Reserve was determined as the opening balance as at the previous statutory valuation (31 December 2009), accumulated with net investment returns, less benefit payments and expenses, over the valuation period.
6. Details of the actuarial basis adopted (including that in respect of any contingency reserve) and details of any changes since the previous summary report:

Not applicable as the Fund is a defined contribution Fund.
7. Any other particulars deemed necessary by the valuator for the purposes of this summary:

Refer to Section 3 of the actuarial valuation report as at 31 December 2011 for details regarding the dormant membership of the Fund and the Dormant Member Contingency Reserve.
8. The Fund is in a sound financial condition as at 31 December 2011.



Sean Neethling, BSc CFP® FIA FASSA

Fellow of the Actuarial Society of South Africa

In my capacity as the Valuator of the Fund and as an employee of MMI Group Limited.

26 May 2014

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

FACTUAL FINDINGS REPORT TO THE REGISTRAR OF PENSION FUNDS IN TERMS OF SECTION 15 OF THE PENSION FUNDS ACT, 1956

Scope

We have performed the procedures agreed with you and enumerated below with respect to the accounting records of the Tourism, Hospitality and Catering (THACSA) Pension Fund for the 7 month period ended 31 December 2013 as required by you in terms of section 15 of the Pension Funds Act of South Africa, (the Act). Our engagement was undertaken in accordance with the International Standard on Related Services (4400) Engagements to perform agreed-upon procedures 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

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

	Procedures	Findings
1	We selected a sample of the lesser of 50 or 10% of members from the complete listing of participating employers in the umbrella fund and for the following two months: <i>October 2013</i> and December 2013 and performed the following procedures:	
1.1	We agreed, in total, the data received by the administrator to the cash received by the fund.	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.	Contributions were deposited with a registered bank in accordance with section 13A of the Act, except for paypoint T064 for October 2013 which had a R4500 difference and paypoint T010 for December 2013 which had a R1886 difference (in both instances more has been received). Furthermore for December 2013 we noted three exceptions (Paypoints T016, T176 and T265), where contributions received has not yet been allocated due to either contribution information being outstanding or not being traceable due to unknown deposits made. We also noted that Section 13A interest and the Section 13A interest letters were only levied and sent out in May 2014 and not in terms of Regulation 33.
1.3	We inspected the accounting records of the fund to determine whether amounts disclosed as arrear contributions at period-end have been paid to the fund in accordance with the requirements of section 13A of the Act.	Amounts disclosed as arrear contributions at period end have been paid to the fund in accordance with the requirements of section 13A of the Act, except for the above three exceptions (Paypoints T016, T176 and T265), where contributions received have not yet been allocated due to contribution information either being outstanding or not being traceable to the deposits made. We also noted that Section 13A interest and the Section 13A interest letters were only levied and sent out in May 2014 and not in terms of Regulation 33.
2	We inspected the list of investments held by the fund for any investments prohibited in terms of section 19 (4) of the Act.	The fund does not hold investments prohibited in terms of section 19(4) of the Act.
2.1	Where investments held in the participating employer exceeded 5%, we inspected the appropriate Financial Services Board approval.	Not applicable.
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.	The details of the confirmations received agreed to the investment balances reflected in the general ledger.
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 December 2013 and	

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	performed the following procedures:	
3.1	We determined by inspection whether both the general rules of the fund and the special rules of the participating employer allow for the granting of housing loans.	The rules of the fund do not allow for the granting of housing loans.
3.2	We agreed the loans on the above list to the corresponding account in the general ledger.	Not applicable.
3.3	From the above list, we selected a sample of the lesser of 50 or 10% of housing loans and 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.
3.4	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.
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 December 2013. We selected a sample of the lesser of 50 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 and/or the rules of the fund. *	The total guarantees issued did not exceed the total member individual fund credits.
5	We obtained a list of other loans as at 31 December 2013 and determined whether these loans were granted in terms of the requirements of section 19(5)B of the Act.	Not applicable, no other loans were granted in terms of section 19(5)B.
6	We obtained written confirmation from the fund's insurer that fidelity insurance cover was in place throughout the period ended 31 December 2013.	We obtained written confirmation that fidelity insurance cover was in place throughout the period ended 31 December 2013.
7	We obtained the list of section 14 transfers to and from the fund throughout the period ended 31 December 2013, selected a sample of the lesser of 50 or 10% of transfers in and the lesser of 50 or 10% of transfers out, and performed the following procedures:	We selected a sample of the section 14 transfers to and from the fund and performed the 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.	The selected section 14 transfers to and from the fund agreed to the approved section 14 documentation received from the Financial Services Board. Some Section 14 transfers out approved in the previous years still remain under transfers due in the financial statements and may need to be reapplied for. Refer to note 5 on page 24.
7.2	We agreed the above list of section 14 transfers to the corresponding account in the general ledger.	The list of section 14 transfers agreed 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 effective date.	The transfers were received or paid within 60 days of approval, and growth and investment returns were allocated from the effective date, except for the some Section 14 transfer out approved in the previous years, still remain as 'transfers due' (may need to be reapplied for). Refer to note 5 on page 24.
7.4	In respect of unitised funds, we selected a sample	The conversion of transfers in was correctly calculated

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	of the lesser of 50 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)	and where units were purchased after the date of receipt, investment return was added from the date of receipt to the date of purchase.
8	We obtained a list of accumulated member credits as reflected on the administrator's member register as at 31 December 2013 and performed the following procedures:	
8.1	We agreed the closing balance on the list to the corresponding account in the annual financial statements as at 31 December 2013.	The closing balance on the list of active members agreed to the corresponding account in the annual financial statements as at 31 December 2013. We however noted that the dormant members are not accounted for as active members, but form part of the reserve accounts and that the reserve account held for these dormant members do not represent the full total liability due to these members (refer to note 18 and 19 in the financial statements and note 9 in the trustees' report).
8.2	We selected a sample of the lesser of 50 or 10% of the members from the list and performed the following procedures:	We selected a sample of 50 members, and performed the following procedures for October 2013 and December 2013:
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 months selected.	The member and employer contributions received for the selected members per the administrator's system agreed to the information supplied by the participating employers for the 2 months selected, except for three members in December 2013 (member no 30030069994, 30030069911 and 30030069558) where contributions received have not yet been allocated due to contribution information either being outstanding or not being traceable to deposits made.
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 period.	Not applicable as the fund is not unitized.
8.2.3	In respect of unitised investment products, we recalculated the conversion of units at the end of the period at the period end unit price and agreed the amount to the member's record on the member register.	Not applicable as the fund is not unitized.
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 is not unitized.
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 general rules/special rules of the fund	The return allocated to the member's fund credit on the administrator's records agreed to the return approved in accordance with a trustees' resolution or the general rules of the fund.
8.3	We selected a sample of the lesser of 50 or 10% of members who switched between investment portfolios during the 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.	Not applicable, as members do not have individual investment choices.

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8.4	If a surplus apportionment scheme was approved by the FSB in the current period, we selected a sample of the lesser of 50 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, as there were no surplus scheme/allocation noted 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 members do not have individual investment choices.
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.	In accordance with the valuation report submitted to the Financial Services Board, as at 31 December 2011, the fund was not underfunded.
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 period financial statements.	The opening balance agreed to the prior period 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.	The movements in fund's reserve accounts were in terms of the rules of the fund.
11	We obtained a list of lump sum benefits reflected as expenses in the fund's 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.	The list agreed to the respective general ledger benefit expense accounts.
11.2	We selected a sample of the lesser of 50 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.	The claims agreed to the applicable, 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 or accrued for by the fund.	The recovery from the insurer was received for or accrued for 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.	The opening fund credit for the members agreed to the opening fund credit report of that participating employer at its period-end and the contributions were added every month until the date of exit. The balance paid out to members agreed to the administration system as at the date of exit.
11.2.4	We inspected whether the payments agreed to relevant authorisation.	The payments agreed to relevant authorisation.
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 pensioners in the fund.
12.2	We selected a sample of the lesser of 50 or 10 % of pensions paid from the above list and performed the following procedures:	Not applicable as there are no pensioners in the fund.

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12.2.1	We agreed the pensioner increases to authorisation by the Board of Trustees or other relevant supporting documentation.	Not applicable as there are no pensioners in the fund.
12.2.2	We inspected evidence supporting the fact that the pensioners selected were still alive.	Not applicable as there are no pensioners in the fund.
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 as the fund does not have reinsured pensioners.
14	We selected a sample of the lesser of 50 or 10% of new participating employers and determined whether initial commissions were paid in terms of the rules of the fund, were limited to the LOA scale.	Not applicable as there are no initial commissions paid by the fund.
15	We selected a sample of the lesser of 50 or 10% of existing participating employers and determine whether recurring commissions were paid in terms of the rules of the fund, were limited to the LOA scale.	Not applicable as there are no recurring commissions paid 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.

Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement on the financial statements in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Fund taken as a whole.


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V. Wiese

Director

Chartered Accountant (SA)

Date: 20 June 2014

Address: PricewaterhouseCoopers Inc.

P O Box 2799

Cape Town

8000

TOURISM, HOSPITALITY AND CATERING PENSION FUND

12/8/2017

SCHEDULE 1A

ANNEXURE A - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS

for the 7 month period ended 31 December 2013

Investments

	Direct deposits	Collective investment scheme	Non-market related insurance policies	Market related insurance policies	Total	Local	Foreign	Total percentage of foreign exposure
	R	R	R	R	R	R	R	%
Cash and deposits	6,266,942	26,781,010	10,466,187	38,660,698	82,174,837	62,913,189	19,261,648	3.90%
Bills, bonds and securities	-	39,936,919	24,476,630	12,862,641	77,276,190	76,772,602	503,588	0.10%
Properties	-	5,446,139	11,373,510	2,095,901	18,915,550	18,283,016	632,534	0.13%
Equities:	-	111,997,734	106,105,490	74,643,384	292,746,608	200,635,666	92,110,942	18.67%
- Equities with primary listing on JSE	-	55,270,330	49,075,330	43,917,036	148,262,696	148,262,696	-	0.00%
- Equities with secondary listing on JSE	-	21,179,208	21,508,950	22,263,054	64,951,212	64,900,972	50,240	0.01%
- Foreign listed equities	-	37,962,043	35,707,150	31,231,113	104,900,306	104,900,306	104,900,306	21.26%
- Unlisted equities	-	-	1,047,100	263,326	1,310,426	1,160,027	150,399	0.03%
- Equity index-linked instruments	-	(2,413,847)	(1,233,040)	(23,031,145)	(26,678,032)	(13,688,029)	(12,990,003)	-2.63%
Other	-	17,167,780	85,750	4,997,656	22,251,186	5,083,406	17,167,780	3.48%
Total investments	6,266,942	201,329,562	152,507,567	133,260,280	493,364,371	363,687,879	129,676,492	26.28%

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

**SCHEDULE IB - Assets held in compliance with Regulation 28
As at 31 December 2013**

				R
A	Total assets of the fund as per Statement of Net Assets and Funds			501,969,523
B	Less: Items of Statement of Net Assets and Funds:			
	B.1 Plant and Equipment			8,605,152
	B.2 Current Assets (excluding cash at bank)			
C	Value of corresponding assets per Statement of funds and net assets			493,364,371
Categories of kinds of assets	%	Fair value R	Fair value %	
1 CASH	100%	50,745,332	10.29%	
1.1 Local notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments.	100%	35,154,945	7.13%	
(a) Notes and coins, any balance or deposit in an account held with a South African bank		26,387,674	5.35%	
- ABSA	25%	2,460,713	0.50%	
- Deutsche bank	25%	80,393	0.02%	
- FirstRand Bank Ltd	25%	57,803	0.01%	
- Investec Bank	25%	1,859,051	0.38%	
- Citibank	25%	6,859,620	1.39%	
- Hsbc Securities	25%	982,659	0.20%	
- Societe Generale	25%	-	0.00%	
- Nedbank	25%	14,087,435	2.86%	
Cash Settlement - Derivative Cash Backing	25%	-	0.00%	
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument		5,911,446	1.20%	
- ABSA	25%	1,852,546	0.38%	
- African Bank Ltd	25%	172,370	0.03%	
- Standard Bank	25%	1,046,658	0.21%	
- FirstRand Bank Ltd	25%	1,338,168	0.27%	
- Investec Bank	25%	45,501	0.01%	
- Nedbank	25%	1,456,203	0.30%	
(c) Any positive net balance in a margin account with an exchange	25%	712,041	0.14%	
ABSA		574,504	0.12%	
SAFEX		137,537	0.03%	
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets		2,143,784	0.43%	
-Nedbank Group Limited	25%	1,520	0.00%	
- Management Fee Accrual	25%	-40,361	-0.01%	
- Firstrand Bank Ltd Incl Rmb	25%	2,182,625	0.44%	
1.2 Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial	SARB maximum limits	15,590,387	3.16%	
(a) Any balance or deposit held with a foreign bank	5%	15,471,436	3.14%	
(b) Any balance or deposit held with an African bank	5%	102,145	0.02%	
(c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument	5%	16,806	0.00%	
2 DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS		24,045,916	4.87%	
2.1 Inside the Republic	100%	22,504,637	4.56%	
(a) Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%	8,892,558	1.80%	
(b) Debt instruments issued or guaranteed by the government of a foreign country	10%	-	0.00%	

PWC

Categories of kinds of assets	%	Fair value R	Fair value %
(c) Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	75%	8,184,474	1.66%
(c)(i) Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	75%	6,063,847	1.23%
- ABSA		297,471	0.06%
- Standard Bank		1,764,227	0.36%
- FirstRand Bank Ltd		1,848,528	0.37%
- Investec Bank		1,343,916	0.27%
- Nedbank		809,707	0.16%
(c)(ii) Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	2,061,273	0.42%
- African Bank Limited	15%	2,061,273	0.42%
(c)(iii) Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	75%	59,354	0.01%
(c)(iv) Not listed on an exchange	10%	-	0.00%
	25%	-	0.00%
	5%	-	0.00%
(d) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:-	50%	3,628,476	0.74%
(d)(i) Listed on an exchange	50%	3,574,251	0.72%
(d)(ii) Not listed on an exchange	25%	54,225	0.01%
	5%	-	0.00%
(e) Other debt instruments:-	25%	1,799,129	0.36%
(e)(i) Listed on an exchange	25%	936,367	0.19%
	5%	-	0.00%
(e)(ii) Not listed on an exchange	15%	862,762	0.17%
	5%	-	0.00%
2.2 Outside the Republic		1,541,279	0.31%
(a) Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	SARB maximum limits	-	0.00%
(a)(i) Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB maximum limits	-	0.00%
-per issuer	25%	-	0.00%
(a)(ii) Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB maximum limits	-	0.00%
-per issuer	15%	-	0.00%
(a)(iii) Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits	-	0.00%
-per issuer	10%	-	0.00%
(a)(iv) Not listed on an exchange	SARB maximum limits	-	0.00%
- per issuer	5%	-	0.00%
(b) Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	SARB maximum limits	62,677	0.01%
(b)(i) Listed on an exchange	SARB maximum limits	62,677	0.01%
-per issuer	10%	-	0.00%
(b)(ii) Not listed on an exchange	SARB maximum limits	-	0.00%
-per issuer	5%	-	0.00%
(c) Other debt instruments:-	SARB maximum limits	1,478,602	0.30%
(c)(i) Listed on an exchange	SARB maximum limits	1,478,602	0.30%
- per instrument	5%	-	0.00%
(c)(ii) Not listed on an exchange	SARB maximum limits	-	0.00%
-per instrument	5%	-	0.00%

Categories of kinds of assets	%	Fair value R	Fair value %
3 EQUITIES		113,078,712	22.92%
3.1 Inside the Republic	75%	79,688,570	16.15%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	75%	79,480,843	16.11%
(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed*	75%	66,853,564	13.55%
* - No equity held exceeded the 5% limitation per issuer		-	-
(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	75%	15,011,599	3.04%
(a)(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	10%	-	0.00%
	75%	(2,384,320)	-0.48%
	5%	-	0.00%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	10%	205,727	0.04%
	2.5%	-	0.00%
3.2 Outside the Republic	SARB maximum limits	33,392,142	6.77%
(a) Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:-	SARB maximum limits	33,334,543	6.76%
(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB maximum limits	33,324,811	6.75%
* - No equity held exceeded the 5% limitation per issuer		-	0.00%
(a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB maximum limits	-	0.00%
(a)(iii) Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB maximum limits	9,732	0.00%
		-	0.00%
(b) Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange	SARB maximum limits	57,599	0.01%
		-	0.00%
4 IMMOVABLE PROPERTY		2,095,901	0.42%
4.1 Inside the Republic	25%	1,463,367	0.30%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%	1,463,367	0.30%
(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed	25%	1,285,847	0.26%
(a)(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed	25%	91,174	0.02%
(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed	25%	-	0.00%
	5%	86,346	0.02%
		-	0.00%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange	15%	-	0.00%

Categories of kinds of assets	%	Fair value R	Fair value %
4.2 Outside the Republic	SARB maximum limits	632,534	0.13%
(a) Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	SARB maximum limits	632,534	0.13%
(a)(i) Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed -per issuer	SARB maximum limits 15%	- 632,534	0.00% 0.13%
(a)(ii) Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed -per issuer	SARB maximum limits 10%	- -	0.00% 0.00%
(a)(iii) Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed -per issuer	SARB maximum limits 5%	- -	0.00% 0.00%
(b) Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in - per issuer	SARB maximum limits 5%	- -	0.00% 0.00%
5 COMMODITIES		4,997,656	1.01%
5.1 Inside the Republic		4,997,656	1.01%
(a) Kruger Rands and other commodities on an exchange, including exchange traded commodities	10%	4,997,656	1.01%
(a)(i) Gold (including Kruger Rands)	10%	3,426,034	0.69%
(a)(ii) Other commodities -each other commodity	5%	- 1,571,622	0.00% 0.00%
5.2 Outside the Republic		-	0.00%
(a) Gold and other commodities on an exchange, including exchange traded commodities	10%	-	0.00%
(a)(i) Gold	10%	-	0.00%
(a)(ii) Other commodities -each commodity	10%	-	0.00%
6 INVESTMENTS IN THE BUSINESS OF A PARTICIPATING EMPLOYER INSIDE THE REPUBLIC IN TERMS OF:-		-	
(a) Section 19(4) of the Pension Funds Act	5%	-	0.00%
(b) To the extent it has been allowed by an exemption in terms of section 19(4A) of the Pension Funds Act	10%	-	0.00%
7 HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5)	95%	-	0.00%
8 HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE		-	0.00%
8.1 Inside the Republic	15%	-	0.00%
(a) Hedge fund	10%	-	0.00%
(a)(i) Funds of hedge funds	5%	-	0.00%
(a)(ii) Hedge funds	2.5%	-	0.00%
(b) Private equity funds	10%	-	0.00%
(b)(i) Funds of private equity funds	5%	-	0.00%
(b)(ii) Private equity funds	2.5%	-	0.00%
(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	-	0.00%

Categories of kinds of assets	%	Fair value R	Fair value %
8.2 Outside the Republic	15%	-	0.00%
(a) Hedge fund	10%	-	0.00%
(a)(i) Funds of hedge funds	5%	-	0.00%
(a)(ii) Hedge funds	2.5%	-	0.00%
(b) Private equity funds	10%	-	0.00%
(b)(i) Funds of private equity funds	5%	-	0.00%
(b)(ii) Private equity funds	2.5%	-	0.00%
(c) Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	-	0.00%
9 Fair value of assets to be excluded in terms of sub-regulation		298,400,854	60.46%
9.1 Inside the Republic		219,880,705	44.57%
9.2 Outside the Republic	SARB maximum limits	78,520,149	15.92%
TOTAL (equal to the fair value of assets)		493,364,371	100.00%

Categories of kinds of assets	%	Fair value	
		R	%
Investments outside the Republic		Fair value	Fair Value
		R	Percentage
Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments		15,590,387	3.16%
Debt instruments including Islamic debt instruments		1,541,279	0.31%
Equities		33,392,142	6.77%
Immovable property		632,534	0.13%
Commodities outside the Republic		-	0.00%
Hedge Funds, private equity funds and any other assets not referred to in this schedule		-	0.00%
Fair value of assets to be excluded in terms of sub-regulation (8)(b) of Regulation 28		78,520,149	15.92%
TOTAL		129,676,491	26.28%
Asset Limits in terms of sub regulation 3(f)			
Item 2.1(e)(ii)		862,762	0.17%
Item 3.1(b)		205,727	0.04%
Item 4.1(b)		-	0.00%
Item 8		-	0.00%
TOTAL		1,068,489	0.22%
Asset Limits in terms of sub regulation 3.1(g)			
Item 3.1(b)		205,727	0.04%
Item 8.1(b)		-	0.00%
TOTAL		205,727	0.04%

Breaches in terms of Regulation 28

NOTES:

The fund's foreign exposure of 26.28% does not constitute a breach as this was due to market movements, and the fund has one year in which to rectify the over-exposure.

- Credit balance in current accounts must be included in item 1.
- If the investments exceed the limit per institution/company/individual and no exemption has been obtained, the details below must be completed for each institution/company/individual in each category of assets.

Investments in institution/company/individual	Item	% of Fair Value	Fair Value (R)
.....
.....
.....

3. EXEMPTIONS GRANTED BY THE REGISTRAR

Item	Max %	Date of letter	Expiry Date
.....
.....
.....

PWC

Tourism, Hospitality and Catering Pension Fund

SCHEDULE IB

INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE WITH REGULATION 28 TO THE BOARD OF TRUSTEES

We have audited Schedule IB "Assets held in compliance with Regulation 28" of Tourism, Hospitality and Catering Pension Fund (the 'Fund') at 31 December 2013 (the 'Schedule') for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the 'Regulation'), as set out on pages 40 to 45. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Trustees to report to the Registrar of Pension Funds (the 'Registrar').

The information contained in Schedule IB has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement. Our audit of the annual financial statements of the Tourism, Hospitality and Catering Pension Fund for the period ended 31 December 2013 was conducted in accordance with International Standards on Auditing and in our report we expressed an unmodified opinion on the financial statements, prepared, in all material respects, with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

The Authorised Representative's Responsibility for the Schedule

The Authorised Representative is responsible for the preparation of the Schedule in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation, and for such internal control as the Authorised Representative determines is necessary to enable the preparation of the Schedule that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion based on our audit of the Schedule. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Confirmation as to the accuracy of certificates from the Insurer's auditor and 'Look through basis':

As indicated in the Significant Matters paragraph included in the Report of the Board of Trustees on page 14 and as indicated in Schedule IB on page 44, the fund has prepared the Schedule IB by including a Momentum long-term policy under 'Category' 9 in terms of sub-regulation 8 (b) of R152,507,567 (May 2013:R138,273,777). However the fund was not yet in a position to obtain a confirmation from the insurer's auditor as to the accuracy of the certificates at the year-end of the insurer and therefore should have reflected this policy on the 'Look-through' basis on Schedule IB.

As a result of this matter, we were unable to determine whether any adjustments would be required to the Schedule IB preparation, disclosure and related exposures.

Tourism, Hospitality and Catering Pension Fund

SCHEDULE IB

INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE WITH
REGULATION 28 TO THE BOARD OF TRUSTEES

Qualified Opinion

In our opinion, except for the effect of the matter described in the 'Basis for Qualified' Opinion paragraph above, Schedule IB "Assets held in compliance with Regulation 28" at 31 December 2013 by the Tourism, Hospitality and Catering Pension Fund has been prepared in all material respects in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa and in compliance with the Regulation.

Restriction on Use

Without further modifying our opinion, we draw attention to the purpose of our report as indicated in the introductory paragraph, and the basis of accounting. Consequently, the Schedule and our auditor's report may not be suitable for another purpose.

PricewaterhouseCoopers Inc.
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PricewaterhouseCoopers Inc.
Director: V. Wiese
Registered Auditor

No 1 Waterhouse Place, Century City, 7441

.....*20 June 2014*.....
Date