

ANNUAL FINANCIAL STATEMENTS

Privately Administered Fund

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

FINANCIAL SERVICES BOARD

REGISTRATION NUMBER: 12/8/20517

FOR THE YEAR ENDED: 01 January 2014 to 31 December 2014

CONTENTS

| Schedule | Page | Schedule | Page | | |
|----------|---|----------|------|--|---------|
| A | Regulatory information* | 1 - 3 | G | Statement of changes in net assets and funds | 15- 16 |
| B | Statement of responsibility by the Board of Fund* | 4 - 5 | HA | Notes to the annual financial statements | 17 - 33 |
| C | Statement of responsibility by the principal officer* | 6 | HB | Report of the valuator* | 34 |
| D | Report of the independent auditors | 7 - 8 | I | Report of the independent auditors on factual findings to the Board of Fund and the registrar of pension funds | 35 - 45 |
| E | Report of the Board of Fund* | 9 - 13 | IA | Schedule pertaining to annual financial statements* | 46 - 48 |
| F | Statement of net assets and funds | 14 | IB | Assets held in compliance with Regulation 28 | 49 - 54 |
| | | | | Assurance report of the independent auditors to the Registrar | 55 - 56 |

* Not subject to engagement by auditor

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE A
REGULATORY INFORMATION
for the year ended 31 December 2014

Registered office of the fund:

Postal address: PO Box 836
Cape Town
8000

Physical address: Mispel Street
Parc du Cap
Belville
7535

Financial reporting periods:

Current: 01 January 2014 to 31 December 2014 (12 months)
Previous: 01 June 2013 to 31 December 2013 (7 months)

Board of trustees:

| Full name | Capacity* | Date appointed | Date resigned/ End of term |
|-------------------------|-----------|----------------|----------------------------|
| Andy Noid | E / C | 9-Jan-1996 | |
| Crosby Boo | M / VC | 31-Jan-1990 | |
| Selwyn Veley | E | 31-Jan-2000 | |
| Renier Grosch | E | 1-Jun-2011 | |
| Hugh Von Zahn | E | 3-Aug-2011 | |
| Susanne Faussner-Ringer | E | 12-Apr-2013 | |
| Chris Godenir | E | 5-Jun-2013 | |
| Chris Bosenberg | I | 1-Jan-2014 | |
| Washington Mitmkulu | M | 31-Jan-1990 | |
| Alfred Green | M | 4-Oct-2006 | |
| Nikiwe Kaptein-Lujabe | M | 14-Dec-2009 | |
| Xoliswa Tamane | M | 14-Dec-2009 | |
| Vincent Sotyiifa | M | 1-Jan-2013 | |
| Mary Mageqa | M | 2-Oct-2013 | |
| Holomisa Nqoro | A | 6-Feb-2013 | |

* - 'M' denotes member elected
- 'C' denotes chairperson
- 'A' denotes alternate

* - 'I' denotes independent
- 'E' denotes employer appointed
- 'VC' denotes vice-chairman

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) |
|------------------|---------------------------|-----------------|
| 19 February 2014 | The Forum, V&A Waterfront | Yes |
| 2 April 2014 | The Forum, V&A Waterfront | Yes |
| 4 June 2014 | The Forum, V&A Waterfront | Yes |
| 6 August 2014 | The Forum, V&A Waterfront | Yes |
| 1 October 2014 | The Forum, V&A Waterfront | Yes |
| 3 December 2014 | The Forum, V&A Waterfront | Yes |

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

FUND OFFICERS

Principle Officer

| Full name | Postal address | Physical address | Telephone number | Email address: | Date Appointed |
|-----------------|----------------|--|------------------|--------------------------------|------------------|
| Kevin L. Barnes | PO Box 836 | Momentum Retirement Administrators, 8th Floor, No.1 Adderley street, Cape Town, 8001 | (021) 421 0190 | kbarnes@metropolita n.co.za | 01 November 1998 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/20517
 SCHEDULE A
 REGULATORY INFORMATION
 for the year ended 31 December 2014

Monitoring Person*

| Full name | Postal address | Physical address | Telephone number | Email address: | Date Appointed |
|-----------------|----------------|--|------------------|----------------------------|------------------|
| Kevin L. Barnes | PO Box 836 | Momentum Retirement Administrators, 8th Floor, No.1 Adderley street, Cape Town, 8001 | (021) 421 0190 | kbarnes@metropolitan.co.za | 01 November 1998 |

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

Professional services providers:

Auditor

| Full name | Postal address | Physical address | Telephone number |
|-----------------------------|--------------------------------|---|------------------|
| PricewaterhouseCoopers Inc. | PO Box 2799 Cape Town, 8000 | No. 1 Waterhouse Place, Century City, Cape Town, 8001 | (021) 529 2000 |

Actuary/Valuator

| Full name | Postal address | Physical address | Telephone number | Email address: |
|--------------------------|------------------------------|--------------------------------|------------------|-------------------------------|
| Sean Christian Neethling | PO Box 2212, Bellville, 7535 | 6 Mispel Road, Bellville, 7530 | (021) 940 4008 | sean.neethling@momentum.co.za |

Benefit administrator

| Full name | Postal address | Physical address | Telephone number | Date Appointed | Registration number in terms of Section 13B |
|--|------------------------------|---|------------------|-----------------|---|
| Momentum Retirement Administrators (Pty) Ltd | PO Box 2212, Bellville, 7535 | 6 Mispel Road, Parc du Cap, Bellville, 7530 | (021) 940 5911 | 01 October 2003 | 24/453 |

Investment administrator

| Full name | Postal address | Physical address | Telephone number | Date Appointed | FAIS registration number |
|-------------------|------------------------------|---|------------------|----------------|--------------------------|
| MMI Group Limited | PO Box 2212, Bellville, 7535 | 6 Mispel Road, Parc du Cap, Bellville, 7530 | (021) 940 5911 | 13/1/2004 | 6406 |

Investment administrator

| Full name | Postal address | Physical address | Telephone number | Date Appointed | FAIS registration number |
|-------------------------|-------------------------------|-------------------------------------|------------------|------------------|--------------------------|
| Allan Gray Life Limited | PO Box 51318, Cape Town, 8002 | 1 Silo Square, V&A Waterfront, 8001 | (021) 415 2300 | 27 November 2003 | 6663 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/20517
SCHEDULE A
REGULATORY INFORMATION
 for the year ended 31 December 2014

Investment administrator

| Full name | Postal address | Physical address | Telephone number | Date Appointed | FAIS registration number |
|--------------------------------------|------------------------------|---|------------------|-----------------|--------------------------|
| 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 |

Investment administrator

| Full name | Postal address | Physical address | Telephone number | Date Appointed | FAIS registration number |
|---|-------------------------------|--|------------------|----------------|--------------------------|
| RE: CM Collective Investments (Pty) Ltd | PO Box 45040, Claremont, 7735 | 7th Floor, Claremont Central, 8 Vineyard Road, Claremont, 7700 | (021) 657 3440 | 29 July 2005 | 782 |

Investment administrator

| Full name | Postal address | Physical address | Telephone number | Date Appointed | FAIS registration number |
|--|-------------------------------|---|------------------|-------------------|--------------------------|
| Prudential Portfolio Managers (SA) (Pty) Ltd | PO Box 23167, Claremont, 7735 | 7th Floor Protea Place, 40 Dreyer Street. Claremont, 7708 | (021) 670 2885 | 01 September 2005 | 615 |

Investment advisor

| Full name | Postal address | Physical address | Telephone number | FAIS registration number |
|---------------|----------------|-------------------------------|---|--------------------------|
| Towers Watson | | PO Box 23167, Claremont, 7735 | 7th Floor Protea Place, 40 Dreyer Street. Claremont, 7708 | (021) 670 2885 2545 |

Risk insurer

| Full name | Postal address | Physical address | Telephone number | Date Appointed | FAIS registration number |
|-------------------|-------------------------------|---|------------------|-----------------|--------------------------|
| MMI Group Limited | P O Box 2212, Bellville, 7535 | 6 Mispel Road, Parc du Cap, Bellville, 7530 | (021) 940 5911 | 23 January 2012 | 3780 |

Participating employer:

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 FUND

for the year ended 31 December 2014

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 of 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 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 the 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 9 to 33 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.

These financial statements have been reported on by the independent auditors, PricewaterhouseCoopers Inc, who were 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 during their audit were valid and appropriate. The report of the independent auditor is presented on pages 7 to 8.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE B

STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND CONTINUED

for the year ended 31 December 2014

Approval of the annual financial statements continued

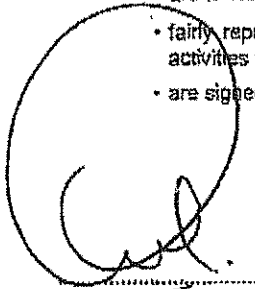
Instances of non-compliance

We are not aware of instances of non-compliance with laws and regulations, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements, except for the following:

| Nature and cause of non-compliance | Impact of non-compliance matter on the fund | Corrective course of action taken to resolve non-compliance matter |
|---|---|--|
| Late payment interest on contributions in terms of Section 13A was not raised for paypoints T035 and T072. | The fund may be liable for any investment loss suffered by a member. | The necessary Section 13A letters were issued to these participating employers, subsequent to the audit. |
| Four long outstanding Section 14 transfers have not been transferred and await Financial Services Board (FSB) approval. | The fund may be liable for any investment loss suffered by the members. | The fund's administrator is following up with the administrators of the transferee funds and FSB to finalise approval of the Section 14 transfers. |

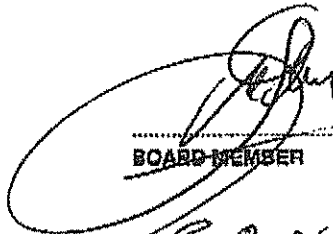
These annual financial statements:

- were approved by the Board of Fund on 10 June 2015;
- 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 2014 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:



CHAIRPERSON

A. NOLI
Name



BOARD MEMBER

S. R. VELEY
Name



BOARD MEMBER

C. BOOI
Name

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

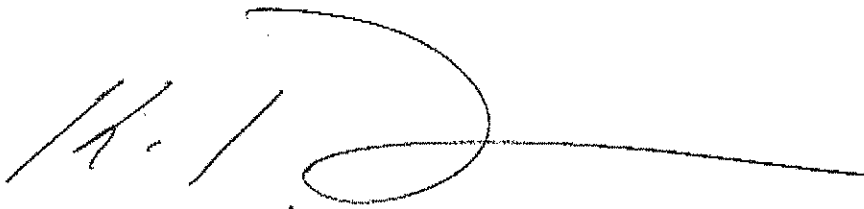
12/8/20517

SCHEDULE C

STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER

for the year ended 31 December 2014

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 all applicable legislation.



.....
Kevin L. Barnes
PRINCIPAL OFFICER

Date 10 JUNE 2015
.....

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
SCHEDULE D**

INDEPENDENT AUDITOR'S REPORT

**TO THE BOARD OF THE TOURISM, HOSPITALITY AND CATERING (THACSA)
PENSION FUND**

Report on the Financial Statements

We have audited the annual financial statements of the Tourism, Hospitality And Catering (Thacsa) Pension Fund (the "Fund") set out on pages 14 to 33, which comprise the statement of net assets and funds as at 31 December 2014 the statement of changes in net assets and funds for the year ended, and the notes to the financial statements which include the principal accounting policies and other explanatory information. The financial statements are prepared for the purpose of reporting to the Registrar of Pension Funds.

Board of Fund's Responsibility for the Financial Statements

The Board of Fund is responsible for the preparation of these financial statements in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa. 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 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 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 about 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 annual financial statements of the Tourism, Hospitality And Catering (Thacsa) Pension Fund for the year ended 31 December 2014 have been prepared, in all material respects, in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Financial Reporting Framework

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 Matters

The supplementary information contained in Schedule IA as set out on pages 46 to 48 to these annual financial statements, has been extracted from the Fund's underlying accounting records that were the subject of our engagement. We have compared the totals reflected in Schedule IA to the totals reflected in the underlying Fund's accounting records to determine whether such totals have been correctly extracted. However, we have not performed any additional procedures to substantiate the disclosures of the individual totals included in Schedule IA. We do not express an audit opinion on this schedule.

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. Other than indicated in our Schedule I report on factual findings, there are no additional instances of non-compliance with the Pension Funds Act that came to our attention during the course of our audit of the financial statements.

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

Address: P O Box 2799, Cape Town, 8000

Date: 10 June 2015

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE E

REPORT OF THE BOARD OF FUND

for the year ended 31 December 2014

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

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 receivable included instances where member/s have stopped contributed, but did not formally exit the fund.

| Contribution type | Contribution rates |
|------------------------------------|--|
| Member towards retirement funding: | 6% / 7% / 7.5% / 8% |
| Member towards costs and expenses | 6% / 7% / 7.5% / 7.75% of monthly salary * |

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

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE E

REPORT OF THE BOARD OF FUND

for the year ended 31 December 2014

1.4. Rule amendments

| No | Description and Motivation | Date of Board of Fund's resolution | Effective date | Date registered by the Registrar of Pension Funds |
|---------------------------------|---|------------------------------------|----------------|---|
| Revised rules | To (1) issue a new set of Rules including all amendments, (2) provide for the fund to operate as a Type B umbrella fund, (3) include an "Employer" definition, (4) remove the definition and reference to "Pension Fund Agreement" due to the expiry of the former Council's Pension Fund Agreement in terms of the Labour Relations Act, No. 28 of 1956, as amended, (5) improve the understanding of benefit descriptions where this is considered advisable, (6) remove disability benefits as it is insured with another Insurer, and (7) delete reference in the old rules under A1.1.4 to retired members who retired prior to 1 October 2003 as there are no more members left in this category. | 18/9/2013 | 1/1/2013 | 13/2/2014 |
| 1 (to the Revised Rules) | To change the address of the fund. | 2/4/2014 | 1/1/2013 | 13/5/2014 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE E

REPORT OF THE BOARD OF FUND - CONTINUED

for the year ended 31 December 2014

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 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 policy for the year under review

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.

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 were:

| | Current Period | Previous Period |
|--|----------------|-----------------|
| | R | R |
| Allan Gray Life Ltd (Global Balanced) | 143,941,091 | 133,260,280 |
| Investec Asset Management (Pty) Ltd (Managed Fund) | 59,320,707 | 55,436,294 |
| Momentum Group Ltd (Multi Manager Smooth Growth Fund - Global) | 180,705,416 | 152,507,567 |
| Prudential Inflation Plus Fund | 80,314,206 | 72,376,815 |
| RE:CM Holdings (Pty) Ltd (Balanced Fund) | 72,852,438 | 73,516,473 |
| Total value of policy investments | 537,133,858 | 487,097,429 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE E

REPORT OF THE BOARD OF FUND - CONTINUED

for the year ended 31 December 2014

3. MEMBERSHIP

| | Active Members | Dormant Members * | Unclaimed Benefits |
|---|-------------------|----------------------|-----------------------|
| Numbers at the beginning of period | 3 799 | 44 905 | 2 419 |
| Adjustments ** | (3) | - | (15) |
| Unclaimed benefit Payments | - | - | (47) |
| Additions | 1 153 | - | 203 |
| Withdrawals | (461) | (12) | - |
| Retirements | (23) | (1) | - |
| Deaths | (9) | - | - |
| Retrenchments | (44) | (1) | - |
| Transfers to other funds | (64) | - | - |
| Numbers at end of period | 4 348 | 44 891 | 2 560 |

* There are 8 457 Deferred Pensioners included under the dormant membership balance of 44 891. The remaining members of 36 434 are classified as "Unclaimed Benefit Members".

** The adjustments relate to invalid members removed from the membership statistics.

4. ACTUARIAL VALUATION

The 31 December 2011 valuation was submitted to the Financial Services Board on 14 April 2014. The next statutory valuation will be as at 31 December 2014, and is due for submission to the Financial Services Board by 31 December 2015.

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 2014 the outstanding balance of housing loan guarantees granted amounted to R807,916 - 42 members (2013: R1,212,923 - 59 members).

The total facility approved is R2,000,000 and is renewable on 30 June 2015.

7. INVESTMENTS IN PARTICIPATING EMPLOYERS

The fund has no investments in the participating employer.

8. SUBSEQUENT EVENTS

There have been no significant events subsequent to the funds financial year end.

9. FIDELITY COVER

Fidelity Cover to the maximum amount of R10 000 000 was in place for the year ended 31 December 2014. The fidelity cover is underwritten by Camargue Underwriting Managers (Pty) Ltd.

SCHEDULE E
REPORT OF THE BOARD OF FUND - CONTINUED
for the year ended 31 December 2014

10. DORMANT MEMBERS

Unclaimed benefits and deferred pensioners prior to 01 October 2003 are classified as dormant members. Comprising the closing balance of 44 891, are 8 457 deferred pensioners with the remaining 36 434 classified as unclaimed benefit 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.

11. SIGNIFICANT MATTERS

There were no significant matters noted during the year.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE F

STATEMENT OF NET ASSETS AND FUNDS

for the year ended 31 December 2014

| | Notes | 31 December 2014 R | 31 December 2013 R |
|---|-------|-----------------------|-----------------------|
| ASSETS | | | |
| Non-current assets | | 537,133,858 | 487,097,429 |
| Investments | 2 | 537,133,858 | 487,097,429 |
| Current assets | | 7,658,183 | 14,872,094 |
| Accounts receivable | 4 | 321,455 | 2,574,026 |
| Transfers receivable | 5 | - | 5,156,241 |
| Contributions receivable | 10 | 1,421,805 | 874,885 |
| Bank and cash | | 5,914,923 | 6,266,942 |
| Total assets | | 544,792,041 | 501,969,523 |
| FUNDS AND LIABILITIES | | | |
| Members' funds and surplus account | | 250,123,522 | 230,295,084 |
| Members' individual accounts | | 248,788,456 | 220,563,562 |
| Amounts to be allocated | 13 | 1,335,066 | 9,731,522 |
| Reserves | | 240,673,364 | 213,771,124 |
| Reserve accounts | 18 | 240,673,364 | 213,771,124 |
| Total funds and reserves | | 490,796,886 | 444,066,208 |
| Non-current liabilities | | 42,581,599 | 33,296,723 |
| Unclaimed benefits | 8 | 42,581,599 | 33,296,723 |
| Current liabilities | | 11,413,555 | 24,606,592 |
| Benefits payable | 7 | 6,209,533 | 20,550,189 |
| Accounts payable | 9 | 2,545,452 | 3,003,616 |
| Transfers payable | 6 | 2,658,571 | 1,052,787 |
| Total funds and liabilities | | 544,792,041 | 501,969,523 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE G

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

for the year ended 31 December 2014

| | Notes | Members' individual accounts | | Reserve accounts | | Total current period (12 months) | | Total previous period (7 months) | |
|--|-------|------------------------------|-------------------|-------------------|-------------------|----------------------------------|---|----------------------------------|---|
| | | R | R | R | R | R | R | R | R |
| Contributions received and accrued | 10 | 25,565,663 | 4,734,703 | 30,300,366 | 17,011,422 | | | | |
| Re-insurance proceeds - deaths | | 2,382,396 | - | 2,382,396 | 2,258,010 | | | | |
| Net investment income | 11 | 26,003,650 | 29,792,708 | 55,796,358 | 43,708,659 | | | | |
| Other Income | 11.1 | (206,589) | - | (206,589) | 240,056 | | | | |
| Less: Allocated to unclaimed benefits | | (3,887,188) | - | (3,887,188) | (2,231,512) | | | | |
| Less: | | | (8,123,560) | (8,123,560) | (4,381,806) | | | | |
| Re-insurance premiums | | - | (3,297,099) | (3,297,099) | (1,706,182) | | | | |
| Administration expenses | | - | (4,826,461) | (4,826,461) | (2,675,624) | | | | |
| Net income before transfers and benefits | 12 | 49,857,932 | 26,403,851 | 76,261,783 | 56,604,829 | | | | |
| | | (27,826,826) | (1,704,278) | (29,531,104) | (19,263,800) | | | | |
| Transfers and benefits | | | | | | | | | |
| Transfers from other funds | 5 | 992,099 | - | 992,099 | 5,562,419 | | | | |
| Transfers to other funds | 6 | (2,239,928) | - | (2,239,928) | (684,291) | | | | |
| Benefits | 7 | (26,578,997) | (1,704,278) | (28,283,275) | (24,141,928) | | | | |
| Net income after transfers and benefits (carried forward) | | 22,031,106 | 24,699,573 | 46,730,679 | 37,341,029 | | | | |



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

SCHEDULE G

STATEMENT OF CHANGES IN NET ASSETS AND FUNDS

for the year ended 31 December 2014

| | Notes | Members' individual accounts | Reserve accounts | Total current period (12 months) | Total previous period (7 months) |
|--|-------|------------------------------|--------------------|----------------------------------|----------------------------------|
| | | R | Refer note 18 R | R | R |
| Net income after transfers and benefits (carried forward) | | 22,031,106 | 24,699,573 | 46,730,679 | 37,341,029 |
| Funds and reserves | | | | | |
| Balance at beginning of period | | 230,295,083 | 213,771,124 | 444,066,208 | 406,725,179 |
| Transfer between accounts | 18 | (2,202,667) | 2,202,667 | - | - |
| Balance at end of period | | 250,123,522 | 240,673,364 | 490,796,886 | 444,066,208 |



TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

PRINCIPAL ACCOUNTING POLICIES

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

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 the historical cost and going concern basis, except where specifically indicated in the accounting policies below.

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, receivables and account payables.
- 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 and 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.

Insurance policies

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

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.

Non - market related insurance 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.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

PRINCIPAL ACCOUNTING POLICIES CONTINUED

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.

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.

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 a 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.

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.

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.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

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.

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.

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.

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 – contributions received in advance.

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 of the year in respect of which the relevant amounts or values are payable or transferrable until the date of receipt by the fund.

Investment income

Compound interest (compounded daily) on late payments shall be calculated for the period from the first day of the month following the expiration of the period in respect of which the relevant amounts are payable until the date of receipt by the fund.

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.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

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 of investments

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

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.

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

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

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.

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

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

2. Investments

2.1 Investment summary

| | Local R | Foreign R | Total Current period R | Total Prior period R | Fair value Current period R | Categorised per IAS 39 |
|-------------------------------|--------------------|--------------|------------------------------|----------------------------|-----------------------------------|--|
| - Non-market related policies | 180,705,416 | - | 180,705,416 | 152,507,567 | 180,705,416 | At fair value through statement of changes in net assets and funds |
| - Market related policies | 143,941,091 | - | 143,941,091 | 133,260,280 | 143,941,091 | At fair value through statement of changes in net assets and funds |
| Collective investment schemes | 212,487,351 | - | 212,487,351 | 201,329,582 | 212,487,351 | At fair value through statement of changes in net assets and funds |
| Total | 537,133,858 | - | 537,133,858 | 487,097,429 | 537,133,858 | |

Included in non-market related insurance policies is a non-vested balance amounting to R45 836 701 (2013: R35 323 286).

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

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 2014 the outstanding balance of housing loan guarantees granted amounted to R807,916 - 42members (2013: R1,212,923 - 59 members). The total facility approved is R2,000,000 and is renewable on 30 June 2015.

4. Accounts receivable

| | 31 December 2014 | 31 December 2013 |
|--|------------------|------------------|
| | R | R |
| Interest receivable | 24,521 | 23,560 |
| Prepaid fidelity cover premium | 8,750 | - |
| PAYE receivable from SARS | 53,824 | 53,824 |
| Investment fee reimbursement (RE:CM) | - | 2,293,921 |
| Late payment interest on contributions | 234,360 | 202,721 |
| | 321,455 | 2,574,026 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/2017

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

5. 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 |
| <i>In terms of section 14</i> | | | | | | | | | | | | | | |
| <i>Prospective</i> | | | | | | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - | - |
| Hardes Williams Gilbert & Associates Midas Umbrella Provident Plan | 31-Aug-12 | 61 | N/A | 2,031,157 | - | - | - | - | - | - | - | - | - | - |
| <i>Approved</i> | | | | | | | | | | | | | | |
| Hospitality Group Provident Fund (Nandos) | 31-Aug-12 | 92 | Various | - | 226,732 | (44,544) | - | 182,188 | - | - | - | - | - | - |
| Old Mutual Superfund Pension Fund (Shine the Way) | 1-Jan-13 | 3 | 2-May-12 | - | 373,025 | - | - | 373,025 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos - various) | 31-Aug-12 | 393 | Various | - | 4,556,484 | - | - | 4,556,484 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos) | 31-Aug-12 | 18 | 17-Apr-14 | - | - | 59,688 | 22,117 | 81,805 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos) | 31-Aug-12 | 16 | 17-Apr-14 | - | - | 209,032 | 88,621 | 297,653 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos) | 31-Aug-12 | 14 | 8-Sep-14 | - | - | 65,121 | 32,382 | 97,503 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos) | 31-Aug-12 | 1 | 2-Oct-14 | - | - | 6,225 | 20 | 6,246 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos) | 31-Aug-12 | 13 | 15-Jul-14 | - | - | 87,595 | - | 87,596 | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos) Top-Ups | 31-Aug-12 | | | - | - | 155,511 | - | 155,511 | - | - | - | - | - | - |
| Individual transfers | | 5 | | - | - | 310,331 | - | 310,331 | - | - | - | - | - | - |
| Total | | 555 | | 3,464,829 | 5,156,241 | 848,959 | 143,140 | 6,148,342 | | | | | | |

Transfers approved

Return on transfers

Statement of changes in net assets and funds

| |
|----------------|
| 848,959 |
| 143,140 |
| <u>992,099</u> |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
 12/8/2017
SCHEDULE HA
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 December 2014

6. Transfers to other funds

| Effective date | Number of members | Approval date | Applied for not yet approved (Contingency) | | A | | B | | C | | D | | (A+B+C-D) | |
|---|-------------------|---------------|--|------------------|------------------------|----------------|--------------------|------------------|---------------------|---------|--------------------|---|------------------|---------|
| | | | R | | 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 |
| | 78 | N/A | 742,343 | - | - | - | - | - | - | - | - | - | - | - |
| Hospitality Group Provident Fund (Nandos - various) | | N/A | 1,006,287 | - | 341,923 | - | - | - | - | - | - | - | - | 341,923 |
| Hospitality & General Provident Fund (City Lodge) | 5 | N/A | 769,011 | - | 158,158 | - | - | - | - | - | - | - | - | 158,158 |
| Agri en Wynbediify Altreefonds (Boschendal) | 6 | N/A | 3,649,579 | - | 81,792 | - | - | - | - | - | - | - | - | 81,792 |
| The Waterclub Court Body Corporate (Raddison) | 164 | N/A | | | 110,971 | - | - | - | 2,724 | 113,695 | - | - | - | - |
| | | | | | 257,167 | - | - | - | 2,713 | 259,880 | - | - | - | - |
| | | | | | 102,776 | - | - | - | - | - | - | - | - | 102,776 |
| | 2 | 21-May-10 | | | 26,694 | - | - | - | - | 26,694 | - | - | - | - |
| Corporate Selection Umbrella Pension Fund | 8 | 16-Jul-13 | | | 192,551 | - | - | - | - | 192,551 | - | - | - | - |
| Infinity Provident Fund | 27 | 13-Nov-14 | | | 650,604 | - | - | - | 166,464 | 41,324 | - | - | - | 775,744 |
| Alexander Forbes Retirement Fund | 23 | Various | | | 113,799 | - | - | - | - | - | - | - | - | 113,799 |
| Nando's Employees Umbrella Provident Fund | 1 | 15-Apr-15 | | | 301,103 | - | - | - | 4,603 | - | - | - | - | 305,706 |
| AON Umbrella Pension Fund | 12 | 4-May-15 | | | 724,060 | - | - | - | 54,613 | - | - | - | - | 778,673 |
| Alexander Forbes Retirement Fund | | | | | | | | | | | | | | |
| Total | 49 | | 6,167,220 | 1,052,787 | 2,008,811 | 231,117 | 634,144 | 2,658,571 | | | | | | |

Transfers approved
 Return on transfers

Statement of changes in net assets and funds

2,008,811
 231,117
2,239,928

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

7. Benefits
7.1. Benefits - current members

| | A | | B | | D | | E | | (A+B-D-E) | |
|-----------------------------|------------------------|--|-----------------------------|---|-------------------|---|-----------------------------------|---|------------------|------------------|
| | At beginning of period | | Benefits for current period | | Payments | | Transferred to unclaimed benefits | | At end of period | |
| | R | | R | R | R | R | R | R | R | R |
| Lump sums on retirement | | | | | | | | | | |
| Full benefit | 2,477,356 | | 3,285,697 | | 4,895,062 | | (709) | | | 867,282 |
| Lump sums before retirement | | | | | | | | | | |
| Death benefits | 6,238,443 | | 2,218,498 | | 2,899,022 | | (4,954,911) | | | 603,008 |
| Withdrawal benefits | 11,790,670 | | 20,259,355 | | 24,604,189 | | (2,812,161) | | | 4,633,675 |
| Retrenchment benefits | 43,720 | | 2,462,195 | | 2,400,348 | | - | | | 105,567 |
| Other (divorce orders) | - | | 57,530 | | 57,530 | | - | | | - |
| Net benefit payments | 20,550,189 | | 28,283,275 | | 34,856,151 | | (7,767,781) | | | 6,209,533 |

Benefits for current period
Return allocated

28,283,275

Statement of changes in net assets and funds

28,283,275

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

8. Unclaimed benefits

| | 31 December 2014 | 31 December 2013 |
|-----------------------------------|-------------------|-------------------|
| | R | R |
| At beginning of period | 33,296,723 | 26,646,962 |
| Adjustment to opening balance * | (513,337) | - |
| Transferred from benefits payable | 7,767,781 | 4,708,129 |
| Investment return allocated | 4,400,525 | 2,231,512 |
| Less: | (2,370,093) | (289,880) |
| Benefits paid | (2,370,093) | (289,880) |
| Balance at end of period | 42,581,599 | 33,296,723 |

* The adjustment to the opening balance is in respect of members who are currently being reported under the "active" member liabilities.

9. Accounts payable

| | 31 December 2014 | 31 December 2013 |
|---|------------------|------------------|
| | R | R |
| Fidelity cover premiums due | - | 6,250 |
| Consultancy fees due | 24,243 | - |
| Administration fees due* | 488,038 | 747,170 |
| Unclaimed benefit admin fee due* | 14,000 | 24,000 |
| Actuarial fees due* | - | 90,060 |
| Audit fees due | 231,762 | 180,120 |
| Group life cover premiums due | 767,387 | 919,692 |
| PHI and Funeral cover premiums (unapproved schemes) | 667,774 | 794,163 |
| South African Revenue Services - PAYE | 101,818 | 27,754 |
| Collection fees due | 15,501 | 6,792 |
| Communication fees due | 10,488 | - |
| Unidentified deposits | 224,441 | 207,615 |
| | 2,545,452 | 3,003,616 |

* Related party.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

| 10. Contributions | A | B | C | D | A+B+C-D |
|---|-----------------------------|-------------------------|--|-----------------------------|-----------------------|
| | At beginning of period R | Towards retirement R | Towards re-insurance and expenses R | Contributions received R | At end of period R |
| Member contributions - received and accrued | - | 16,463,105 | - | 15,761,159 | 701,946 |
| Member contributions - Voluntary | - | 35,768 | - | 35,768 | - |
| Employer contributions - received and accrued | 134,565 | 9,066,789 | 4,734,704 | 13,216,199 | 719,859 |
| Unallocated contributions | 740,320 | - | - | 740,320 | - |
| | <u>874,885</u> | <u>25,565,662</u> | <u>4,734,704</u> | <u>29,753,446</u> | <u>1,421,805</u> |
| Towards retirement | | | | | 25,565,662 |
| Towards re-insurance and expenses | | | | | 4,734,704 |
| Statement of changes in net assets | | | | | <u>30,300,366</u> |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

11. Net investment income

| | 31 December 2014 (12 months) R | 31 December 2013 (7 months) R |
|---|---|--|
| Income from insurance policies | 21,995,557 | 9,596,275 |
| Interest on late payment of contributions | 31,638 | 101,297 |
| Collective investment schemes | 5,767,703 | 1,941,298 |
| Interest received | 215,621 | 162,855 |
| Adjustment to fair value | 30,518,109 | 33,389,580 |
| | <u>58,528,628</u> | <u>45,191,305</u> |
| Less: Expenses incurred in managing investments * | (2,732,270) | (1,482,646) |
| | <u>55,796,358</u> | <u>43,708,659</u> |

* 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.

11.1 Other income

| | 31 December 2014 (12 months) R | 31 December 2013 (7 months) R |
|--|---|--|
| RE:CM fee refund correction* | (206,589) | 240,056 |
| | <u>(206,589)</u> | <u>240,056</u> |
| * Performance fee refundable as at 31 December 2013 - receivable | (2,293,921) | |
| Performance fee final settlement on 14 March 2014 | 2,087,332 | |
| Over-provision written back | <u>(206,589)</u> | |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

12. Administration expenses

| | Notes | 31 December 2014 (12 months) R | 31 December 2013 (7 months) R |
|--|-------|--------------------------------------|-------------------------------------|
| Actuarial fees | | 155,154 | 90,060 |
| Administration fees - active members * | | 1,528,976 | 1,055,607 |
| Administration fees - dormant members * | | 1,186,190 | 565,274 |
| Unclaimed benefit admin fee * | | 150,587 | 71,724 |
| Audit fees - current year | | 234,924 | 183,607 |
| Bank charges | | 29,245 | 12,426 |
| Collection fees | | 30,109 | 6,793 |
| Investment consultancy fees | | 336,666 | 159,061 |
| Consultancy fees - Sash consulting | | 183,037 | 7,326 |
| Fidelity cover | | 15,000 | 6,250 |
| FSB Levies | | 192,982 | 162,457 |
| General fund expenses - sundry | | - | 939 |
| General fund expenses - payroll services | | 23,694 | 870 |
| Legal fees | | 975 | 1,820 |
| PAYE in respect of previous year | | 123,280 | - |
| Printing costs | | 425 | 448 |
| Tracing fees | | 96,359 | - |
| Principal officer expenses** | 12.1 | 352,299 | 211,292 |
| Board of Fund expenses# | 12.2 | 186,559 | 139,670 |
| | | 4,826,461 | 2,675,624 |

Related party transactions

* Momentum Retirement Administrators (Pty) Ltd as benefit administrator received administration fees.

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

The Board of Fund received attendance fees for each meeting attended.

12.1 Principal officer

| | 31 December 2014 (12 months) R | 31 December 2013 (7 months) R |
|--------------|--------------------------------------|-------------------------------------|
| Remuneration | 352,299 | 211,292 |
| | 352,299 | 211,292 |

12.2 Board of Fund expenses

| | 31 December 2014 (12 months) R | 31 December 2013 (7 months) R |
|-------------------------------|--------------------------------------|-------------------------------------|
| Meeting and travel allowances | 186,559 | 139,670 |
| Total | 186,559 | - |

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

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

13. Amounts to be allocated

| | 31 December 2014 | 31 December 2013 |
|-------------------------------------|------------------|------------------|
| | R | R |
| Investment return to be allocated | (2,331,383) | 1,983,738 |
| RE:CM investment fee rebate | - | 2,293,921 |
| Cost account return to be allocated | (2,202,667) | (673,991) |
| Transfers in to be allocated | - | 5,387,534 |
| Contributions to be allocated | 5,192,727 | 740,320 |
| Death lumpsums to be allocated | 676,389 | - |
| | <u>1,335,066</u> | <u>9,731,522</u> |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE HA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2014

15 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.

16. 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 note 9 & 12).

Contributions of R9,066,789 (December 2013: R5,059,420) towards retirement and R4,734,704 (December 2013: R2,761,805) 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 R352,299 for the year (R211,292 for the 7 month period ended 31 December 2013).

Board of Fund expenses of R186,559 (December 2013: R139,670) were paid in respect of attendance fees and travel allowances.

Unapproved risk schemes premiums of R667,774 (December 2013: R794,163) were due as the end of the year.

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
12/8/20517
SCHEDULE HA
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

18. Surplus and reserve accounts

| | Total reserves | Dormant member contingency reserve | Cost account |
|--|--------------------|--|--------------------|
| | R | R | R |
| Balance at beginning of period | 213,771,124 | 213,771,124 | - |
| Contributions received and accrued | 4,734,703 | - | 4,734,703 |
| Net investment income | 29,792,708 | 29,792,708 | - |
| Less: | (8,123,560) | (1,186,190) | (6,937,370) |
| Re-insurance premiums | (3,297,099) | - | (3,297,099) |
| Administration expenses | (4,826,461) | (1,186,190) | (3,640,271) |
| Net income before transfers and benefits | 240,174,975 | 242,377,643 | (2,202,667) |
| Transfers and benefits | (1,704,278) | (1,704,278) | - |
| Benefits | (1,704,278) | (1,704,278) | - |
| Net income after transfers and benefits (carried forward) | 238,470,697 | 240,673,364 | (2,202,667) |
| Transfers from members' accounts | 2,202,667 | - | 2,202,667 |
| At end of period | 240,673,364 | 240,673,364 | - |

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. The above Dormant member 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 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

SCHEDULE I
THACSA PENSION FUND
Registration number: 12/8/20517

**Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING
(THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings**
For the year ended 31 December 2014

REPORT TO THE BOARD OF FUND AND THE REGISTRAR OF PENSION FUNDS

We have performed the procedures agreed with the Registrar of Pension Funds (the "Registrar") and set out below with respect to the audited financial statements ("annual financial statements") and other information in the general ledger and management information comprising the accounting records of Thacsa Pension Fund (the "Fund") for the year ended 31 December 2014. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 *Engagements to perform agreed-upon procedures regarding financial information*. Our procedures were performed solely to assist the Registrar in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Pension Funds Act of South Africa (the Act), regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Registrar.

Procedures and findings

Our procedures performed are set out in the numbered paragraphs in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the year ended 31 December 2014.

Because the procedures do not constitute an audit, a review or other assurance engagement performed in accordance with the IAASB's International Standards we do not express any assurance. Had we performed additional procedures, or had we performed an audit, a review, or other assurance engagement, other matters might have come to our attention that would have been reported.

Restriction on use and distribution

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Registrar and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.



.....
V. Wiese
Director
Chartered Accountant (SA)

Address: PricewaterhouseCoopers Inc.,
P O Box 2799, Cape Town, 8000

Date: 10 June 2015

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

Procedures and Findings

| | Procedures | Findings | | | | | | | | | | | | | | | | | | | | | | | | |
|----------|---|--|------------------------------|-----------------------|------------------|--------------------|--|------------------------|---------------------------|---------------------------|--|-------------------------|---------------------------|---------------------------|--|---------------------------|------------------------------|------------------------------|--|-----------------------|------------------------------|------------------------------|--|-------------------------------|------------------------------|------------------------------|
| | Statement of Net Assets and Funds | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Investments | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1 | Inspect the list of investment balances reflected in the general ledger of the Fund as at 31 December 2014 for any investments in accordance with the terms of section 19(4) of the Act. | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.1 | Agree details of the written confirmations obtained from the investment managers/insurers to the investment balances reflected in the general ledger. | Details of the written confirmations obtained from the investment managers/insurers agreed to the investment balances reflected in the general ledger. | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.1.2 | Where investments held in the participating employer exceed 5% of the total assets as reflected in the financial statements, inspect the appropriate approval of the Registrar. | Not applicable as the fund holds no direct investments in a participating employer. | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.2 | Obtain the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrator(s), and perform the following procedures on a sample of 10 mandates (comprising the 3 largest by value of investments at year end and 7 other randomly selected mandates): | We selected the investment mandates below. | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.2.1 | Inspect whether the underlying investments are in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate. | <p>The underlying investments, signed investment policy statement ("IPS") and investment mandate indicated the following:</p> <table border="1"> <thead> <tr> <th></th> <th>Underlying investment</th> <th>Policy Statement</th> <th>Investment mandate</th> </tr> </thead> <tbody> <tr> <td></td> <td>Momentum Group Limited</td> <td>Linked Insurance Policies</td> <td>Linked Insurance Policies</td> </tr> <tr> <td></td> <td>Allan Gray Life Limited</td> <td>Linked Insurance Policies</td> <td>Linked Insurance Policies</td> </tr> <tr> <td></td> <td>Investec Asset Management</td> <td>Collective Investment Scheme</td> <td>Collective Investment Scheme</td> </tr> <tr> <td></td> <td>CM Holdings (Pty) Ltd</td> <td>Collective Investment Scheme</td> <td>Collective Investment Scheme</td> </tr> <tr> <td></td> <td>Prudential Portfolio Managers</td> <td>Collective Investment Scheme</td> <td>Collective Investment Scheme</td> </tr> </tbody> </table> | | Underlying investment | Policy Statement | Investment mandate | | Momentum Group Limited | Linked Insurance Policies | Linked Insurance Policies | | Allan Gray Life Limited | Linked Insurance Policies | Linked Insurance Policies | | Investec Asset Management | Collective Investment Scheme | Collective Investment Scheme | | CM Holdings (Pty) Ltd | Collective Investment Scheme | Collective Investment Scheme | | Prudential Portfolio Managers | Collective Investment Scheme | Collective Investment Scheme |
| | Underlying investment | Policy Statement | Investment mandate | | | | | | | | | | | | | | | | | | | | | | | |
| | Momentum Group Limited | Linked Insurance Policies | Linked Insurance Policies | | | | | | | | | | | | | | | | | | | | | | | |
| | Allan Gray Life Limited | Linked Insurance Policies | Linked Insurance Policies | | | | | | | | | | | | | | | | | | | | | | | |
| | Investec Asset Management | Collective Investment Scheme | Collective Investment Scheme | | | | | | | | | | | | | | | | | | | | | | | |
| | CM Holdings (Pty) Ltd | Collective Investment Scheme | Collective Investment Scheme | | | | | | | | | | | | | | | | | | | | | | | |
| | Prudential Portfolio Managers | Collective Investment Scheme | Collective Investment Scheme | | | | | | | | | | | | | | | | | | | | | | | |
| 1.2.2 | Inspect whether the investment mandate and the investment policy statement provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed. | The investment mandates and the investment policy statement did not provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives. | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.2.3 | Inspect whether the collateral and counterparty requirements as prescribed are complied with. | Not applicable. | | | | | | | | | | | | | | | | | | | | | | | | |

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|----------|--|--|
| 1.2.4 | For segregated portfolios, confirm directly with the investment administrator(s): (a) whether scrip lending took place during the year and, if so, (b) whether there was collateral provided by the counterparty/(ies) for any scrip lending activities and, if so, (c) the percentage exposure covered by the collateral. Report on the amount for a). | Not applicable as there are no segregated portfolios. |
| 2 | Bank and cash | |
| 2.1 | Obtain the bank reconciliations of bank accounts of the fund as at 31 December 2014 as disclosed. | |
| 2.2 | Inspect the bank statements subsequent to period end to to 31 January 2015 for evidence that reconciling items were cleared by then and obtained explanations from the administrators for all material outstanding items not cleared by that date. | The bank statements subsequent to year-end were inspected for evidence that reconciling items were cleared. |
| 3 | Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds) | |
| 3.1 | Obtain a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 December 2014. | The closing balance on the list agreed to the corresponding account in the annual financial statements as at 31 December 2014. We highlight that the dormant member liability is not accounted for as active members, but are included in the reserve accounts. The reserve account held for these dormant members do not represent the full total liability due to these members (refer to notes 18 and 19 in the financial statements and the trustees' report). |
| 3.2 | Select a random sample of the lesser of 25 or 10% of the number of members from the list of members and perform the following procedures: | |
| 3.2.1 | Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review). | The member and employer contributions received and allocated for the members selected as reflected on the administrator's system agreed to information supplied by the participating employers for May 2014, September 2014 and December 2014. We note however that the amounts to be allocated relating to contributions amounted to R5,192,727. It was only loaded after year-end and the fund is experiencing difficulties with allocating contributions, as contribution remittance advices are received late. |
| 3.2.2 | Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the year under review). | The member and employer contribution rates for the members selected as reflected on the administrator's system agreed to the rules of the Fund for May 2014, September 2014 and December 2014. |

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|-------|--|--|
| 3.2.3 | In respect of unitised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member. | Not applicable. The fund is not a unitised fund. |
| 3.2.4 | In respect of unitised investment products, calculate the conversion of units at the end of the year, at the year-end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record. | Not applicable. The fund is not a unitised fund. |
| 3.2.5 | In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year-end to the unit prices on the administration system used to calculate each member's credits at year-end. | Not applicable. The fund is not a unitised fund. |
| 3.2.6 | In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the year under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator. | The return allocated to the member's fund credit on the administrator's records agreed to the return approved in accordance with the recommendation by the fund valuator or the general rules of the fund. |
| 3.3 | Obtain a list of members who switched investment portfolios during the year from the Fund/administrator, select a random sample of the lesser of 25 or 10% of members who switched between investment portfolios during the year, and perform the following procedures: | Not applicable, only one investment option is available and the fund's members do not switch. |
| 3.3.1 | Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund. | Not applicable. |
| 3.3.2 | Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate. | Not applicable. |
| 3.4 | For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures: | |
| 3.4.1 | Compare the investments per product on the ALM reconciliation to the investment certificates in total. | Not applicable, no investment per product is matched as members do not have investments choice. |

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|----------|---|--|
| 3.4.2 | Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds. | Not applicable. See above. |
| 3.4.3 | Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Registrar. | Not applicable. See above. |
| 4 | Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds) | |
| 4.1 | Select a sample of the lesser of 25 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected: | |
| 4.1.1 | Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the year under review). | Not applicable. This is not a defined benefit fund. |
| 5 | Surplus apportionment scheme | |
| 5.1 | If a surplus apportionment scheme was approved by the Registrar in the current year or if allocation and/or payments to members were made during the year, perform the following procedures: | Not applicable as no surplus apportionment scheme was approved by the Registrar in the current year. |
| 5.1.1 | <u>Active members:</u> Select a random sample of the lesser of 25 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures: | |
| 5.1.1.1 | Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system. | Not applicable. |
| 5.1.1.2 | Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system. | Not applicable. |
| 5.1.2 | <u>Former members and pensioners:</u> Select a random sample of the lesser of 25 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures: | |

UV

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|----------|--|--|
| 5.1.2.1 | Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system. | Not applicable. |
| 5.1.2.2 | Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system. | Not applicable. |
| 5.1.2.3 | Agree the total of the amount calculated in 4.1.2.1 and 4.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation. | Not applicable. |
| 6 | Member and employer surplus accounts | |
| 6.1 | Obtain the analysis of the transactions in the member and/or employer surplus account per the annual financial statements, and perform the following procedure: | Not applicable, no member or employer surplus account noted per the annual financial statements. |
| 6.1.1 | Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act. | Not applicable. |
| 7 | Reserves | |
| 7.1 | Obtain the list of reserves and other related accounts (e.g. pensioner accounts) and the movements per the financial statements and/or in the actuarial valuation, and perform the following procedures: | |
| 7.1.1 | Inspect whether the reserve and other related accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund. | The reserves and related dormant member account held by the Fund were in accordance with the registered rules of the Fund. |
| 7.1.2 | Inspect that the movements in reserves as disclosed in the annual financial statements are permitted in terms of the registered rules of the Fund and/or the Act. | The movements in reserves as disclosed in the annual financial statements were permitted in terms of the registered rules of the Fund and/or the Act, except for the following: <ul style="list-style-type: none"> - The dormant member contingency account was debited with administration fees directly rather than to the cost reserve account first, and then a transfer between the two reserve accounts. |
| 8 | Other assets, liabilities and guarantees | |
| 8.1 | Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at 31 December 2014, and perform the following procedure: | Not applicable. No loans were granted to members during the year |
| 8.1.1 | Agree the total housing loans on the above list to the corresponding account in the annual financial statements. | Not applicable. See above. |

uw

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|----------|---|--|
| 8.2 | From the list in 7.1, randomly select a sample of the lesser of 25 or 10% of the number of members' housing loans granted and perform the following procedures: | Not applicable. |
| 8.2.1 | Inspect evidence that the value of the housing loan provided does not exceed the amount permitted by the rules and the home loan agreement. | Not applicable. |
| 8.2.2 | Inspect evidence that the housing loan has been granted in terms of Section 19(5) (a). | Not applicable. |
| 8.2.3 | Inspect evidence that repayments are being made in accordance with the housing loan agreement. | Not applicable. |
| 8.2.4 | Inspect the interest charged on the outstanding housing loan and compare the rate used to the prescribed rate. | Not applicable. |
| 8.2.5 | If the Fund issued more than 100 housing loans or the total principal debt of all outstanding loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA). | Not applicable. |
| 8.3 | Obtain the list of housing loan guarantees and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees and perform the following procedures: | We selected 5 housing loan guarantees. |
| 8.3.1 | For the sample selected, determine that each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the year end, in terms of the Act, the loan agreement and/or the rules of the Fund. | The selected housing loan guarantees did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the end of the period, in terms of the Act, the loan agreement and/or the rules of the Fund. |
| 8.3.2 | Inspect evidence that the housing loan guarantee has been granted in terms of Section 19(5) (a). | The housing loan guarantee had been granted in terms of Section 19(5) (a). |
| 8.4 | Obtain a list of other loans per the general ledger of the Fund as at 31 December 2014 and perform the following procedure: | Not applicable. No other loans have been granted to members. |
| 8.4.1 | Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B. | Not applicable |
| | Statement of Changes in Net Assets and Funds | |
| 9 | Contributions | |

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings | | | | | | |
|-----------|--|--|-----------|-------|------|--------|------|--------|
| 9.1 | Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures: | We selected 23 participating employers and selected the months of May 2014, September 2014 and December 2014. | | | | | | |
| 9.1.1 | Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point. | The contributions received by or on behalf of the Fund agreed to the remittance advice from the pay-point for the months of May 2014, September 2014 and December 2014, except for one pay point for December 2014 (pay point T35). See 9.2.1 below. | | | | | | |
| 9.1.2 | Inspect the bank statements 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 and late payment interest had been raised in terms of regulation 33, where applicable, except for two pay points where late payment interest was not raised. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Pay point</th> <th>Month</th> </tr> </thead> <tbody> <tr> <td>T035</td> <td>Sep-14</td> </tr> <tr> <td>T072</td> <td>Dec-14</td> </tr> </tbody> </table> | Pay point | Month | T035 | Sep-14 | T072 | Dec-14 |
| Pay point | Month | | | | | | | |
| T035 | Sep-14 | | | | | | | |
| T072 | Dec-14 | | | | | | | |
| 9.2 | Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at year-end from a list supplied by the Fund/administrator and perform the following procedure: | | | | | | | |
| 9.2.1 | Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such. | The selected amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act, except for the following pay points: <ul style="list-style-type: none"> - pay point T035 - R4,735 due per salary schedule for December 2014 not yet received. | | | | | | |
| 10 | Benefits | | | | | | | |
| 10.1 | Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure: | | | | | | | |
| 10.1.1 | Compare the list to the respective general ledger benefit expense accounts reconciliation. | The list agreed to the general ledger benefit expense accounts reconciliation. | | | | | | |
| 10.2 | Select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedures: | We selected 40 benefits. | | | | | | |

W

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|-----------|--|---|
| 10.2.1 | Compare the benefit per selected member to the administration system and authorised supporting documentation in accordance with the procedures of the Fund. | The benefit paid agreed to the administration system and authorised supporting documentation in accordance with the procedures of the Fund. |
| 10.2.2 | For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer. | The recovery from the insurer was received/accrued for by the Fund. |
| 10.2.3 | Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) to the fund credit report or administration system as at the date of exit. | The opening fund credit for the member agreed to the opening fund credit report and contributions were added every month until the date of exit. The balance paid out to the member (inclusive of late payment interest where applicable) agreed to the administration system as at the date of exit. |
| 10.3 | Obtain a list of all benefits not yet paid at year-end, select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedure: | |
| 10.3.1 | Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the Rules are classified as unclaimed benefits. | The benefits due that were older than the period as set out in the Act or a shorter period defined by the Rules were classified as unclaimed benefits. |
| 11 | Transfers | |
| 11.1 | Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger. | |
| 11.2 | From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the year select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out, and perform the following procedures: | We selected one section 14(1) transfer out and two section 14(1) transfers in. |
| 11.2.1 | Agree the sample of section 14 transfers to and from the Fund to: a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or b) the section 14(8) documentation as prescribed. | The selected transfers agreed to the section 14(1) documentation. Section 14(8) transfer were not applicable. |
| 11.2.2 | Inspect whether the transfers to and from the Fund were received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement. | The selected section 14 transfers tested were paid within 60 days. |

SCHEDULE I

THACSA PENSION FUND

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|-----------|---|--|
| 11.2.3 | In respect of unitised funds, select a sample of the lesser of 25 or 10% of the number of members transferred from other funds and recalculate 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 added from the date of receipt to the date of purchase). | Not applicable, as this fund is not a unitised fund. |
| 11.3 | Individual transfers Obtain the list of individual transfers throughout the year ended 31 December 2014, select a sample of the lesser of 25 or 10% of the number of individual transfers, and perform the following procedures: | We selected one individual transfers in. There were no individual transfers out noted during the year. |
| 11.3.1 | Agree the transfers to the approved recognition of transfer documentation. | The transfer in agreed to the approved recognition of transfer documentation. |
| 11.3.2 | For individual transfers in selected In respect of unitised funds, recalculate 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 added from the date of receipt to the date of purchase). | Not applicable, as this fund is not a unitised fund. |
| 12 | Pensioners paid | |
| 12.1 | Obtain a copy of the list of pensioners and amounts paid for the year from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure: | Not applicable. There are no pensioners in the Fund. |
| 12.1.1 | Agree the total pensions paid for the year ended 31 December 2014 to the corresponding account reconciliation to the general ledger balance. | Not applicable. |
| 12.2 | Select a sample of the lesser of 25 or 10 % of the number of pensioners paid directly from the fund from the above list and perform the following procedures: | Not applicable. |
| 12.2.1 | Inspect the pensioner increases for authorisation by the Board of Fund. | Not applicable. |
| 12.2.2 | Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist. | Not applicable. |
| 12.3 | Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures: | Not applicable. There are no reinsured pensioners in the Fund. |
| 12.3.1 | Agree the closing market value of the annuity to the annual financial statements. | Not applicable. |
| 12.3.2 | Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the annual financial statements. | Not applicable. |

W

SCHEDULE I**THACSA PENSION FUND**

Registration number: 12/8/20517

Report of the Independent Auditor of the TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND to the Registrar of Pension Funds on Factual Findings

For the year ended 31 December 2014

| | Procedures | Findings |
|-----------|--|--|
| 13 | General | |
| 13.1 | Inspect evidence that the Fund's fidelity insurance cover was in place throughout the year ended 31 December 2014, that the Fund's fidelity insurance cover extends after year-end and report the date to which the subsequent fidelity insurance cover extends. | The Fund's fidelity insurance cover was in place throughout the year ended 31 December 2014. The subsequent fidelity insurance cover extended to 31 July 2015. |
| 13.2 | Inspect evidence that the total premiums for the Fund's insured benefits have been paid to the insurer within the contracted payment period and report on any lapsed policies as a result of the under- or non-payment of premiums. | The total premiums for the Fund's insured benefits have been paid to the insurer within the contracted payment period and the policies have not lapsed as a result of the under- or non-payment of premiums. |
| 13.3 | Obtain the most recent statutory valuation signed and submitted by the valuator as at valuation date and perform the following procedures: | The most recent signed statutory valuation for the year ended 31 December 2011 was obtained. |
| 13.3.1 | Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded). | This most recent statutory valuation noted above, indicated that the fund was not under-funded. |
| 13.3.2 | Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Registrar. | Not applicable. |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2014

INVESTMENTS

| | Notes | Direct Investments | Non-compliant Collective investment schemes | | Noncompliant Insurance policies | | Compliant Investments | | Local | | Foreign | | Total Percentage of foreign exposure | Total as per Regulation 28 (Schedule IB) |
|---|-------|--------------------|---|----------|---------------------------------|--------------------|-----------------------|--------------------|-------|---|---------|---|--------------------------------------|--|
| | | | Note M1 | Note M2 | Note L | R | R | R | R | R | R | % | | |
| Cash (including cash at bank) | A | 5,914,923 | 16,822,989 | - | 69,816,419 | 92,554,331 | 68,139,572 | 24,414,758 | | | | | 4.5% | 22,737,909 |
| Commodities | B | - | 832,169 | - | 6,966,576 | 7,798,745 | 7,798,745 | - | | | | | 0.0% | 832,169 |
| Debt instruments including Islamic debt | | | | | | | | | | | | | | |
| Instruments | C | - | 2,282,521 | - | 88,806,972 | 91,089,493 | 82,326,322 | 8,763,171 | | | | | 1.6% | 2,282,521 |
| Investment properties | D | - | 97,266 | - | 29,821,384 | 29,918,649 | 29,258,491 | 660,159 | | | | | 0.1% | 97,266 |
| Equities | E | - | 52,817,494 | - | 264,350,299 | 317,167,793 | 215,581,315 | 101,586,477 | | | | | 18.7% | 52,817,495 |
| Investments in participating employers | H | - | - | - | - | - | - | - | | | | | 0.0% | - |
| Insurance policies | | | | | | | | | | | | | | |
| Linked policies | | - | - | - | - | - | - | - | | | | | 0.0% | 143,941,091 |
| Non-linked policies | | - | - | - | - | - | - | - | | | | | 0.0% | 180,705,417 |
| Collective schemes | | - | - | - | 4,013,835 | 4,013,835 | 4,013,835 | - | | | | | 0.0% | 139,634,913 |
| Other | | - | - | - | 505,936 | 505,936 | 505,936 | - | | | | | 0.0% | - |
| Total investments | | 5,914,923 | 72,852,438 | - | 464,281,420 | 543,048,781 | 407,624,216 | 135,424,565 | | | | | 24.9% | 543,048,781 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2014

A Cash

| | |
|--|-----------|
| 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 | 5,914,923 |
| Notes and coins, any balance or deposit in an account held with a South African bank - exceeding 5% of total assets | 5,914,923 |
| Nedbank Group Limited | 5,914,923 |

M1 NON-COMPLIANT COLLECTIVE INVESTMENT SCHEMES

| Instrument | Holding % | Fair value R |
|--|-----------|--------------------------|
| Local | | |
| RE:CM Holdings (Pty) Ltd (Balanced Fund) | 13.4% | <u>72,852,438</u> |
| Total Non-compliant Collective investment schemes | | <u><u>72,852,438</u></u> |

L COMPLIANT INVESTMENTS

| Instrument | Local or Foreign | Fair value R |
|---|------------------|---------------------------|
| Local | | |
| Collective Investment Schemes | - | 139,634,913 |
| Linked policies | - | 143,941,091 |
| Non-Linked policies | - | 180,705,416 |
| Total Compliant Collective investments | <u>-</u> | <u><u>464,281,420</u></u> |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 December 2014

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE H2 AND SCHEDULE IA

| | Fair value current period (as per Schedule H2.1) | Cash at bank | Non-compliant Collective investment schemes | Compliant Investments | Total |
|---|--|--------------|---|-----------------------|-------------|
| | R | R | R | R | R |
| Cash (including cash at bank) | - | 5,914,923 | 16,822,988 | 69,816,419 | 92,554,330 |
| Commodities | - | - | 832,169 | 6,966,575 | 7,798,744 |
| Debt instruments including Islamic debt Instruments | - | - | 2,282,521 | 88,806,972 | 91,089,493 |
| Investment properties | - | - | 97,266 | 29,821,384 | 29,918,650 |
| Equities | - | - | 52,817,494 | 264,350,299 | 317,167,793 |
| Investments in participating employers | - | - | - | - | - |
| Insurance policies | - | - | - | - | - |
| Linked policies | 143,941,091 | - | - | (143,941,091) | - |
| Non-linked policies | 180,705,416 | - | - | (180,705,416) | - |
| Collective schemes | 212,487,351 | - | (72,852,438) | (135,621,078) | 4,013,835 |
| Other | - | - | - | 505,936 | 505,936 |
| Total investments | 537,133,858 | 5,914,923 | - | - | 543,048,781 |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 December 2014

Schedule IB

Assets held in compliance with Regulation 28

| | R |
|---|---------------|
| A Total assets (Schedule IA -Total investments) | 543,048,781 |
| B1 Less: Reg 28 compliant investments (certificate received from issuing entity):- | (464,281,420) |
| B.1.1 Collective Investment Schemes (Reg 28(8)(b)(i)) | (139,634,913) |
| B.1.2 Linked Policies (Reg 28(8)(b)(ii)) | (143,941,091) |
| B.1.3 Non-Linked policies (Reg 28(8)(b)(iii)) | (180,705,416) |
| B.1.4 Entity regulated by FSB (Reg 28(8)(b)(iv)) | |
| B2 Less: Reg 28 excluded investments | |
| B2.1 Insurance Policies (Reg 28(3)(c)) | |
| C Less: Investments not disclosed /data not available for disclosure | |
| D TOTAL ASSETS for REGULATION 28 DISCLOSURE | 78,767,361 |

| Categories of kinds of assets | % | Fair value R | Fair value % |
|---|---------------------|-----------------|-----------------|
| 1 CASH | 100% | 22,737,911 | 28.87% |
| 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% | | |
| | | 19,296,820 | 24.50% |
| (a) Notes and coins, any balance or deposit in an account held with a South African bank | | 16,082,362 | 20.42% |
| - ABSA Bank Ltd | 25% | 161,014 | 0.20% |
| - Investec Bank Ltd | 25% | 8,103 | 0.01% |
| - Standard Bank of South Africa Ltd | 25% | 279,188 | 0.35% |
| - Nedbank | 25% | 15,634,057 | 19.85% |
| 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 | | 3,214,458 | 4.08% |
| - ABSA Bank Limited | 25% | 422,337 | 0.54% |
| - African Bank Ltd | 25% | - | 0.00% |
| - Standard Bank of South Africa Ltd | 25% | 910,100 | 1.16% |
| - FirstRand Bank Ltd | 25% | 412,761 | 0.52% |
| - Investec Bank Limited | 25% | 652,068 | 0.83% |
| - Nedbank Limited | 25% | 817,192 | 1.04% |
| (c) Any positive net balance in a margin account with an exchange | 25% | - | 0.00% |
| ABSA | | - | 0.00% |
| SAFEX | | - | 0.00% |
| 1.2 Foreign balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments | SARB maximum limits | 3,441,090 | 4.37% |
| (a) Any balance or deposit held with a foreign bank | 5% | 3,441,090 | 4.37% |
| - Bank of New York Mellon Corporation | | 1,591,966 | 2.02% |
| - Royal Bank of Canada | | 1,849,125 | 2.35% |
| - State Street Trust Company | | - | 0.00% |
| (b) Any balance or deposit held with an African bank | 5% | - | 0.00% |
| (c) A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument | 5% | - | - |

luc

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 December 2014

| | | | | |
|----------|--|------|------------|--------|
| 2 | DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS | | 2,282,521 | 2.90% |
| 2.1 | Inside the Republic | 100% | 2,282,521 | 2.90% |
| (a) | Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic | 100% | - | 0.00% |
| (c) | Debt instruments issued or guaranteed by a South African bank against its balance sheet: - | 10% | 2,282,521 | 2.90% |
| (c)(iii) | Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed | 75% | 2,282,521 | 2.90% |
| | - African Bank Investments Ltd | 15% | 2,282,521 | 2.90% |
| 3 | EQUITIES | | 52,817,495 | 67.06% |
| 3.1 | Inside the Republic | 75% | 40,759,697 | 51.75% |
| (a) | Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:- | 75% | 40,759,697 | 51.75% |
| (a)(i) | Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed | 75% | 16,565,951 | 21.03% |
| | African Rainbow Minerals Ltd | 15% | 526,779 | 0.67% |
| | Anglo American Plc | 15% | 2,846,653 | 3.61% |
| | Anglo American Platinum Ltd | 15% | 4,397,370 | 5.58% |
| | Capitec Bank Ltd | 15% | 586,447 | 0.74% |
| | GLENCORE XSTRATA PLC | 15% | 602,597 | 0.77% |
| | Gold Fields Limited | 15% | 216,162 | 0.27% |
| | Impala Platinum Hld Ltd | 15% | 3,323,142 | 4.22% |
| | Recm & Calibre Ltd | 15% | 1,578,078 | 2.00% |
| | Sasol Ltd | 15% | 357,793 | 0.45% |
| | Standard Bank of South Africa Ltd | 15% | 540,450 | 0.69% |
| | The Spar Group Ltd | 15% | 334,191 | 0.42% |
| | Tsogo Sun Holdings Limited | 15% | 544,179 | 0.69% |
| | UBS NPN ex TEN | 15% | 712,111 | 0.90% |
| (a)(ii) | Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed | 75% | 18,276,873 | 23.20% |
| | Adcock Ingram Holdings | 10% | 988,994 | 1.26% |
| | AQUARIUS PLATINUM LIMITED | 10% | 236,183 | 0.30% |
| | ArcelorMittal SA Ltd | 10% | 2,102,323 | 2.67% |
| | Aveng Ltd | 10% | 1,088,151 | 1.38% |
| | Blue Label Telecoms Limited | 10% | 778,432 | 0.99% |
| | GRAND PARADE INVESTMENTS LIMITED | 10% | 521,303 | 0.66% |
| | Harmony Gold Mining Company Limited | 10% | 314,572 | 0.40% |
| | Hosken Consolidated Investments Limited | 10% | 1,473,750 | 1.87% |
| | Italtile Ltd | 10% | 134,884 | 0.17% |
| | JD Group Ltd | 10% | 2,377,088 | 3.02% |
| | Lewis Group Limited | 10% | 674,381 | 0.86% |
| | Lonmin Plc | 10% | 2,290,865 | 2.91% |
| | Merafe Resources Limited | 10% | 590,206 | 0.75% |
| | Niveus Investments Ltd | 10% | 805,015 | 1.02% |
| | Omnia Group (Pty) Ltd | 10% | 276,657 | 0.35% |
| | Reunert Ltd | 10% | 74,254 | 0.09% |
| | Royal Bafokeng Platinum Ltd | 10% | 826,319 | 1.05% |
| | Sun International Limited | 10% | 2,723,497 | 3.46% |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 December 2014

| | | | | |
|----------|--|-----|-----------|-------|
| (a)(iii) | Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed | 75% | 5,916,873 | 7.51% |
| | Astrapack Ltd | 5% | 967,334 | 1.23% |
| | Bowler Metcalf Ltd | | 159,575 | 0.20% |
| | Cadiz Holdings Limited | | 319,357 | 0.41% |
| | Eqstra Holdings Limited | | 353,177 | 0.45% |
| | Iliad Africa Ltd | | 1,768,939 | 2.25% |
| | Montauk Holdings Ltd | | 33,940 | 0.04% |
| | Petmin Ltd | | 850,797 | 1.08% |
| | Sentula Mining Ltd | | 404,467 | 0.51% |
| | Stefanutti Stocks Holdings Ltd | | 365,685 | 0.46% |
| | York Timber Organisation Ltd | | 693,602 | 0.88% |

| | | | | |
|--------|--|---------------------|------------|--------|
| 3.2 | Outside the Republic | SARB maximum limits | 12,057,798 | 15.31% |
| (a) | Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:- | SARB maximum limits | 10,886,034 | 13.82% |
| (a)(i) | Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed | SARB maximum limits | 8,539,490 | 10.84% |
| | Alumina Ltd | 15% | 275,453 | 0.35% |
| | American International Group Inc | | 625,180 | 0.79% |
| | Anglo American Plc | | 817,456 | 1.04% |
| | ArcelorMittal SA Ltd | | 788,237 | 1.00% |
| | Bank of America Corporation | | 49,246 | 0.06% |
| | Berkshire Hathaway Inc | | 19,832 | 0.03% |
| | BP Plc | | 821,485 | 1.04% |
| | Carrefour SA | | 356,105 | 0.45% |
| | Hewlett-Packard Co | | 198 | 0.00% |
| | Inpex Corp | | 692,453 | 0.88% |
| | Intel Corp | | 94,144 | 0.12% |
| | Microsoft Corporation | | 235,249 | 0.30% |
| | NTT DOCOMO Inc | | 417,920 | 0.53% |
| | Tesco | | 1,048,230 | 1.33% |
| | Total Capital | | 258,603 | 0.33% |
| | Ultra Petroleum Corporation | | 623,466 | 0.79% |
| | Vivendi SA | | 326,370 | 0.41% |
| | Wal-Mart Stores Inc | | 12,651 | 0.02% |
| | Wells Fargo & Company | | 353,264 | 0.45% |
| | WM Morrison Supermarkets PLC | | 723,947 | 0.92% |
| | Roche Holding AG | | | 0.00% |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

SCHEDULE IB

ASSETS HELD IN COMPLIANCE WITH REGULATION 28

As at 31 December 2014

| | | | | |
|-------------------------------------|---|---------------------|-------------------|----------------|
| (b) | Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange | SARB maximum limits | | |
| | | | 1,171,763 | 1.49% |
| | ICHIRIZUKA MASTER FUND | 2.5% | 1,062,459 | 1.35% |
| | Immobiliare Grande Distribuzio | 2.5% | 109,304 | 0.14% |
| 4 | IMMOVABLE PROPERTY | | 97,266 | 0.12% |
| 4.1 | Inside the Republic | 25% | 97,266 | 0.12% |
| (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% | 97,266 | 0.12% |
| (a)(i) | Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed | 25% | - | 0.00% |
| | CAPITAL & COUNTIES PROPERTIES | 15% | - | 0.00% |
| | GROWTHPOINT PROPERTY LTD | 15% | - | 0.00% |
| | REDEFINE INTERNATIONAL PLC | 15% | - | 0.00% |
| (a)(iii) | Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed | 25% | 97,266 | 0.12% |
| | HOSPITALITY PROPERTY FUND B | 5% | 97,266 | 0.12% |
| 5 | COMMODITIES | | 832,169 | 1.06% |
| 5.1 | Inside the Republic | | | |
| (a) | Kruger Rands and other commodities on an exchange, including exchange traded commodities | 10% | 832,169 | 1.06% |
| (a)(i) | Gold | 10% | - | 0.00% |
| (a)(ii) | Other commodities | 5% | - | 0.00% |
| | NewPlat | | 832,169 | 1.06% |
| TOTAL ASSETS - REGULATION 28 | | | 78,767,361 | 100.00% |

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

ASSETS HELD IN COMPLIANCE WITH REGULATION 28
As at 31 December 2014

INVESTMENT SUMMARY (REGULATION 28)

| | Local R | Percentage of Fair Value % | Foreign (Excluding Africa) R | Percentage of Fair Value % | Africa R | Percentage of Fair Value % | Total R |
|--|--------------------|----------------------------------|---------------------------------------|----------------------------------|------------------|----------------------------------|--------------------|
| 1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments | 19,296,822 | 3.6% | 3,441,090 | 0.6% | - | 0.0% | 22,737,912 |
| 2 Debt instruments including Islamic debt Instruments | 2,282,521 | 0.4% | - | 0.0% | - | 0.0% | 2,282,521 |
| 3 Equities | 40,759,696 | 7.5% | 12,057,798 | 2.2% | - | 0.0% | 52,817,494 |
| 4 Immovable property | 97,266 | 0.0% | - | 0.0% | - | 0.0% | 97,266 |
| 5 Commodities | 832,169 | 0.2% | - | 0.0% | - | 0.0% | 832,169 |
| 9 Fair value of assets to be excluded in terms of sub-regulations 3(c) and 8(b) of Regulation 28 | 344,355,743 | 63.4% | 117,788,530 | 21.7% | 2,137,147 | 0.4% | 464,281,420 |
| Total (equal to the fair value of assets) | 407,624,216 | 75.1% | 133,287,418 | 24.5% | 2,137,147 | 0.4% | 543,048,781 |

Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments

Debt instruments including Islamic debt Instruments

Equities

Immovable property

Commodities

Fair value of assets to be excluded in terms of sub-regulations 3(c) and 8(b) of Regulation 28

Total (equal to the fair value of assets)

PC

TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND

12/8/20517

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

As at 31 December 2014

Asset Limits in terms of sub regulation 3(f)

| | | |
|-----------------|---|--------------|
| Item 2.1(e)(ii) | - | 0.00% |
| Item 3.1(b) | - | 0.00% |
| Item 4.1(b) | - | 0.00% |
| Item 8 | - | 0.00% |
| TOTAL | - | 0.00% |

Asset Limits in terms of sub regulation 3.1(g)

| | | |
|--------------|---|--------------|
| Item 3.1(b) | - | 0.00% |
| Item 8.1(b) | - | 0.00% |
| TOTAL | - | 0.00% |

Breaches in terms of Regulation 28

NOTES:

- 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 assts.

| 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 |
|-------|-------|----------------|-------------|
| N/A | | | |
| | | | |
| | | | |

PWC

**TOURISM, HOSPITALITY AND CATERING (THACSA) PENSION FUND
SCHEDULE IB**

**INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE
WITH REGULATION 28**

TO THE BOARD OF THE FUND

We have audited Schedule IB "Assets held in compliance with Regulation 28" of Tourism, Hospitality And Catering (Thacsa) Pension Fund (the Fund) at 31 December 2014 (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 49 to 54. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Board of Fund 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 (Thacsa) Pension Fund for the year ended 31 December 2014 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 Board of Fund's Responsibility for the Schedule

The Board of Fund 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 Board of Fund 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 audit opinion.

Opinion

In our opinion, Schedule IB "Assets held in compliance with Regulation 28" at 31 December 2014 by Tourism, Hospitality And Catering (Thacsa) 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 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.

Director: V. Wiese

Registered Auditor

Address: P O Box 2799, Cape Town, 8000

Date: 10 June 2015