

**ANNUAL FINANCIAL STATEMENTS**

**NAME OF THE RETIREMENT FUND:** Mineworkers Provident Fund

**FINANCIAL SERVICES BOARD  
REGISTRATION NUMBER:** 12/8/23053

**SOUTH AFRICAN REVENUE SERVICES  
APPROVAL NUMBER:** 18/10/4/24968

**FOR THE PERIOD:** 1 January 2006 to 31 December 2006

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\* (Not subject to audit)

**Mineworkers Provident Fund**

**SCHEDULE A  
REGULATORY INFORMATION  
for the year ended 31 December 2006**

**REGISTERED OFFICE**

Postal address

P O Box 1583  
Johannesburg  
2001

Physical address

Ground Floor, Life Centre  
45 Commissioner Street  
Johannesburg  
2001

**FINANCIAL REPORTING INFORMATION**

Financial reporting periods

Current

1 January 2006 to 31 December 2006

Previous

1 January 2005 to 31 December 2005

**Mineworkers Provident Fund**

**SCHEDULE A  
REGULATORY INFORMATION (continued)  
For the year ended 31 December 2006**

	<b>Principal Officer</b>	<b>Monitoring person*</b>
Full Name:	Bafana Frans Mahlangu (Dismissed in December 2007)	Bafana Frans Mahlangu (Dismissed In December 2007)
Postal Address:	P O Box 1583 Johannesburg 2001	P O Box 1583 Johannesburg 2001
Physical Address:	45 Commissioner Street Johannesburg 2001	45 Commissioner Street Johannesburg 2001
Telephone number:	(011) 491 6567	(011) 491 6567
Email address:	mahlanguf@mineworkers.co.za	mahlanguf@mineworkers.co.za

	<b>Incumbent Principal Officer</b>	<b>Incumbent Monitoring person*</b>
Full Name:	Sipho Sidu (Appointed 01/12/2007) Sandile Mbili (Appointed 20/11/2006 & Resigned 30/11/2007)	Sipho Sidu (Appointed 01/12/2007) Sandile Mbili (Appointed 20/11/2006 & Resigned 30/11/2007)
Postal Address:	P O Box 1583 Johannesburg 2001	P O Box 1583 Johannesburg 2001
Physical Address:	45 Commissioner Street Johannesburg 2001	45 Commissioner Street Johannesburg 2001
Telephone number:	(011) 491 6106	(011) 491 6106
Email address:	siphos@lekana.co.za	siphos@lekana.co.za

\*(In terms of Section 13A of the Pension Funds Act in South Africa)

**PROFESSIONAL SERVICE PROVIDERS**

	<b>Actuary/Valuator</b>	<b>Auditors</b>
Full Name:	D M Henderson	Ernst & Young Inc.
Postal Address:	P O Box 787240 Sandton 2146	P O Box 2322 Johannesburg 2000
Physical Address:	61 Katherine Street Sandown 2196	Wanderers Office Park 52 Corlett Drive Illovo 2196
Telephone number:	(011) 269 0000	(011) 772 3000
Qualifications:	BBusSc, FIA	Registered Auditor

	<b>Benefit Administrator</b>	<b>Fund Consultants</b>
Full Name:	Lekana Employee Benefit Solutions (Pty) Ltd	Lekana Employee Benefit Solutions (Pty) Ltd
Postal Address:	P O Box 61454 Marshalltown 2107	P O Box 61454 Marshalltown 2107
Physical Address:	Life Centre 45 Commissioner Street Johannesburg 2001	Life Centre 45 Commissioner Street Johannesburg 2001
Telephone number:	(011) 491 6911	(011) 491 6911
Benefit administrator's registration no. in terms of section 13B:	24/371	
Fund consultant's FAIS registration number:	7677	

Mineworkers Provident Fund

**SCHEDULE A**  
**REGULATORY INFORMATION (continued)**  
 For the year ended 31 December 2006

	<b>Investment Administrators</b>	<b>Investment Advisors</b>
Full name:	Old Mutual Life Assurance Company (South Africa) Limited	Fifth Quadrant Actuaries & Consultants (Pty) Ltd
Postal Address:	P O Box 1014 Cape Town 8000	Postnet Suite154 Private Bag X1 Melrose Arch 2000
Physical Address:	Mutualpark Jan Smuts Drive Pinelands 7405	3rd Floor, 30 Melrose Boulevard Melrose Arch Johannesburg 2196
Telephone number:	(021) 509 4410	011-912 9000
Investment administrator's registration no. in terms of section 13B:		24/35
Investment advisor's FAIS application number:		2545
Full name:	RMB Asset Management (Pty) Ltd	
Postal Address:	P O Box 783414 Sandton 2146	
Physical Address:	4 Merchant Place 1 Fredman Drive Sandton 2196	
Telephone number:	(011) 505 1116	
Investment administrator's registration no. in terms of section 13B:		24/34
Full name:	Coronation Asset Management (Proprietary) Limited	
Postal Address:	P O Box 993 Cape Town 8000	
Physical Address:	Boundry Terraces 1 Mariendhal Lane Newlands 7700	
Telephone number:	(021) 680 2219	
Investment administrator's registration no. in terms of section 13B:		24/31
Full name:	Prudential Portfolio Managers (South Africa) (Pty) Ltd	
Postal Address:	P O Box 44813 Claremont 7735	
Physical Address:	7th Floor Protea Place 40 Dreyer Street Claremont 7708	
Telephone number:	(021) 670 5100	
Investment administrator's registration no. in terms of section 13B:		24/67
Full name:	Allan Gray Limited (Orbis Investment Management)	
Postal Address:	P O Box 51318 Cape Town 8001	
Physical Address:	Granger Bay Court Beach Road, V&A Waterfront Cape Town 8000	
Telephone number:	(021) 415 2300	
Investment administrator's registration no. in terms of section 13B:		24/69

Mineworkers Provident Fund

**SCHEDULE A**  
**REGULATORY INFORMATION (continued)**  
**For the year ended 31 December 2006**

Full name:	Frater Asset Management (Pty) Ltd	
Postal Address:	P O Box 13 Cape Town 8000	
Physical Address:	17th Floor The Pinnacle Burg Street Cape Town 8001	
Telephone number:	(021) 680 2219	
Investment administrator's registration no. in terms of section 13B:	24/259	
Full name:	Old Mutual Asset Managers Company (SA) (Pty) Ltd (Community Growth Management Company Ltd)	
Postal Address:	P O Box 248 Mutual Park 7451	
Physical Address:	Jan Smuts Drive Pinelands 7405	
Telephone number:	0860103180	
Investment administrator's registration no. in terms of section 13B:	24/126	

	<b>Risk insurers</b>	<b>Custodian and/or nominees</b>
Full name:	Metropolitan Life Limited	Nedbank Limited
Postal Address:	Private Bag X26 Sunninghill 2157	P O Box 1144 Johannesburg 2000
Physical Address:	Metropolitan Gardens, Constantia Office Complex Corner Hendrik Potgieter Drive & 14th Avenue Weltevredenpark 1709	3rd Floor, Braampark, Forum IV 33 Hoofd Street Braamfontein 2000
Telephone number:	(011) 761 4133	(011) 667 1000
FSB approval no.:	3780	9363
	<b>Risk insurers (cont.)</b>	<b>Custodian and/or nominees (cont.)</b>
Full name:	Momentum Group Limited	Allan Gray Limited
Postal Address:	P O Box 48 Newlands 7725	P O Box 51318 Cape Town 8001
Physical Address:	Great Westerford, Main Road Rondebosch Cape Town 7700	Granger Bay Court Beach Road, Cape Town V&A Waterfront 8000
Telephone number:	(012) 658 0000	(021) 415 2300
FSB approval no.:	6406	19896
	<b>Risk insurers (cont.)</b>	
Full name:	Old Mutual Life Assurance Company (South Africa) Limited	
Postal Address:	P O Box 1014 Cape Town 8000	
Physical Address:	Mutual Park Jan Smuts Drive Pinelands	
Telephone number:	021 509 4841	
FSB approval no.:	703	

**Mineworkers Provident Fund**

**SCHEDULE A  
REGULATORY INFORMATION (continued)  
For the year ended 31 December 2006**

**PARTICIPATING EMPLOYERS**

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

Mineworkers Provident Fund

**SCHEDULE B**  
**STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES**  
For the year ended 31 December 2008

**Responsibilities**

The board of trustees hereby certify to the best of their knowledge and belief that, during the year under review, in the execution of their duties they:

- ensured that proper registers, books and records of the operations of the fund were kept, inclusive of proper minutes of all resolutions passed by the board of trustees,
- ensured that proper internal control systems were employed by or on behalf of the fund,
- ensured that adequate and appropriate information was communicated to the members of the fund, informing them of their rights, benefits and duties in terms of the rules of the fund,
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the fund or reported where necessary, in accordance with section 13A and regulation 33 of the Pension Funds Act 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 Mineworkers Provident Fund are the responsibility of the board of trustees. The board of trustees fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the fund and/or its benefit administrators, provide reasonable assurance that:

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

The annual financial statements set out on pages 11 to 36 have been prepared for regulatory purposes in accordance with:

- the basis of accounting applicable to retirement funds in South Africa as indicated in the principal accounting policies contained in the notes to the annual financial statements on page 23 to 24,
- the financial rules of the fund, and
- the provisions of the Pension Funds Act in South Africa.

These financial statements have been reported on by the independent auditors, Ernst & Young Inc., who were given unrestricted access to all financial records and related data, including minutes of all relevant meetings. To the best of the board knowledge and belief, all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditors is presented on page 9.


These financial statements:

- were approved by the board of trustees on 21/02/09
- are certified by them to the best of their knowledge and belief to be correct
- fairly represent the net assets of the fund at 31 December 2008 as well as the results of its activities for the period then ended; and
- are signed on the board of trustees behalf by:



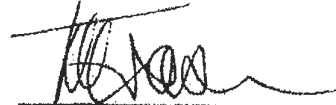
S Wall

Employer Trustee



Name: M. HIBANA

Trustee



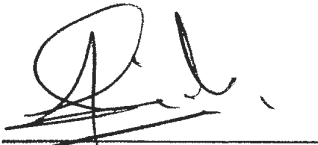
Name: Nicolette Erasmus

Trustee

**Mineworkers Provident Fund**

**SCHEDULE C  
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER  
For the year ended 31 December 2006**

I confirm that for the year under review Mineworkers Provident Fund has lodged with the Registrar of Pension Funds all such returns, statements, documents and any other information as are required of a pension fund in terms of the Pension Funds Act in South Africa.



Sipho Sidu

**PRINCIPAL OFFICER**

27/02/09

Date



**Mineworkers Provident Fund****SCHEDULE D****REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF TRUSTEES OF MINEWORKERS PROVIDENT FUND AND THE REGISTRAR OF PENSION FUNDS**

We have audited the annual financial statements of Mineworkers Provident Fund, which comprise the report of the board of trustees, the statement of net assets and funds at 31 December 2006, the statement of changes in net assets and funds for the year then ended, and the notes to the financial statements, which include the principal accounting policies and other explanatory notes, as set out on pages 11 to 36.

***Board of Trustees' responsibility for the Annual Financial Statements***

The board of trustees is responsible for the preparation and presentation of these financial statements for regulatory purposes, in accordance with the basis of preparation applicable to retirement funds in South Africa, as set out in the notes to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's responsibility***

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

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

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

***Opinion***

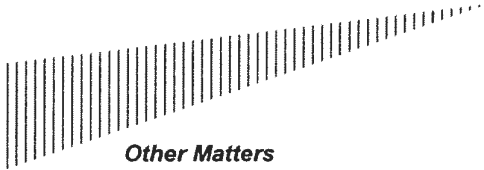
In our opinion, the annual financial statements of Mineworkers Provident Fund for the year ended 31 December 2006 have been prepared, in all material respects, in accordance with the basis of preparation applicable to retirement funds in South Africa as set out in the notes to the financial statements.

***Emphasis of Matters***

Without qualifying our opinion, we draw attention to note 9.1 of the Report of the board of trustees.

***Report on other legal and regulatory requirements******Auditing Professions Act***

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Professions Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act, and we have reported this matter to the Independent Regulatory Board for Auditors. The matter pertaining to the reportable irregularity has been disclosed in note 18 of the financial statements on page 36.



**Other Matters**

We draw attention to note 9.2 of the Report of the board of trustees, which sets out certain regulatory and rule contraventions by the fund.

**Restriction on use**

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

*Ernst & Young Inc.*  
Ernst & Young Inc.  
Registered Auditor  
Johannesburg

27 February 2009  
Date

## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES For the year ended 31 December 2006

#### 1. DESCRIPTION OF FUND

##### 1.1 Type of fund

In terms of section 1 of the Income Tax Act, 1962 the fund is classified as a provident fund. The fund is a defined contribution fund.

##### 1.2 Benefits

1.2.1 The main objective of the fund is to provide benefits for employees of the participating employers on their retirement and for the dependants of members who die in service. Upon retirement a member's share of fund is applied to purchase an annuity on behalf of a member from an insurer. However, a member can elect to commute the whole or a portion of the share of fund as a lump sum. On the death of a Category A member, the member will receive his/her share of fund plus a risk benefit of thirty six times of the monthly earnings of a member. A Category B member will receive his/her share of fund. Where a member is permanently disabled he/she will receive their full share of fund. On resignation, retrenchment or reorganization the member will receive a benefit that is equal to his/her share of fund. In an addition, on the death of a member a benefit of 36 times his deemed monthly earnings is payable with the exception of members from Crown Gold Recoveries, Rand Refinery Limited, Rand Mutual Assurance and Rustenburg Base Metals Refiners. This benefit is partly self-insured. A retiring member has an option of taking his/her benefit as an annuity.

The fund allows for members who exit before normal retirement age to remain in the fund as deferred pensioners. If such a member dies before retirement, he/she will receive only their share of fund and no re-insured benefit.

1.2.2 In terms of rule 38(1) of the rules of the fund, if a member does not claim his/her benefit within three years after leaving service, or when a member is a deferred pensioner and does not claim his/her benefit after three years of attaining normal retirement age, then the benefit shall be transferred to the Guardian's Fund or any Unclaimed Benefit Fund.

1.2.3 In respect of unclaimed benefits, complete records, as prescribed, are maintained as from 10 May 2005.

##### 1.3 Contributions

###### 1.3.1 Description in terms of the rules of the fund

From 1 July 2005 to 30 June 2006:

###### Gold Mines:

The total contribution payable by and in respect of each member in the Gold Mines, who are subject to the Wage Agreement 2005/6 concluded between NUM, United Association of South Africa, Solidarity and Chamber of Mines on 23 August 2005, shall be:

For purposes of retirement funding, 14.5% of Wages actually earned each month, plus for purposes of risk benefits, 6.5% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

###### Collieries:

The total contribution payable by and in respect of each member in the Collieries, who are subject to the Wage Agreement 2005/6 concluded between NUM, United Association of South Africa, Solidarity and Chamber of Mines on 2 September 2005, shall be:

For members employed by Anglo Coal, Eyesizwe Coal, Kangra Coal, Springlake Colliery or Xstrata Coal in categories 3 to 8:

**Mineworkers Provident Fund**

**SCHEDULE E  
REPORT OF THE BOARD OF TRUSTEES (continued)  
For the year ended 31 December 2006**

For purposes of retirement funding, 14.55% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance

For members employed by Delmas Coal in categories 3 to 8:

For purposes of retirement funding, 14.5% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance

For members employed by Ingwe Collieries in categories 3 to 8:

For purposes of retirement funding, 15% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

For all other members:

For purposes of retirement funding, 14% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

From 1 July 2006:

Gold Mines:

The total contribution payable by and in respect of each member in the Gold Mines, who are subject to the Wage Agreement 2005/6 concluded between NUM, United Association of South Africa, Solidarity and Chamber of Mines on 23 August 2005, shall be:

For purposes of retirement funding, 14.5% of Wages actually earned each month, plus for purposes of risk benefits, 7% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

Collieries:

The total contribution payable by and in respect of each member in the Collieries, who are subject to the Wage Agreement 2005/6 concluded between NUM, United Association of South Africa, Solidarity and Chamber of Mines on 2 September 2005, shall be:

For members employed by Anglo Coal, Eyesizwe Coal, Kangra Coal, Springlake Colliery or Xstrata Coal in categories 3 to 8:

For purposes of retirement funding, 15.5% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

For members employed by Delmas Coal in categories 3 to 8:

For purposes of retirement funding, 14.5% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

For members employed by Ingwe Collieries in categories 3 to 8:

**Mineworkers Provident Fund**

**SCHEDULE E  
REPORT OF THE BOARD OF TRUSTEES (continued)  
For the year ended 31 December 2006**

For purposes of retirement funding, 16.5% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

For all other members:

For purposes of retirement funding, 14% of Wages actually earned each month, plus for purposes of risk benefits, 6% of Deemed Monthly Earnings, which is reduced by the cost of funeral benefits by a separate policy of insurance.

The board of trustees can accept such lower contribution rate for purposes of retirement funding for all or a category of employees of an employer who was a participating employer on 1 July 1997 as set out in the agreement as per rule 17(1) of the rules of the fund.

Members may pay additional voluntary contributions (AVC's) to the fund.

**1.4 Rule Amendments**

<b>Rule Amendment No.</b>	<b>Description and motivation</b>	<b>Date of board of trustees' resolution</b>	<b>Effective date</b>	<b>Date registered by the Financial Services Board</b>	<b>Date approved by the South African Revenue Service</b>
9	To reflect the terms of the wage agreements entered into between the unions and employers as they relate to contributions to the fund	23/09/2005	01/07/2005	24/02/2006	12/05/2006
Revised rules	To consolidate amendments number 1 to 9 and to update the rules to comply with practice and with legislation.	20/07/2007	01/07/2005	15/06/2007	22/08/2007
1	Is to correct an error that arose in the revision of the consolidated rules to the incorrect reference in the revised rules to the redeployment of trustees by NUM .	23/11/2007	01/07/2005	04/02/2008	15/02/2008
2	To remove three reserve accounts which are currently dormant in the fund, to provide for payment of late payment interest in the event of late payment contributions, to update the rules in respect of unclaimed benefits in line with the recent legislative requirements, and to make provision for tracing expenses to be deducted from the members benefit.	20/06/2008	01/01/2006	15/09/2008	20/11/2008
3	To increase the number of trustee's from 10 to 18.	30/10/2008	27/01/2009	27/01/2009	Approval pending

All rule amendments are available at the registered office of the fund.

## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES (continued) For the year ended 31 December 2006

#### 1.5 Reserves

The assets of the fund are held in three accounts, which are known as the Members' Account, Risk Reserve Account and Investment Reserve Account. The assets comprising the Member's Account shall be allocated amongst the Members and the records shall be maintained as such. The assets comprising the Investment Reserve Account shall be allocated to all accounts in terms of Rule 24(4) (b) (i) and in terms of Rule 24(B) (5). The assets comprising the Risk Reserve Account shall not be allocated amongst the Members but shall be maintained for the Fund as a whole. Each account shall be maintained separately from the others and transfers between accounts shall take place only as specified in the Rules.

##### Members' Account

The following transactions are recorded in this account:

##### Credits:

- contributions made by Members for retirement funding in terms of Rule 22(2);
- contributions made by Employer towards the Members retirement funding in terms of Rule 22(2);
- any contributions made by the Members in terms of Rule 25(5)
- any transfers from the Risk Reserve Account in terms of Rule 24A and ,
- investment earnings transferred from the Investment Reserve Account;
- deemed contributions in terms of rule 23 of the rules of the fund.

##### Debits:

- benefits paid in terms of rules 25 (retirement), 26 (disability), 27 (death), 28 (retrenchment), 29 (resignation);
- transfers to another fund; and
- Amounts deducted for outstanding housing loans as per the housing loan guarantee scheme.
- any tracing costs referred to in Rule 38(b)

##### Risk Reserve Account

The primary purpose of this reserve account is to provide for future death benefit payments in excess of those covered by the deceased member's full benefit. The following transactions are recorded in this account:

##### Credits:

- contributions paid to the fund by each employer towards the members risk benefit of Rule 22(2)
- contributions paid to the fund by each member towards the members risk benefit of Rule 22(2)
- Any transfers to the Members Account in terms of Rule 24A.
- Payments by a registered insurer with whom the fund has effected a group life assurance policy on the lives of members; and
- Investment earnings transferred from the Investment Reserve Account.

##### Debits:

- payments of premiums to registered insurers with whom the fund has effected a group life assurance policy on the lives of members;
- Transfers to members account in terms of rule 24A of the rules of the fund. (only category A members – excess of risk benefit above full share of funds), and expenses.

##### Investment Reserve Account

- The purpose of this reserve account is to manage fluctuations in the market value of the fund's investments and
- to facilitate transfers of assets to other accounts. This account is also intended to meet expenses related to;
- the management and administration of the fund and to meet any other unforeseen contingencies.
  
- in addition it may be used to provide investment declarations to the other accounts. The following transactions are recorded in this account

##### Credits:

- All interest, dividends, rentals received and other revenue and capital appreciation or depreciation of assets of the fund.

##### Debits:

- investment declarations to all accounts; and
- Payment of expenses.

## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES (continued) For the year ended 31 December 2006

## 2. INVESTMENTS

### 2.1 Investment strategy

The primary investment objectives of the fund are to earn a net investment return (after retirement fund taxation and investment management fees) which exceeds inflation as measured by the Consumer Price Index (CPI) by at least 4.0% per annum over any rolling 5-year period. (This is equivalent to a gross investment return of some 5.0% to 5.5% per annum above inflation.) Another primary investment objective is to earn the return in such a way that the member's benefits are not adversely affected by the market conditions ruling at the time of his/her exit. This implies that investment returns should not exhibit undue volatility from one year to the next. The fund reviewed its investment strategy and increased its target to inflation plus 4.5% effective January 2008.

A further investment objective of the fund is to invest a portion of the fund's assets specifically with the emphasis placed on social responsibility (SRI). The board of trustees is guided by the Growth and Development Summit in this regard and such a portion of the fund's assets will be subject to a minimum of 5%.

With these objectives in mind, the board of trustees has formulated an investment strategy whereby approximately 50% of the fund's assets are invested in a core portfolio with a focus on capital protection. The balance of the fund's assets is invested somewhat more aggressively in a market-linked portfolio, where specialist investment managers are used for each asset class. The investment strategy of the fund complies with the provisions of regulation 28 of the Pension Funds Act.

#### Core Portfolio

The core portfolio aims to provide a reasonable return relative to inflation over the long term whilst providing protection of capital over the short term. The core portfolio should reduce the short-term volatility of the overall investment return earned by the fund.

#### Market-linked portfolio

The market-linked portfolio of the fund's assets aims to provide a superior return relative to inflation over the long term (measurement periods of at least 5 years), without taking on excessive risk. The portfolio may deliver a negative return over short measurement periods (e.g. 1 year) from time to time.

Specialist investment managers are used for each asset class in this portfolio, having taken into account each investment manager's specific skills and opportunity set.

Associated with the use of specialist investment mandates, the strategic asset allocation of the market-linked portfolio has been specified as shown below:

Asset class	Strategic allocation midpoint	Range
SA equities	60.0%	56.0% - 63.0%
SA bonds	25.0%	22.0% - 28.0%
International equities	10.0%	8.0% - 12.0%
International bonds	5.0%	3.5% - 6.5%

#### 2.1.1 General

Any cashflows available for investment and/or disinvestments for purposes of benefit or expense payments, will be directed in such a way to maintain the asset allocation of the fund's investments as close to the strategic allocation of the market-linked portfolio as shown in the table under item 2.1 above.

The table below sets out the investment manager configuration for the market-linked portfolio:

Mandate	Investment manager	% Allocation
SA equity (market)	Coronation Fund Managers	17.5%
SA equity (SRI)	Community Growth Fund	15.0%
SA equity (market)	RMB Asset Management	17.5%
SA equity (value)	Fraters Asset Management	10.0%
SA bonds & cash	RMB Asset Management	15.0%
SA bonds (SRI)	Community Gift Fund	10.0%
International equities	Orbis Investment Management	10.0%
International bonds	Prudential Portfolio Managers	5.0%
<b>Total</b>		<b>100.0%</b>

## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES (continued) For the year ended 31 December 2006

#### 2.1.2 Unclaimed benefits

The investment strategy for unclaimed benefits is the same as per the general investment strategy of the fund.

#### 2.1.3 Surplus apportionment allocations

The fund submitted a nil surplus scheme to the Registrar of Pension Funds on the 29 December 2005 and the nil scheme submission was recorded and approved by the Financial Services Board on the 17 February 2006. Therefore there are no surplus assets to be invested.

#### 2.1.4 Reserve accounts

The investment strategy for the reserve accounts is the same as the general investment strategy of the fund.

### 2.2 Management of investments

The board of trustees meets on a formal basis at least four times a year in relation to the investments of the fund and monitors the performance of the fund's investments on a quarterly basis. The fund has a separate Investment Subcommittee that meets on a monthly basis to monitor the investments of the fund.

The board of trustees has appointed Fifth Quadrant Actuaries and Consultants (Pty) Ltd as independent investment advisors to the fund. They assist the board of trustees in the formulating and implementing of the investment strategy of the fund, the selection of investment managers and the monitoring of the performance of the fund's investments.

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

	2006 R	2005 R
Old Mutual Life Assurance Company (South Africa) Limited	5,586,175,543	4,286,257,567
RMB Asset Management (Pty) Ltd	2,417,765,217	2,361,811,606
Old Mutual Asset Managers Company (SA) (Pty) Ltd (Community Growth Management Company Ltd)	1,847,615,671	1,550,526,269
Coronation Asset Management (Proprietary) Limited	1,361,188,592	1,170,594,012
Prudential Portfolio Managers (South Africa) (Pty) Ltd	312,924,874	-
Allan Gray Limited (Orbis Investment Management)	738,483,866	-
Frater Asset Management (Pty) Ltd	826,116,619	591,044,050
Total value of investments managed	<u>13,090,270,382</u>	<u>9,960,233,504</u>

### 3. MEMBERSHIP

	Active members	Deferred pensioners	Advised members	Unclaimed benefits
Numbers at the beginning of year	126,545	18,912	-	24,814
Adjustments	(7,593)	(10,078)	-	(16,348)
Additions	26,998	-	990	-
Withdrawals	(2,182)	-	17,202	n/a
Retirements	(1,271)	-	265	n/a
Retrenchments	(992)	-	1,043	n/a
Deaths	(1,581)	-	2,734	n/a
Transfers (from)/to deferred pensioners	(669)	669	-	-
Numbers at the end of the year	<u>139,255</u>	<u>9,503</u>	<u>22,234</u>	<u>8,466</u>

The above adjustments ( -7593 ) consist of the following :disability benefits ( -2824) not taken up (-268) duplicates (+1543) adjustments (-304) advised benefits (-5740) The adjustments of (10078 and 16348) relate to exited members re-classified under advised benefits . Advised members(rieved confirmations of the members exiting the fund , claim not finalised.)



## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES (continued) For the year ended 31 December 2006

#### 4. ACTUARIAL VALUATION

The financial statements summarise the transactions and net assets of the fund. They do not take account of liabilities to pay benefits in the future. In accordance with the rules of the fund, the financial condition of the fund is reviewed at the end of every calendar year, or shorter intervals as the board of trustees decide. The fund has a practice of reviewing its financial condition on a six monthly basis. The last statutory valuation, as required by section 16 of the Pension Funds Act, was performed as at 31 December 2003 and the actuary reported that the fund was in a sound financial position. (Refer to the Report of the Valuator on page 37 for the summarised findings of this valuation.)

The statutory actuarial valuation as at 31 December 2006 was not submitted

#### 5. SURPLUS APPORTIONMENT

The fund submitted a nil surplus scheme as at the fund's surplus apportionment date which was 31 December 2003. The nil surplus scheme was submitted on 29 December 2005 to the Registrar of Pensions Funds and was recorded and approved as a nil scheme submission on the 17 February 2006.

#### 6. HOUSING LOAN FACILITIES

The fund does not grant direct housing loans. As from 1 September 1996 the trustees decided to assist members with housing loans by using a portion of the benefit in the fund as security in terms of rule 31(10) of the rules of and section 19(5) of the Pension Funds Act in South Africa. The board of trustees approved Standard Bank of South Africa Limited and Nedbank Limited to participate in the Housing Loan Guarantee Scheme. Refer to note 3 in the notes to the annual financial statements for details of the guarantees provided.

#### 7. INVESTMENTS IN PARTICIPATING EMPLOYERS

Details of investments in participating employers are provided in note 2.2 of the notes to the annual financial statements. The investments represent 3.68% of the total investments at 31 December 2006 in compliance with Regulation 28, and accordingly no exemption is required from the Registrar of Pension Funds in terms of section 19(4) of the Pension Funds Act in South Africa.

#### 8. SUBSEQUENT EVENTS

- The fund suspended the Principal Executive Officer (Frans Bafana Mahlangu) on the 18 November 2006. A disciplinary hearing was held and he was dismissed on the 6 November 2007 with effect from 6 December 2007. The matter has been referred to the CCMA.
- The funds assets held in the Old Mutual Guaranteed Portfolio were converted in January 2008 to the new Old Mutual Absolute Stable Growth Fund. Old Mutual declared a final bonus for the financial year 2006 and the bonus amounted to R 199 388 342.
- The trustees appointed a new investment administrator, Argon Asset Management in January 2008. R200 million was transferred to Argon, effective 1 June 2008.
- Lekana Employee Benefit Solutions refunded to the Fund secret profits it had made from undisclosed income on business administered by Lekana Employee Benefits Solutions for and on behalf of the Fund, in an amount of R 33 440 196 (October 2007). The full and final settlement amount is still to be determined in accordance with terms and conditions agreed between the Fund and Lekana Employee Benefits Solution.
- The fidelity cover was increased to R 400 Million effective July 2007. The retroactive dates are as follows:

R 100 million or less - 01 July 1998  
Over R 100 million up to R 200 million - 01 July 2008  
Over R 200 million up to R 300 million - 01 July 2007  
Over R 300 million up to R 400 million - 01 July 2008

- The fund appointed Teba Bank Limited as an additional service provider for housing loans with effect of 11 December 2007.

- The trustees of the fund founded the Mineworkers Charity Trust Fund with a donation of R 100, which was registered with the Master of the High Court on 11 March 2008. The principal object of the Trust is to supplement reduced monthly stipend payments by the Living Hands Trust to all beneficiaries of the Living Hands Trust whose monthly stipend payments could not

## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES (continued) For the year ended 31 December 2006

be paid in full.

• The trustees approved the application from the following employers to join the Mineworkers Provident Fund as new participating employers:

- DRD Gold SA
- Aquirius (Everest Mine)
- Mafube Colliery

• S Mbili resigned as the acting principal officer of the fund on 30 November 2007 and SM Sidu was appointed as the acting principal officer of the fund with effect from 1 December 2007.

• The following section 14 transfers to and from the fund were submitted to the Registrar of Pension Funds subsequent to the year-end of the fund:

#### Transfers to the fund

- Concor Group Provident Fund (transfer of 216 members, effective 20 July 2006)
- Bridging Provident Fund (transfer of 3717 members, effective 1 September 2007)
- Bridging Provident Fund (transfer of 25 members, effective 1 August 2006)

#### Transfers from the fund

- Chamber of Mines Retirement Fund (transfer of 1 member, effective 1 June 2006)
- Orion Money Purchase Provident Fund (transfer of 57 members, effective 1 May 2007)
- Mine Employees Pension Fund (transfer of 94 members, effective 1 January 2006)
- Randcoal Provident Fund (transfer of 9 members, effective 30 June 2004)
- Sentinel Mining Industry Retirement Fund (transfer of 187 members, effective 1 January 2006)
- Chamber of Mines Retirement Fund (transfer of 26 members, effective 24/05/2007)
- Barberton Retirement Fund (transfer of 25 members, effective 31 July 2007)
- Mine Employees Pension Fund (blanket transfer from 1 January 2008 to 31 December 2008)
- Sentinel Mining Industry Retirement Fund (blanket transfer from 1 January 2008 to 31 December 2008)
- MRR Retirement Fund (transfer of 348 members, effective 1 March 2008 & 1 April 2008)
- Chamber of Mines Retirement Fund (transfer of 3 members, effective 30 April 1999 & 30 June 2000)

## Mineworkers Provident Fund

### SCHEDULE E REPORT OF THE BOARD OF TRUSTEES (continued) For the year ended 31 December 2006

#### 9. SIGNIFICANT MATTERS

##### 9.1 Emphasis of Matters

We draw attention to the following matters:

The blanket Section 14 transfers from the Sentinel Mining Industry Retirement Fund and from the Mine Employees Pension Fund had expired and therefore ceased to be valid as per item 3.2 of PF Circular 120. The responsible retirement funds have not yet forwarded the necessary schedules in terms of item 3.2 of PF Circular 120 to the fund.

- Sentinel Mining Industry Retirement Fund, to the value of R 6 711 466 for 61 members. This has been raised as a contingent asset in note 5 of the Notes to the annual financial statements.

- Mine Employees Pension Fund, to the value of R 4 525 269 for 14 members. This has been raised as a contingent asset in notes of the Notes to the annual financial statements.

Section 14 transfer values have been received where fewer members have been transferred than were included in the Section 14 application without applying to the Financial Services Board for a revised application or performing the reconciliation as required by item 5.2 of PF Circular 120 for the following transfers:

- The Sasol Coal Provident Fund, to the value of R 738 306 for 23 members. Two members left before the transfer was received.

Section 14 transfers values were paid for fewer members than were included in the Section 14 application without applying to the Financial Services Board for a revised application or performing the reconciliation as required by item 5.2 of PF Circular 120 for the following transfers:

- MRR Retirement Fund (Provident Section), to the value of R 22 469 933 for 197 members. Eleven members left before the transfer was paid.

- MRR Retirement Fund (Provident Section), to the value of R 9 298 812 for 100 members. Twelve members left before the transfer was paid.

- MRR Retirement Fund (Provident Section), to the value of R 746 395 for 9 members. Two members left before the transfer was paid.

The Trustees entered into contractual arrangements with Old Mutual and Metropolitan for the provision of annuities to retiring members of the Fund. However, the Trustees have not approved the purchase by individual retiring members of their annuities or their selected insurer as required by rule 25(4) (a) of the rules of the Fund. Only five retiring members of the Fund exercised this option in the year under review. The Trustees are in the process of reviewing the Fund's Rules.

Death claims for beneficiaries were paid to Teba Bank for onward payment to the beneficiaries, requiring Teba Bank to be registered as a benefits administrator in terms of Section 13 of the Pension Funds Act, which they are not. The fund has since recorded the Teba Bank accounts not paid to members as assets of the fund as set out in note 4 on page 27 for R2 602 727, with the corresponding death claim accrual included in the benefits payable amount of R 692 859 158 in note 7 on page 30.

##### 9.2 Other Matters

The consolidated rules were not submitted to the South African Revenue Service within two months of the Financial Services Board approving the rules as required by rule 43(3). The effective date of the Financial Services Board's approval was 15 June 2007 and the South African Revenue Services' approval was received on 22 August 2007, shortly after the expiry of the two month period.

The fund has not applied for or received exemption in terms of section 7B(i)(b)(i) of the Pension Funds Act, for not having member representatives on the board of trustees. The Fund is in possession of a letter from the Financial Services Board (FSB) confirming that the membership representation was done in terms of the Registered rules of the Fund and because this is a Union Fund, the involvement of NUM in the election process of the member trustees is in compliance with section 7A of the Pensions Funds act. The board of trustees has since approached the FSB and is awaiting feedback.

Certificates of membership have not been provided to new members as required by rule 21(1).

Member statements have not been sent to members within a period not exceeding 12 months of becoming a member or having received the last member statement as required by rule 21(2). The Trustees in consultation with the administrator have implemented a process whereby member certificates will be issued on a monthly basis after the December 2008 updates. New members who joined the fund prior to 31 March 2008 have received benefit statements as at 31 October 2008.

**Mineworkers Provident Fund**

**SCHEDULE E  
REPORT OF THE BOARD OF TRUSTEES (continued)  
For the year ended 31 December 2006**

Minutes of in-committee meetings where service providers are not present at trustee meetings are not recorded as required by rule 12 and section 7D(a) of the Pension Funds Act. The Trustees in 2008 implemented a process whereby all meetings of the Fund are tape recorded for record-keeping purposes.

All withdrawal and retrenchment claims older than 6 months have not been transferred to deferred membership in terms of rule 30, as required by rule 29A(l) as the trustees have not set a minimum amount to effect this rule. The Trustees are in the process of revising the Fund's Rules.

**Mineworkers Provident Fund**

**SCHEDULE F  
STATEMENT OF NET ASSETS AND FUNDS  
As at 31 December 2006**

	Notes	31 December 2006 R	31 December 2005 R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	2	13,090,270,382	9,960,233,504
<b>Current assets</b>			
Accounts receivable	4	144,896,649	21,365,005
Contributions receivable	11	80,434,105	65,547,660
Cash at bank		52,228,958	62,277,241
<b>Total assets</b>		<b>13,367,830,094</b>	<b>10,109,423,410</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Members' funds</b>			
Members' individual accounts		9,654,880,852	6,916,342,970
Amounts to be allocated	17	-	87,555,966
		9,654,880,852	7,003,898,936
<b>Reserves</b>			
Reserve accounts	16	2,486,246,612	2,566,626,886
<b>Total funds and reserves</b>		<b>12,141,127,464</b>	<b>9,570,525,822</b>
<b>Non-current liabilities</b>			
Unclaimed benefits	8	127,391,029	180,936,752
<b>Current liabilities</b>			
Benefits payable	7	1,065,963,184	321,279,061
Accounts payable	9	31,432,528	33,947,600
Retirement fund taxation	10	1,915,889	2,734,175
<b>Total funds and liabilities</b>		<b>13,367,830,094</b>	<b>10,109,423,410</b>

Mineworkers Provident Fund

**SCHEDULE G**  
**STATEMENT OF CHANGES IN NET ASSETS AND FUNDS**  
 For the year ended 31 December 2006

	Notes	A		B		A+B		Total	
		Members Account	Reserve Accounts Refer note 16	Total Current Period	Total Previous Period	R	R	R	R
Contributions received and accrued	11	774,914,064	327,635,813	1,102,549,877	978,489,485				
Reinsurance proceeds		-	288,402,819	288,402,819	163,264,789				
Net investment income	12	-	2,935,810,678	2,935,810,678	2,097,406,270				
Less:			(344,978,257)	(344,978,257)	(325,320,332)				
Re-insurance premiums	13	-	(290,700,707)	(290,700,707)	(273,485,587)				
Administration expenses		-	(27,155,539)	(27,155,539)	(25,962,172)				
Retirement fund taxation	10	-	(27,122,011)	(27,122,011)	(25,872,573)				
<b>Net income before transfers and benefits</b>		774,914,064	3,206,871,053	3,981,785,117	2,913,840,212				
<b>Transfers and benefits</b>		(988,608,841)	(422,574,634)	(1,411,183,475)	(1,229,858,468)				
Transfer from other funds	5	747,923	-	747,923	6,104,012				
Transfer to other funds	6	(59,832,177)	-	(59,832,177)	-				
Benefits	7	(929,524,587)	(422,574,634)	(1,352,099,221)	(1,235,962,480)				
<b>Net income after transfers and benefits</b>		(213,694,777)	2,784,296,419	2,570,601,642	1,683,981,744				
<b>Funds and reserves</b>									
Balance at beginning of period		7,003,898,936	2,566,626,886	9,570,525,822	7,886,544,078				
Investment income allocated		2,864,676,693	(2,864,676,693)	-	-				
Current members		2,864,676,693	(2,864,676,693)	-	-				
<b>Balance at end of period</b>		<u>9,654,880,852</u>	<u>2,486,246,612</u>	<u>12,141,127,464</u>	<u>9,570,525,822</u>				

## Mineworkers Provident Fund

### SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS For the year ended 31 December 2006

#### PRINCIPAL ACCOUNTING POLICIES

The following accounting principles, which are consistent with those of the previous period, are used by the fund:

#### 1 PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The financial statements are prepared for regulatory purposes in accordance with the Regulations to the Pension Funds Act. The Regulations require that the basis of accounting applied by the pension funds comprise of general adherence to Generally Accepted Accounting Practice, as applied to retirement funds in South Africa, except for the following requirements applicable to the:

- Disclosure of cash flow information
- Disclosure of prior year adjustments
- Presentation of consolidated financial statements in which investments in subsidiaries are consolidated in accordance with the standard on consolidated and separate financial statements.

The financial statements are prepared on the historical cost basis and going concern basis, modified by the valuation of financial instruments to fair value.

#### 1.1 INVESTMENTS

Marketable securities are carried at market value. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

Non-current investments excluding marketable securities are shown at cost and adjustments are made only where, in the opinion of the board of trustees, the investment is impaired. Where an investment has been impaired, it is recognised as an expense in the period in which the impairment is identified.

#### 1.2 FINANCIAL INSTRUMENTS

##### *Measurement*

Financial instruments carried on the statement of net assets and funds include cash and bank balances, investments, receivables and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, these instruments are measured as set out below.

##### *Investments*

Held to maturity investments are measured at amortised cost using effective interest rates. Available for sale investments are measured at fair value. The fair value of marketable securities is calculated by reference to the Stock Exchange quoted selling prices at the close of business on the balance sheet date.

##### *Collective investment scheme*

Collective investment schemes are valued at the repurchase price. The value of unlisted shares is determined by the board of trustees using appropriate valuation methods.

##### *Insurance policies*

Market related insurance policies

Insurance policies linked to listed investments are valued at fair value, i.e. equivalent to market value of the underlying assets as certified by the insurers concerned.

Non-linked insurance policies

Insurance policies in guaranteed funds are valued at fair value, i.e. equivalent to the guaranteed amount as certified by the insurers concerned. Non-vested income is included in the fair value calculation to the extent that it is not expected that there will be significant variability in the value of the non-vested income.

## Mineworkers Provident Fund

### SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) For the year ended 31 December 2006

#### *Accounts receivable*

Accounts receivable originated by the fund are stated at amortised cost less provision for doubtful debts.

#### *Cash and cash equivalents*

Cash and cash equivalents are measured at fair value.

#### *Accounts payable*

Accounts payable are recognised at amortised cost, namely original debt less principal payments and amortisations.

#### *Benefits payable*

Benefits payable consist of claims notified to the fund by the employer when the annual financial statements are prepared by the fund.

### 1.3 CONTRIBUTIONS

Gross contributions are brought to account on the accrual basis except for voluntary contributions, which are recorded in the period in which they are received.

### 1.4 DIVIDEND INCOME, INSURANCE POLICY INCOME AND INTEREST

Interest is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to the fund.

Insurance policy income and dividends are recognised when the right to receive payment is established.

Income on collective investment schemes is recognised when the right to receive payment is established.

#### *Gains and losses on subsequent measurement*

Gains and losses on subsequent measurement to fair value of investments and of all other financial instruments are recognised in the net surplus or deficit during the period in which the change arises.

### 1.5 COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 1.6 TRANSFER TO AND FROM THE FUND

Section 14 transfers to or from the fund are recognised on approval being granted by the Financial Services Board. Individual transfers are recognised when the individual member's transfer is received or paid.

### 1.7 CONTINGENT LIABILITIES

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of such contingencies inherently involve the exercise of significant judgement and estimates of the outcome of future events.

Litigation and other judicial proceedings as a rule raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case. Upon resolution of any pending legal matter, the fund may be forced to incur charges in excess of insurance coverage. It is possible but not probable that the financial position and statement of changes in net assets and funds of the fund could be materially affected by the unfavourable outcome of litigation.



Mineworkers Provident Fund

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2006

2. INVESTMENTS

2.1 Investment Summary

Notes	A		B		A+B		Fair value current period	Categorised per IAS 39
	Local	R	Foreign	R	Total Current period	Total previous period		
Cash and deposits	545,738,820		-		545,738,820	272,940,974	545,738,820	At fair value through statement of changes in net assets and funds
Debentures	441,150		-		441,150	-	441,150	At fair value through statement of changes in net assets and funds
Bills, bonds and securities	626,057,448		-		626,057,448	683,188,885	626,057,448	At fair value through statement of changes in net assets and funds
Equities	2,930,933,998		-		2,930,933,998	3,019,187,113	2,930,933,998	At fair value through statement of changes in net assets and funds
- Equities with primary listing on JSE	2,387,443,951		-		2,387,443,951	2,147,640,184	2,387,443,951	At fair value through statement of changes in net assets and funds
- Equities with secondary listing on JSE	543,490,047		-		543,490,047	669,908,963	543,490,047	At fair value through statement of changes in net assets and funds
- Foreign listed equity	-		-		-	201,637,966	-	At fair value through statement of changes in net assets and funds
Preference shares	9,964,419		-		9,964,419	-	9,964,419	At fair value through statement of changes in net assets and funds
Insurance policies	4,861,686,735		724,488,805		5,586,175,540	4,286,257,568	5,586,175,540	At fair value through statement of changes in net assets and funds
- Non-linked insurance policies	4,861,686,735		724,488,805		5,586,175,540	4,286,257,568	5,586,175,540	At fair value through statement of changes in net assets and funds
Collective investment scheme	1,853,067,296		1,051,186,767		2,904,254,063	1,550,526,269	2,904,254,063	At fair value through statement of changes in net assets and funds
Derivative market investments	5,242,714		-		5,242,714	444,512	5,242,714	At fair value through statement of changes in net assets and funds
Investment in participating employer(s)	481,462,230		-		481,462,230	147,688,183	481,462,230	At fair value through statement of changes in net assets and funds
	<u>11,314,594,810</u>		<u>1,775,675,572</u>		<u>13,090,270,382</u>	<u>9,960,233,504</u>	<u>13,090,270,382</u>	

Included in non-linked insurance policies are non-vested bonuses amounting to R2 235 118 402 (2005 R 1 505 974 959)

Mineworkers Provident Fund

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2006

2.2 Investment in participating employer/s

	At beginning of	Additions	Repaid/Disposals	Interest	Other adjustments	At end of year
	year	R	R	capitalised	R	R
Other						
Anglo American Platinum Limited	-	-	15,584,882	-	-	15,584,882
Anglo American Plc	56,138,563	62,092,753	(129,201,983)	-	196,432,821	185,462,154
Gold Fields Limited	53,044,292	19,109,581	(13,342,324)	-	7,986,791	66,798,340
BHP Billiton Plc	11,003,010	92,136,889	(28,390,348)	-	72,511,478	147,261,029
Northam Platinum Limited	-	7,351,685	-	-	1,598,420	8,950,105
AngloGold Ashanti Limited	27,502,318	43,737,247	(12,834,954)	-	(998,891)	57,405,720
	<u>147,688,183</u>	<u>224,428,155</u>	<u>(168,184,727)</u>	<u>-</u>	<u>277,530,619</u>	<u>481,462,230</u>

Mineworkers Provident Fund

SCHEDULE HA  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 For the year ended 31 December 2006

3. HOUSING LOANS GRANTED IN TERMS OF THE RULES OF THE FUND AND SECTION 19(5) OF THE PENSION FUNDS ACT, 1956

Housing loan guarantees

The fund has granted guarantees to Standard Bank of South Africa Limited for loans granted to members. A guarantee facility amounting to R 300 000 000 is renewable on 29 February 2008. The amount of the guarantee may not exceed 60% of an amount equal to the member's withdrawal benefit on the date the loan application is made. At the end of 31 December 2006, the balance of the housing loans issued by the bank was R 286 086 128. The fund has also granted guarantees to Nedbank Limited for loans granted to members. At the end of 31 December 2006, the balance of housing loans issued by the bank were R 87 431.

4. ACCOUNTS RECEIVABLE

	2006 R	2005 R
Re-insurance proceeds	141,775,634	21,259,082
Interest accrued on current account	518,288	-
Administration fees	-	99,858
Interest on late payment of contributions	-	6,065
Teba Bank refunds	2,602,727	-
	<u>144,896,649</u>	<u>21,365,005</u>

Mineworkers Provident Fund

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2006

5. TRANSFERS FROM OTHER FUNDS

	Effective date	No. of members	A Applied for not yet approved (contingent)		B Transfers approved		C Return on Transfers		D Assets transferred		A+B+C-D At end of year	
			R	R	R	R	R	R	R	R	R	R
In terms of section 14												
Sasol Coal Provident Fund Individual Transfers	30/04/2005	23	-	-	683,355	54,951	(738,306)	-	-	-	-	-
Prospective approvals in terms of section 14		1	-	-	9,067	550	(9,617)	-	-	-	-	-
Concor Group Provident Fund	20/07/2006	216	1,207,448	-	-	-	-	-	-	-	-	-
Sentinel Mining Industry Retirement Fund	01/01/2006	61	6,711,466	-	-	-	-	-	-	-	-	-
Mine Employees Pension Fund	01/01/2006	14	4,525,269	-	-	-	-	-	-	-	-	-
Total		<u>315</u>	<u>12,444,183</u>	-	<u>692,422</u>	<u>55,501</u>	<u>(747,923)</u>	-	-	-	-	-
Transfers approved (B)												692,422
Return on transfers (C)												55,501
Statement of changes in net assets and funds												<u>747,923</u>

The section 14 transfer from Mine Employees Pension Fund effective 1 January 2006, relates to a blanket transfer in terms of PF120 issued by Financial Services Board. The blanket transfer was approved by the Registrar of Pension Funds on 13 December 2006. Subsequent to the current reporting period, the fund received transfer values for 14 members to the value of R4 525 269.

The section 14 transfer from Sentinel Mining Industry Retirement Fund effective 1 January 2006, relates to a blanket transfer in terms of PF120 issued by Financial Services Board. The blanket transfer was approved by the Registrar of Pension Funds on 13 December 2006. Subsequent to the current reporting period, the fund received transfer values for 61 members to the value of R6 711 466.

Mineworkers Provident Fund

SCHEDULE HA  
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
 For the year ended 31 December 2006

6. TRANSFERS TO OTHER FUNDS

	Effective date	No. of members	Applied for not yet approved (contingent)	A		B		C		D		A+B+C-D	
				At beginning of the year	R	Transfers approved	R	Return on Transfers	R	Assets transferred	R	At end of year	R
In terms of section 14													
MRR Retirement Fund (Provident Section)	01/02/2004	197	-	-	22,469,833	16,700,319	(39,170,152)	-	-	-	-	-	-
Metorex Provident Fund	01/11/2004	1	-	-	11,896	3,963	(15,859)	-	-	-	-	-	-
Sentinel Mining Industry Retirement fund	28/04/2004	30	-	-	3,167,294	120,341	(3,287,635)	-	-	-	-	-	-
MRR Retirement Fund (Provident Section)	01/02/2004	100	-	-	9,298,812	5,380,769	(14,679,581)	-	-	-	-	-	-
MRR Retirement Fund (Provident Section)	01/02/2004	9	-	-	1,746,395	932,555	(2,678,950)	-	-	-	-	-	-
Prospective approvals in terms of section 14													
Chamber Of Mines Retirement Fund	28/04/2004	51	2,307,299	-	-	-	-	-	-	-	-	-	-
Chamber Of Mines Retirement Fund	01/07/2006	1	1,035,574	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>389</b>	<b>3,342,873</b>	<b>-</b>	<b>36,694,230</b>	<b>23,137,947</b>	<b>(59,832,177)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers approved (B)												36,694,230	
Return on transfers (C)												23,137,947	
Statement of changes in net assets and funds												<u>59,832,177</u>	

Mineworkers Provident Fund

SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2006

7. BENEFITS

7.1 Benefits - current members

	A	B	C	D	E	A+B+C-D-E
	At beginning of	Benefits for current	Return allocated	Payments	Transferred to	At end of year
	year	period			unclaimed benefits	
	R	R	R	R	R	R
Lump sums on retirement						
- Full benefit	16,304,558	87,724,919	15,633,431	(105,294,531)	(505,270)	13,863,107
Lump sums before retirement						
- Disability benefits	13,711,242	220,148,138	32,748,441	(196,499,695)	(4,838,132)	65,269,994
- Death benefits	243,542,928	612,945,096	122,576,766	(217,120,197)	(69,085,435)	692,859,158
- Withdrawal benefits	36,326,849	111,610,036	91,324,324	81,634,398	(56,476,942)	264,418,665
- Retrenchment benefits	11,393,484	46,954,015	10,434,055	(37,577,293)	(1,652,001)	29,552,260
Other						
- Transfer from unclaimed benefits to advised benefits.	-	-	-	(170,726,786)	170,726,786	-
	<u>321,279,061</u>	<u>1,079,382,204</u>	<u>272,717,017</u>	<u>(645,584,104)</u>	<u>38,169,006</u>	<u>1,065,963,184</u>
Benefits for current year (B)						1,079,382,204
Return allocated (C)						<u>272,717,017</u>
Statement of changes in net assets and funds						<u><u>1,352,099,221</u></u>

**Mineworkers Provident Fund**

**SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2006**

**8. UNCLAIMED BENEFITS**

	2006 R	2005 R
At beginning of the year	180,936,752	243,447,972
Transferred from benefits payable	(38,169,006)	-
Investment income allocated	16,718,913	-
Less:		
- Payments	(10,209,964)	(62,511,220)
- Benefits reversal prior year	(21,885,666)	-
Balance at the end of the year	<u>127,391,029</u>	<u>180,936,752</u>

**9. ACCOUNTS PAYABLE**

	2006 R	2005 R
Re-insurance premiums	22,002,786	25,327,782
South African Revenue Service - PAYE	3,840,802	5,561,818
Housing loan administration fees	125,823	78,991
Disability premiums	-	487,445
Audit fees	1,028,965	148,200
Administration fees	1,849,102	1,764,863
Regional Services Council levies	1,583	290,033
Principal officer expenses	34,829	18,820
Staff expenses	35,667	16,667
Actuarial fees	1,032,362	252,981
Trustee's expenses	3,608	-
Telephone expenses	1,829	-
Legal expenses	94,217	-
Printing and stationery	12,825	-
Financial Services Board levies	1,368,130	-
	<u>31,432,528</u>	<u>33,947,600</u>

**10. RETIREMENT FUND TAXATION**

	2006 R	2005 R
Taxable income	<u>265,351,847</u>	<u>143,736,517</u>
Retirement fund taxation at the rate of 9% (2005 - 18%)	<u>27,122,011</u>	<u>25,872,573</u>
Retirement fund taxation for the year (as per statement of changes in net assets and funds)	<u>27,122,011</u>	<u>25,872,573</u>
Reconciliation of retirement fund tax (receivable) / payable:		
At beginning of year	2,734,175	10,909,321
Retirement fund taxation	27,122,011	25,872,573
Retirement fund taxation paid	(27,940,297)	(34,047,719)
At end of year	<u>1,915,889</u>	<u>2,734,175</u>

Mineworkers Provident Fund

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
 For the year ended 31 December 2006

**11. CONTRIBUTIONS**

	A At beginning of the year	B Towards retirement	C Towards re- insurance and expenses	D Contributions received	A+B+C-D At end of the year
	R	R	R	R	R
Member contributions - received and accrued	20,145,547	323,219,177	-	(319,560,620)	23,804,104
Employer contributions - received and accrued	44,769,648	440,624,637	327,635,813	(757,219,170)	55,810,928
Additional voluntary contributions - members	632,465	11,070,250	-	(10,883,642)	819,073
	<u>65,547,660</u>	<u>774,914,064</u>	<u>327,635,813</u>	<u>1,087,663,432</u>	<u>80,434,105</u>
Towards retirement					774,914,064
Towards reinsurance and expenses					327,635,813
Statement of changes in net assets and funds					<u>1,102,549,877</u>

**12. NET INVESTMENT INCOME**

	2006 R	2005 R
Income from investments	1,554,967,380	883,495,796
• Dividends	94,721,819	95,614,182
• Interest	96,864,479	51,090,888
• Collective investment schemes distribution	57,518,773	-
• Income from insurance policies	1,305,862,309	736,790,726
Interest on late payment of contributions	30,606	35,952
Adjustment to fair value	1,402,203,245	1,227,608,952
	<u>2,957,201,231</u>	<u>2,111,140,700</u>
Less: Expenses incurred in managing investments	(21,390,553)	(13,734,430)
	<u>2,935,810,678</u>	<u>2,097,406,270</u>



Mineworkers Provident Fund

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2006**

**13. ADMINISTRATION EXPENSES**

	2006 R	2005 R
Actuarial fees	857,853	542,143
Administration fees	20,052,692	19,347,245
Audit fees	1,287,527	172,807
- Audit fees - Audit services	1,023,265	172,807
- Audit fees - Other	264,262	-
Consultancy fees	190,545	15,796
Fidelity Insurance	9,300	8,000
Levies	1,381,889	2,368,796
Other expenses	2,403,729	2,662,380
Teba Saving Fund fees	315,764	1,501,880
Bank charges	96,856	120,704
Advertising and communication expenses	72,621	344,487
Printing and stationery	651,077	308,400
Legal fees	334,484	156,059
Investment consultancy fees	346,560	228,000
Regional council levies	586,367	2,850
Office expenses	(55,039)	36,494
Principal officer expenses	13.3 564,042	564,128
Staff expenses	13.2 224,833	100,000
Trustees' expenses	13.1 238,168	144,383
	<u>27,155,539</u>	<u>25,962,172</u>

**13.1 Trustees' expenses**

	2006 R	2005 R
Meeting allowances	65,053	36,188
Training and development	31,500	59,215
Travelling and accommodation	141,615	48,980
	<u>238,168</u>	<u>144,383</u>

**13.2 Staff expenses**

	2006 R	2005 R
Staff expenses- Remuneration	224,833	100,000
	<u>224,833</u>	<u>100,000</u>

**13.3 Principal officer expenses**

	2006 R	2005 R
Principal officer expenses - Remuneration	464,433	425,814
Principal officer expenses - Allowances	21,812	21,888
Principal officer expenses - Contributions to RF	7,474	7,236
Principal officer expenses - Other payments	70,323	109,190
	<u>564,042</u>	<u>564,128</u>

**SCHEDULE HA**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 December 2006**

**14. RISK MANAGEMENT POLICIES**

**Solvency risk**

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

**Credit risk**

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

The Board monitors receivable balances on an ongoing basis with the result that the fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

**Legal risk**

Legal risk is the risk that the fund will be exposed to contractual obligations which have not been provided for.

Legal representatives of the fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

**Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

The board of trustees monitors cash flows by using monthly cash flow projections.

**Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates.

The board of trustees monitors this aspect of the fund's investments and limits it to 15% of total assets.

**Liquidity risk**

Liquidity risk is the risk that the fund will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The fund's liabilities are backed by appropriate assets and it has significant liquid resources.

**Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates.

Members' fund credits are credited and debited with positive or negative returns respectively.

**Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

**Mineworkers Provident Fund**

**SCHEDULE HA  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)  
For the year ended 31 December 2006**

**15. RELATED PARTIES**

The current acting principal officer of the fund, Siphon Sidu and the previous acting principal officer of the fund, Sandile Mbili, were both employees of the benefit administrator of the fund, Lekana Employee Benefit Solutions (Pty) Ltd. With effect from 1 May 2008, the current acting principal officer became an employee of Momentum (Pty) Ltd. The administration fees paid by the fund to the benefit administrator during the period amounted to R 20,052,692 (2005: R 19,347,245). (Refer to note 13 of the notes to the annual financial statements).

The principal officer of the fund, Frans Mahlangu, (subsequently dismissed in 2007) was a director of Community Growth Management Company Limited, which was an investment administrator of the Fund. This was disclosed to the Fund at the time of the Fund's investment in these Funds. The Community Growth Management Company Limited has since been acquired by Old Mutual Asset Management Ltd. At the end of the period, the fund had invested R 1,161,417,868 in the Community Growth Equity Fund and R 686,197,803 in the Community Growth Gilt Fund. These investments represented 14% of the fund's total investments. The fund earned R 337 089 401 gross investment income in total on these two investment portfolios during the period.

The following transactions between the participating employer and the fund occurred during the period

- The participating employers made contributions to the fund for members' retirement and towards the fund's re-insurance and expenses to the value of R 774,914,064 and R 327,635,813 respectively. (Refer note 11 of the notes to the annual financial statements)
- The fund holds investments in the participating employers to the value of R481,462,230. (Refer note 2.2 of the notes to the annual financial statements)

Teba Limited is an affiliated organisation to the fund and has an agreement with the fund. The value of benefits paid to them amounted to R 225 424 015 and fees were paid to them of R 315 764.

**16. SURPLUS AND RESERVES**

	Reserve Accounts	Investment reserve	Risk reserve
	R	R	R
At beginning of year	2,566,626,886	2,126,907,388	439,719,498
Contributions received and accrued	327,635,813	-	327,635,813
Reinsurance proceeds	288,402,819	-	288,402,819
Net investment income	2,935,810,678	2,935,810,678	-
Less:	(344,978,257)	(54,277,550)	(290,700,707)
- Reinsurance premiums	(290,700,707)	-	(290,700,707)
- Administration expenses	(27,155,539)	(27,155,539)	-
- Retirement fund taxation	(27,122,011)	(27,122,011)	-
<b>Net income before transfers and benefits</b>	<b>5,773,497,939</b>	<b>5,008,440,516</b>	<b>765,057,423</b>
<b>Transfers and benefits</b>	<b>(422,574,634)</b>	<b>-</b>	<b>(422,574,634)</b>
Benefits	(422,574,634)	-	(422,574,634)
<b>Net income after transfers and benefits</b>	<b>5,350,923,305</b>	<b>5,008,440,516</b>	<b>342,482,789</b>
Transfer between reserve accounts	-	(179,572,025)	179,572,025
Net investment return	(2,864,676,693)	(2,864,676,693)	-
At end of year	<u>2,486,246,612</u>	<u>1,964,191,798</u>	<u>522,054,814</u>

**17 AMOUNTS TO BE ALLOCATED**

	2006 R	2005 R
Investment return to be allocated	-	87,555,966
Total amounts to be allocated	<u>-</u>	<u>87,555,966</u>

## **Mineworkers Provident Fund**

### **SCHEDULE HA NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued) For the year ended 31 December 2006**

#### **18 CONTINGENT LIABILITIES**

Over the period 1989 to 2006 the Fund settled death benefits due to selected dependants of deceased members of the Fund with The Living Hands Umbrella Trust (previously Mantadia), as it was permitted to do in terms of Section 37C(2) of the Pension Fund Act. The administrator of the Living Hands Umbrella Trust (previously Mantadia ) was taken over by Fidentia Holdings in October 2004, and in January 2007, was placed under curatorship, along with the rest of the Fidentia Group. The Living Hands Umbrella Trust has since been unable to meet all of its obligations to its beneficiaries.

Corporate failures of this nature as a rule raise difficult and complex legal issues and are subject to uncertainties and complexities including, but not limited to, the facts and circumstances of each individual case. Having taken appropriate legal advice, the Trustees believe that the likelihood of a material liability for the Fund to individual beneficiaries of The Living Hands Trust, is unlikely.

It is possible, but not probable, that the Fund could be held liable for losses suffered by individual dependants of former members, arising from the failure of The Living Hands Umbrella Trust . The complexities of such a claim, should it arise, are such that the Trustees consider it impossible to estimate the financial effect, if any, on the Fund. An incident has been reported by the Trustees in the normal course, against the Fund's fidelity cover, which, at the time of the incident was R10 000 000.

The Fund resolved to make no further payments to the Living Hands Umbrella Trust from November 2005. To the extent that payments were made contrary to the Trustees' instructions, the Fund may have a right of recovery against the responsible parties for any losses sustained by the Fund.

No litigation has been notified to , or is pending against the fund, other than the CCMA matter with the dismissed principal officer ( Frans Bafana Mahlangu).

**MINEWORKERS PROVIDENT FUND**  
Registration number: 12/8/23053

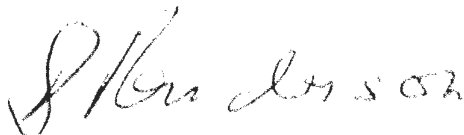
**SCHEDULE HB**  
**Report of the Valuator**  
For the period ended 31 December 2006

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Effective date of the actuarial valuation: 31 December 2003

**Particulars of financial condition of the Fund**

1. The net assets available for benefits were R 6 766 492 000.
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 R 6 766 492 000.
3. The actuarial value of liabilities in respect of active members was R 6 234 832 000.
4. A solvency/investment reserve is maintained by the Fund for the purpose of smoothing investment returns credited to members. At 31 December 2003 this amounted to R 560 571 000.
5. The Fund is a defined contribution fund. As such, the liability in respect of active members is equal to the members fund credits (i.e. contributions and prior amounts increased by investment returns). The Fund maintains a self-insurance reserve of R 569 465 000 at 31 December 2003.
6. Assets are taken into account at market value for the purpose of comparison with the liabilities of the Fund. Member liabilities are equal to member's fund credits.
7. I am able to certify that in my opinion the Mineworkers Provident Fund was in a sound financial condition as at 31 December 2003.



D Henderson

Valuator

Fellow of the Institute of Actuaries

In my capacity as the valuator of the fund and  
as an employee of Alexander Forbes Investment  
Services (a division of Alexander Forbes Group  
(Proprietary) Limited

Johnstoneburg

13 February 2009

**Mineworkers Provident Fund**

**SCHEDULE I  
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN TERMS OF SECTION 15  
OF THE PENSION FUNDS ACT, 1956 ON FACTUAL FINDINGS**

**Scope**

We have performed the procedures agreed with you and enumerated below with respect to the accounting records of Mineworkers Provident Fund for the year ended 31 December 2006 as required by you in terms of section 15 of the Pension Funds Act of South Africa, (the Act). Our engagement was undertaken in accordance with the International Standard on Related Services (4400) Engagements to perform agreed-upon procedures regarding financial information. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed is that of the Registrar of Pension Funds.

**Procedures and Findings**

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

	<b>Procedures</b>	<b>Findings</b>
<b>1</b>	We selected 10 participating employers or pay points and for the following three months: March 2006, July 2006 and, December 2006, performed the following procedures:	
<b>1.1</b>	We agreed, in total, the data received by the administrator to the cash received by the fund.	We found that the data received by the administrator agreed to the cash received by the fund.
<b>1.2</b>	We inspected the bank statements or mutual building society records, as appropriate, for the date on which the cash was received to determine whether the contributions were deposited with a registered bank or mutual building society in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	We found that contributions were deposited with a registered bank or mutual building society in accordance with section 13A of the Act and that late payment interest had been raised in terms of regulation 33 where applicable
<b>1.3</b>	We inspected the accounting records of the fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.	We found that amounts disclosed as arrear contributions at year-end have been paid to the fund in accordance with the requirements of section 13A of the Act.
<b>2</b>	We inspected the list of investments held by the fund for any investments prohibited in terms of section 19 (4) of the Act.	We found that the fund held investments in the participating employers to the value of R481 462 230 as at 31 December 2006. This represents 3.68% of the total investments of the fund as at 31 December 2006 and the fund therefore did not hold any investments prohibited in terms of section 19(4) of the Act.
<b>2.1</b>	Where investments held in the participating employer exceeded 5%, we inspected the appropriate Registrar of Pension Funds approval.	Not applicable. We found that the investments in the participating employers amounted to 3.68% of the total investments of the fund and the limit of 5% was therefore not exceeded and no Financial Services Board approval is required.
<b>2.2</b>	We obtained written confirmations of investment balances from the investment managers and agreed details of the confirmations received to the investment balances reflected in the general ledger.	We found that the investment balances agreed to the details in the confirmations received from the investment managers.
<b>3</b>	We obtained the list of housing loans granted to members by the fund in terms of section 19(5) of the Act by the fund as at 31 December 2006.	Not applicable. We found that the fund did not grant housing loans to members as at 31 December 2006.

**SCHEDULE I**

**REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN TERMS OF SECTION 15 OF THE PENSION FUNDS ACT, 1956 ON FACTUAL FINDINGS (continued)  
as at 31 December 2006**

	<b>Procedures</b>	<b>Findings</b>
3.1	We agreed the loans on the above list to the corresponding account in the general ledger.	Not applicable. We found that the fund did not grant housing loans to members as at 31 December 2006.
3.2	From the above list, we selected 25 housing loans. We determined whether the selected housing loans were granted in terms of the requirements of section 19(5) of the Act, in terms of the security provided and the interest rates applied to the loans.	Not applicable. We found that the fund did not grant housing loans to members as at 31 December 2006.
3.3	We compared the total for guarantees issued on behalf of the members to the total of member individual fund credits, to determine whether the total guarantees issued exceeded the total or member individual fund credits.	We found that the total guarantees issued did not exceed the total of the member individual fund credits.
4	We obtained a list of other loans as at 31 December 2006 and determined whether these loans were granted in terms of the requirements of section 19(5) B.	Not applicable. We found that the fund did not grant other loans as at 31 December 2006.
5	We obtained a written confirmation from the fund's insurer that fidelity insurance cover was in place for the financial year ended 31 December 2006.	We found that the confirmation indicated that fidelity insurance cover was in place for the financial period ending 31 December 2006.
6	We obtained the list of section 14 transfers to and from the fund for the year ending 31 December 2006 and performed the following procedures:	
6.1	We agreed the section 14 transfers to and from the fund to the approved section 14 documentation received from the Registrar of Pension Funds in respect of each transfer.	We found that the section 14 transfers from the fund did not agree to the approved section 14 documentation received from the Financial Services Board in respect of each transfer. The following exceptions were noted:- The transfer from the Sasol Coal Provident Fund was approved for 23 members with a value of R746 645. Only 21 members transferred to the value of R683 353. No reconciliation of these adjustments was performed.- The transfer to the MRR Retirement Fund (Provident Section) was approved for 197 members to the value of R22 469 934. Only 186 members transferred to the value of R21 554 367. No reconciliation of these adjustments was performed.- The transfer to the MRR Retirement Fund (Provident Section) was approved for 100 members to the value of R9 298 812. Only 88 members transferred to the value of R8 326 759. No reconciliation of these adjustments was performed.- The transfer to the MRR Retirement Fund (Provident Section) was approved for 9 members to the value of R1 746 395. Only 7 members transferred to the value of R1 498 573. No reconciliation of these adjustments was performed.
6.2	We agreed the above list of section 14 transfers to the corresponding account in the general ledger.	We found that the list of section 14 transfers agreed to the corresponding account in the general ledger.
7	We obtained a list of accumulated member credits as reflected on the administrator's member register as at 31 December 2006	
7.1	We agreed the closing balance on the list to the corresponding account in the general ledger.	We found that, the closing balance agreed to the corresponding account in the financial statements.
7.2	We selected a sample of the lesser of 25 or 30% of the members from the list and performed the following procedures for each member:	

**SCHEDULE I**

**REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN TERMS OF SECTION 15 OF THE PENSION FUNDS ACT, 1956 ON FACTUAL FINDINGS (continued)  
as at 31 December 2006**

	<b>Procedures</b>	<b>Findings</b>
7.2.1	We agreed the member and employer contributions received for the selected members per the administrator's system to information supplied by the participating employer for a sample of 3 months.	We found the member and employer contributions received for the selected member per the administrator's system agreed to information supplied by the participating employers for the 3 months selected.
7.2.2	We agreed the return allocated to the member's fund credit on the administrator's records to the return approved in accordance with a trustee resolution or the rules of the fund.	We found that the return allocated to the member's fund credit on the administrator's records agreed to the return approved in accordance with the trustee resolution or the rules of the fund. We did find however, that the effective dates on which the returns were allocated to member's fund credit on the administrator's system did not agree to the effective dates as per the trustee resolution. The following exceptions were noted during the current reporting period:- Interim rate of return of 11.30% per annum, effective from 1 March 2006 as per trustee resolution, was only allocated on the administrator's records on 31 August 2006.- Interim rate of return of 11.00% per annum, effective from 1 December 2006 as per trustee resolution, was only allocated on the administrator's records on 7 December 2006.
7.3	If the member was entitled to an allocation of the fund surplus, we agreed the surplus added to the members records to the surplus allocated in terms of the Registrar of Pension Funds approved surplus apportionment scheme.	Not applicable. We found that the fund submitted a nil surplus scheme to the Registrar of Pension Funds on 29 December 2005. The Registrar of Pension Funds recorded the nil surplus scheme submission on 17 February 2006.
8	We inspected the most recent statutory valuation report dated 31 December 2003 on the valuator's findings relating to the funding levels of the fund and performed the following procedures.	
8.1	We determined whether, in accordance with the valuation report, the fund was under funded.	We found that, in accordance with the valuation report, the fund was not under funded.
8.2	Where a fund was under funded, we agreed that a scheme, as required in terms of Section 18 of the Act, has been proposed and is being implemented, to remedy the shortfall.	Not Applicable
9	We obtained the analysis of the movements in the fund's reserve accounts from the annual financial statements and performed the following procedures:	
9.1	We agreed the opening balance to the prior year financial statements. (In the funds first year of operation we obtained a signed representation letter relating to the opening balances from the administrator).annual financial statements.	We found that opening balance agreed to the prior year financial statements.
9.2	We inspected the rules of the fund to determine whether the nature of the movements in the fund's reserve accounts were in terms of the rules of the fund.	We found that the nature of the movements in fund's reserve accounts were in terms of the rules of the fund.
10	We obtained a list of lump sum benefits reflected as expenses in the fund's Statement of Changes in Net Assets and Funds (deaths, retirement, withdrawals and retrenchments) and performed the following procedures:	
10.1	We agreed the list to the respective general ledger benefits expense accounts.	We found that the list did not agree to the respective general ledger benefit expense accounts. The following unexplained reconciling amounts were noted:- Death benefits – R25 712- Disability benefits – R3 797 749- Retrenchment benefits – R7 954 524- Retirement benefits – R4 984 383- Withdrawal benefits – R5 796 296



Mineworkers Provident Fund

**SCHEDULE I**  
**REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN TERMS OF SECTION 15**  
**OF THE PENSION FUNDS ACT, 1956 ON FACTUAL FINDINGS (continued)**  
as at 31 December 2006

	Procedures	Findings
10.2	From the above list we selected the lesser of 10 benefits or 5% of the number of benefits listed and performed the following procedures:	
10.2.1	We agreed the claim to the applicable, authorised supporting documentation.	We found that the claims agreed to the authorised supporting documentation, except for the following:- Member, WK Moja, for whom we could not obtain a withdrawal claim form- Member, JP Maduma, for whom we could not obtain a withdrawal claim form- Member, TS Mthembu, where the withdrawal claim form was not signed by the member- Member, CN Skafungana, for whom we could not obtain a withdrawal claim form .We found that where a portion of the death benefit had been re-insured by the fund, the recovery from the insurer had been received by the fund.
10.2.2	For death benefits, where a portion of the benefit had been reinsured by the fund, we determined whether the recovery from the insurer had been received by the fund.	We found that where a portion of the death benefit had been reinsured by the fund, the recovery from the insurer had received by the fund.
10.2.3	We agreed the opening fund credit for the member to the opening fund credit report and determined whether contributions were added every month until the date of exit. [either by R amount or in case of unitised funds, by units] We agreed the balance paid out to member to the fund credit report or administration system as at the date of exit.	We found that the opening fund credit for the member agreed to the opening fund credit report and the contributions were added every month until the date of exit. We found that the balance paid out to member agreed to the fund credit report or administration system as at date of exit.
10.2.4	We inspected documentation authorising the payouts made by the fund.	We found that the payouts made by the fund agreed to authorising documentation, except for the following:- Member, JS Mahlangu , for whom we could not obtain an application form to open a trust account for minor children- Member, JG Dzanibe , for whom we could not obtain an application form to open a trust account for minor children- Member, CM Gina , for whom we could not obtain an application form to open a trust account for minor children- Member, M Khama , for whom we could not obtain an application form to open a trust account for minor children- Member, NMJ Ngwenya , for whom we could not obtain an application form to open a trust account for minor children- Member, R Sokemane , for whom we could not obtain an application form to open a trust account for minor children
11	Where the fund has reinsured its pensioners with an insurer, we obtained a written confirmation of the pensions paid from the insurer and agreed this to the fund's general ledger pension expense accounts.	Not Applicable

As the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the procedures performed.



**Mineworkers Provident Fund**

**SCHEDULE IA  
REPORT OF THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN TERMS OF SECTION 15  
OF THE PENSION FUNDS ACT, 1956 ON FACTUAL FINDINGS (continued)  
as at 31 December 2006**

Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

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

*Ernst & Young Inc.*  
Ernst & Young Inc.  
Registered Auditor  
Johannesburg

27 February 2009  
Date

Mineworkers Provident Fund  
 SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS  
 For the year ended 31 December 2006

INVESTMENTS

Notes	Direct Investments	Non-linked insurance policies		Collective investment schemes		Total		Local		Foreign		Total percentage of foreign exposure
		R	R	R	R	R	R	R	R	R	R	
Cash and deposits	597,967,778	1,226,523,452	138,434,603	1,962,925,833	1,878,469,976	84,455,857						0.643 %
Loans	-	45,280,550	-	45,280,550	45,280,550	-						- %
Debentures	441,150	-	-	441,150	441,150	-						- %
Bills, bonds and securities	626,057,448	887,295,278	876,018,790	2,389,371,516	1,948,745,315	440,626,201						3.353 %
Properties	-	312,893,690	5,451,625	318,345,315	318,345,315	-						- %
Equities												- %
- Equities with primary listing on JSE	2,868,906,181	1,518,679,131	863,049,618	5,250,634,930	5,250,634,930	-						- %
- Equities with secondary listing on JSE	543,490,047	825,734,080	283,037,534	1,652,261,661	1,652,261,661	-						- %
- Foreign listed equities	-	36,631,456	738,261,893	774,893,349	-	774,893,349						5.896 %
- Unlisted equities	-	576,945,443	-	576,945,443	101,245,278	475,700,165						3.620 %
Preference shares	9,964,419	-	-	9,964,419	9,964,419	-						- %
Derivative market investments	5,242,714	-	-	5,242,714	5,242,714	-						- %
Other portfolio assets	-	156,192,460	-	156,192,460	156,192,460	-						- %
<b>Total investments</b>	<b>4,652,069,737</b>	<b>5,586,175,540</b>	<b>2,904,254,063</b>	<b>13,142,499,340</b>	<b>11,366,823,768</b>	<b>1,775,675,572</b>						<b>13.511 %</b>

**Mineworkers Provident Fund**  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
For the year ended 31 December 2006

**A DIRECT CASH AND DEPOSITS**

	Fair value R
First National Bank	52,228,958
Coronation Asset Management (Pty) Ltd :Nett Settlements Zar	5,281,387
RMB Asset Management (Pty)Ltd :Investment Dr/Cr Zar	22,138,096
Allan Gray Ltd (Orbis Investement Management):Nedbank Investment account	221,973
Frater Asset Management(Pty) Ltd:Nedcor Investment Bank Call	550,000
Frater Asset Management (Pty) Ltd:Absa Call	600,000
Coronation Asset Management (Pty) Ltd:Safex Intial Margin-Nedbank	1,475,930
Coronation Asset Management (Pty) Ltd: Active Cash	400,000
Frater Asset Management (Pty) Ltd:ABSN10/ ABSABK NCD 020307 8.00%	25,689,308
Frater Asset Management (Pty) Ltd :AM92/AM1FDP020107 8.90%	11,008,045
Fraters Asset Management (Pty) Ltd:INLNCI /INL NCD 070207 8.75%	5,571,880
Frater Asset Management (Pty) Ltd:INLNC2 INL NCD 120407 9.00%	5,572,777
Frater Asset Management (Pty) Ltd :STDNC1 STDBK NCD 070807 8.80%	5,168,357
Frater Asset Management (Pty) Ltd :STDNC4 STDBK NCD 131107 9.70%	29,135,086
Frater Asset Management (Pty) Ltd :Nett Settlements Zar	6,337,329
IND 746 INDWA CPM 13/11/07	3,689,556
LBHAFN LAND MPN 15/01/07	996,467
MNHE9W MTN CLN MAT09/05/07 J+25	20,104,712
FRN 12/08/10N2A005	17,209,934
PRM1A3 FRN 12/08/10	15,068,823
SYN154 SYNCPCM 22/02/07	19,750,148
SYN157 SYNCPCM 28/02/07	6,901,606
SYN166 SYNCPCM 20/03/07	19,612,411
TFS03 TOY CPM 29/01/07	7,945,394
THE6A1 FRN 21/11/11	20,197,942
ABLCCGN ABS FRN 16/03/11	4,014,849
AEHCUX AECI CLN MAT 30/03/07	15,011,620
BLG2A1 FRN 21/06/10	10,028,628
BLG3A FRN 30/10/11	30,390,744
BTH BR BTM CPM 27/02/07	17,751,398
BTH CMW BTM CPM 22/03/07	14,701,939
CAROA7 EDCON FRN	4,004,223
DCF3 FRN 11/06/08	20,109,598
DEHFTW DBAG FRN J+20 29/06/07	5,003,863
FRIFRW FRS 27/06/08 J+20	30,030,909
FRIFRX FRS 27/06/08 J+20	10,010,303
FRILIW FSR 19/12/08 J+25	15,050,550
IND711 INDWA CPM 13/03/07	2,948,162
IND732 INDWA CPM 07/08/07	9,506,737
ABB115 ABACUS CPM 26/03/07	3,916,706
ABHAP ABSA MPN 09/01/07	9,983,853
ABHAFW WHL CLN 15/01/07 J+15	20,120,828
ABH B6W ABSA ANG CLN 06/02/07 J+20	20,269,354
ABHFRW ABSA MCD 27/06/07 9.375%	10,010,273
ABH KGW ABSA MCD 16/11/07 9.50%	1,011,972
ABH KGW ABSA MCD 21/11/07 9.70%	33,096,468
SHLA 5 SANLAM FRN 22/10/10	8,138,682
<b>Total</b>	<b><u>597,967,778</u></b>

**C DIRECT BONDS AND DEBENTURES**

**C1 Bills, bonds and securities**

DIRECT HOLDINGS	Secured by/unsecured	Fair value R
Government or provincial administration	Secured	558,591,826
Local authorities	Unsecured	20,465,516
Corporate bonds	Unsecured	45,327,780

**Mineworkers Provident Fund**  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006**

FRE 1B RMB 10.90% 28-02-07	Unsecured	394,797
THE 3A3 5AH 9.58% 21-11-08	Unsecured	662,198
THE 5A3 5AH 8.477% 21-02-10	Unsecured	299,583
INJ01 INCA 10.96% 21-09-11	Unsecured	315,748
<b>Total bills, bonds and securities</b>		<u><u>626,057,448</u></u>

**C2 Debentures**

<b>Direct Holding</b>	<b>Secured by / unsecured</b>	<b>Redemption value R</b>	<b>Fair value R</b>
Lereko Mobility (Pty) Ltd D Expire at 01/01/10 ( Holding 10200)	Unsecured	<u>423,300</u>	<u>441,150</u>
<b>Total debenture direct holdings</b>		<u><u>423,300</u></u>	<u><u>441,150</u></u>

Method of valuation of unlisted debentures: The BEASSA price feed is used.

**Mineworkers Provident Fund**  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006**

**E DIRECT EQUITIES**

	<b>Total R</b>
E1 Primary listing on JSE	2,868,906,181
E2 Secondary listing on JSE	543,490,047
Total equities	<u>3,412,396,228</u>

**E1 Primary listing on JSE**

<b>Direct Holdings</b>	<b>Issued shares</b>	<b>Holding number</b>	<b>Holding %</b>	<b>Fair value R</b>
Standard Bank Group Limited	1,362,633,000	2,737,845	0.20	258,726,353
Sasol Limited	625,205,848	726,417	0.12	187,989,455
MTN Group Limited	1,860,268,283	1,828,274	0.10	155,951,772
Naspers Limited	321,058,936	897,351	0.28	148,960,266
Impala Platinum Holdings Limited	555,054,680	761,364	0.14	140,090,976
<b>Top 25%</b>				891,718,822
<b>Other</b>				<u>1,977,187,359</u>
<b>Total</b>				<u>2,868,906,181</u>

**E2 Secondary listing on JSE**

<b>Direct Holdings</b>	<b>Issued shares</b>	<b>Holding number</b>	<b>Holding %</b>	<b>Fair value R</b>
Anglo American Plc	1,517,413,000	542,287	0.04	185,462,154
<b>Top 25%</b>				185,462,154
<b>Other</b>				<u>358,027,893</u>
<b>Total</b>				<u>543,490,047</u>

Mineworkers Provident Fund  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
 For the year ended 31 December 2006

**F DIRECT PREFERENCE SHARES**

Direct Holdings	Issued shares	Holding number	Holding %	Fair value R
ATNP/Allied Elec Part Prefs	213,360,000	309,454	0.15	9,964,419
<b>Total</b>				<u><u>9,964,419</u></u>

Mineworkers Provident Fund  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
For the year ended 31 December 2006

**G DIRECT DERIVATIVE MARKET INSTRUMENTS**

Options

Direct holdings	Strike price	Expiry date	Put/Call	Premium R	Full exposure (notional amount) R
FNDIH7/J213 FUT 150307	24,170	15/03/2007		-	-
A61047/SBCQH7 C 150307 95.00	554	15/03/2007	CALL	95	-
A61948/FNDIH7 C 15307 23,000.00	14,783	15/03/2007	CALL	23,000	-
OTCOHX/PTG C 020407 1,290.00	1,240	02/04/2007	CALL	1,290	(586,383)
A61029/MCEQH7 C 150307 78.50	1,014	15/03/2007	CALL	78	-
GOVI C 030507 254.98	4,950	03/05/2007	CALL	254	693,000
GOVI P 030507 254.98	4,350	03/05/2007	PUT	254	(609,000)
A61031/MCEQH7 P 150307 60.00	2	15/03/2007	PUT	60	-
A61030/MCEQH7 P 150307 68.00	21	15/03/2007	CALL	68	-
Total options					<u>(502,383)</u>

Futures/forward - SAFEX/foreign

Direct holdings	Put/call	Expiry Date	Full exposure (notional amount) R
DB FRA 12*15 25/05/07 7.7		25/07/2007	377,103,930
DB FRA 12*15 6/6/07 7.913		06/06/2007	552,085,244
DB FRA 12*15 6/9/07 7.913		06/09/2007	(550,486,500)
DB FRA 12*15 7.72		06/03/2007	(375,815,044)
DB FRA 9*12 06/03/07 7.80		06/03/2007	(551,816,237)
DB FRA 9*12 06/06/07 7.80		06/06/2007	550,041,797
DB FRA 9*12 26/02/07 7.64		26/02/2007	(376,948,382)
DB FRA 9*12 28/05/07 7.64		28/05/2007	375,617,463
Total futures			<u>(217,729)</u>

Asset swap transactions

Currency swap

Description	Exchange rate	Fixed rate if applicable	Variable rate if applicable	Notional amount R	Fair value R
DB Real Swap 19/07/16	-	-	-	7,510,000	(255,340)
DB Real Swap 26/07/16	-	-	-	8,220,000	(244,545)
Total currency swaps				<u>15,730,000</u>	<u>(499,885)</u>

Interest rate swap

Description	Fixed rate if applicable	Variable rate if applicable	Notional amount R	Fair value R
DB CAP 19.5Y/3.5Y Steeper	-	-	1,359,000	(375,764)
DB Cap 8.5Y/3.5Y Steep	-	-	5,500,000	(795,080)
DB Cap R186/R157 ASW	-	-	2,770,000	61,854
ABS SWP 9.17% 14/12/07	9	-	53,230,000	53,473,591
ABS SWP 9.17% 18/12/07	9	-	13,110,000	13,167,311
ABS SWP 9.17% 18/12/07	9	-	64,321,150	64,550,911
BAR SWP 8.87 09/11/07	8	-	73,195,000	73,922,704



**Mineworkers Provident Fund**  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006**

BAR SWP 8.875 09/11/08	8	-	(73,195,000)	(74,013,459)
DB SWP 8.87% 09/11/07	8	-	73,195,000	73,922,704
DB SWP 8.87% 07/12/07	8	-	183,366,000	184,132,084
DB SWP 8.87% 09/11/08	8	-	(73,195,000)	(74,013,459)
DB SWP 8.95% 09/12/08	8	-	(183,366,000)	(184,517,465)
FS SWP 8.955% 07/12/07	8	-	82,227,000	82,574,450
FS SWP 8.955% 08/12/08	8	-	(82,227,000)	(82,750,859)
JMP SWAP 7.23% 02/03/09	7	-	33,380,000	32,481,841
DB SWP 8.58% 16/11/10	8	-	33,840,000	34,120,452
RMB SWP 7.45% 28/03/11	7	-	4,000,000	3,838,766
SB SWP 8.47% 21/06/10	8	-	5,180,000	5,158,614
DB SWP 8.31% 16/11/15	8	-	33,450,000	33,832,409
JMP SWP 02/08/09 FLOAT	-	8	(33,380,000)	(33,616,503)
SCM SWP 21-06/10 FLOAT	-	9	(5,180,000)	(5,194,379)
ABS1 SWP 18/12/07 FLOAT	-	9	(13,110,000)	(13,166,320)
ABS SWP 18/12/07 FLOAT	-	9	(64,321,150)	(64,545,984)
BAR SWP 09/11/07 FLOAT	-	8	(73,195,000)	(74,115,880)
BAR SWP 09/11/08 FLOAT	-	8	73,195,000	74,115,719
DB Inc R186/R157 ASW	-	9	2,770,000	2,782,593
DB Inc 8.5Y/3.5Y SWP	-	8	5,500,000	5,560,007
DB Inc 19.5Y/3.5Y SWP	-	8	13,590,000	1,372,225
DB SWP 09/11/07 FLOAT	-	8	(73,195,000)	(74,115,880)
DB SWP 07/12/07 FLOAT	-	8	(183,366,000)	(184,499,715)
DB SWP 09/11/08 FLOAT	-	8	73,195,000	74,115,719
DB SWP 08/12/08 FLOAT	-	8	183,366,000	184,499,715
DB SWP 16/11/10 FLOAT	-	8	(33,840,000)	(34,209,211)
DB SWP 16/11/15 FLOAT	-	8	(33,450,000)	(33,814,956)
FS SWP 07/12/07 FLOAT	-	8	(82,227,000)	(82,735,393)
FS SWP 08/12/08 FLOAT	-	8	82,227,000	82,735,393
RMB SWP 28/03/11 FLOAT	-	9	(4,000,000)	(4,004,034)
ABS SWP 14/12/07 FLOAT	-	9	(53,230,000)	(53,472,010)
Total interest rate swaps			<u>31,489,000</u>	<u>6,462,711</u>

Mineworkers Provident Fund  
 SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS  
 For the year ended 31 December 2006

K RISK MANAGEMENT

Credit / Counter party risk

Counter party	Direct investment in counter party		Deposit/liquid asset with counter party		Any other instrument		Total per Counter Party		Exposure to counter party as a % of the fair value of the assets of the fund
	R	R	R	R	R	R	R		
<b>Banks</b>									
First National Bank	-	52,228,958	-	-	-	-	52,228,958	0.39%	
<b>Asset managers - local</b>									
RMB Asset Management(Pty) Ltd	5,971,223,872	-	-	-	-	-	5,971,223,872	44.67%	
Coronation Asset Management (Pty) Limited	2,211,837,632	-	-	-	-	-	2,211,837,632	16.55%	
Fraters Asset Management ( Pty ) Limited	1,249,336,325	-	-	-	-	-	1,249,336,325	9.35%	
Old Mutual Asset Managers (SA) (Pty) Ltd (Community Growth Management Company Limited)	662,434,244	-	-	-	-	-	662,434,244	4.96%	
	1,847,615,671	-	-	-	-	-	1,847,615,671	13.82%	
<b>Asset managers - foreign</b>									
Prudential Portfolio Managers (South Africa ) (Pty) Limited	1,051,408,740	-	-	-	-	-	1,051,408,740	7.87%	
Allan Gray Limited (Orbis Investment Management Limited)	312,924,874	-	-	-	-	-	312,924,874	2.34%	
<b>Insurance companies</b>									
Old Mutual Life Assurance Company (South Africa) Limited	5,586,175,540	-	-	-	-	-	5,586,175,540	41.79%	
<b>Participating employers</b>									
Anglo American Plats	481,462,230	-	-	224,812,466	-	-	706,274,696	5.28%	
Anglo American Plc	15,584,882	-	-	-	-	-	15,584,882	0.12%	
Goldfields	185,462,154	-	-	-	-	-	185,462,154	1.39%	
BHP Billiton Plc	34,013,338	-	-	-	-	-	34,013,338	0.25%	
Anglo Vaal	147,261,029	-	-	-	-	-	147,261,029	1.10%	
Anglo Ashanti	32,785,002	-	-	-	-	-	32,785,002	0.25%	
Northam Plats	57,405,720	-	-	-	-	-	57,405,720	0.43%	
Contributions receivable	8,950,105	-	-	-	-	-	8,950,105	0.07%	
Recoveries receivable	-	-	-	80,434,105	-	-	80,434,105	0.60%	
TEBA Bank	-	-	-	141,775,634	-	-	141,775,634	1.06%	
	-	-	-	2,602,727	-	-	2,602,727	0.02%	
	<u>13,090,270,382</u>	<u>52,228,958</u>	<u>224,812,466</u>	<u>13,367,311,806</u>	<u>100.00%</u>				

**Mineworkers Provident Fund**  
**SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS**  
**For the year ended 31 December 2006**

<b>Market risk</b>	<b>Investment</b>	<b>Fair value at end of year</b>	<b>Open financial instruments marked to market value</b>	<b>Total fair value equity holdings and open instruments</b>	<b>Market movement by 5%</b>
		<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
	Bidvest Group	78,075,511	-	78,075,511	3,903,776
	Remgro Ltd	78,253,552	-	78,253,552	3,912,678
	Network Healthcare Holdings	80,553,302	-	80,553,302	4,027,665
	Telkom SA	81,836,826	-	81,836,826	4,091,841
	First Rand Limited	89,940,547	-	89,940,547	4,497,027
	Impala Platinum	140,090,976	-	140,090,976	7,004,549
	Naspers N	148,960,266	-	148,960,266	7,448,013
	MTN Group	155,951,772	-	155,951,772	7,797,589
	Sasol Ltd	187,989,455	-	187,989,455	9,399,473
	Standard Bank Group	258,726,353	-	258,726,353	12,936,318
	Total value of 10 largest equity holdings	<u>1,300,378,560</u>	<u>-</u>	<u>1,300,378,560</u>	<u>65,018,929</u>
	Total movement as % of non-current assets plus bank				0.49%

**Mineworkers Provident Fund**  
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28**  
**For the year ended 31 December 2006**

	R	R
<b>A</b> Total assets of the fund as per Statement of Net Assets and Funds		13,367,830,094
<b>B</b> Less: Non-investment items of Statement of Net Assets and Funds:		(225,330,754)
B.1 Property Plant and Equipment	-	
B.2 Current assets (excluding cash at bank)	(225,330,754)	
<b>C</b> Subtotal (A-B)		13,142,499,340

Categories or kinds of Assets	%	Fair value R	% of fair value
1. Deposits in banks, mutual banks, Postbank and SAFEX:	100%	597,967,778	4.55 %
(a) Deposits and balances in current and savings accounts with a bank or mutual bank, including negotiable deposits and money market instruments in terms of which such bank is liable, or deposits and savings accounts, accounts with the Post Office Savings Bank and margin deposits with Safex:	100%	597,967,778	4.55 %
(i) Per bank or mutual bank		596,491,848	4.54 %
• First National Bank	20%	52,228,958	0.40 %
• Nedbank Limited	20%	34,528,785	0.26 %
• ABSA Bank Limited	20%	26,289,308	0.20 %
• RMB Asset Management -Money Market Securities	20%	426,588,652	3.25 %
• AM92/AM1 FDP 8.90%	20%	11,008,045	0.08 %
• Standbank Bank Limited	20%	34,303,443	0.26 %
• Investec Limited	20%	11,144,657	0.08 %
• Coronation: Active Cash Pv	20%	400,000	-
(ii) Post Bank	20%	-	-
(iii) SAFEX	5%	1,475,930	0.01 %
(b) Deposits and balances in current and savings accounts with a bank outside the Republic including negotiable deposits and money instruments in terms of which such a bank is liable	15%	-	-
2. Krugerrands	10%	-	-
3. Bills, bonds and securities issued or guaranteed loans to or guaranteed by-	100%	-	-
(a) Inside the Republic-		-	
(i) Local authorities by law to levy rates upon immovable property	100%	-	-
(ii) Development boards established by section 4 of the Black Communities Development Act, 1984 (Act No. 4 of 1984)	20%	-	-
(iii) Rand Water Board	20%	-	-
(iv) Eskom	20%	-	-
(v) Land and Agricultural Bank of South Africa	20%	-	-
(vi) Local Authorities Loans Fund Board	20%	-	-
(b) Territories outside the Republic - Bills, bonds and securities issued or guaranteed by the foreign Government concerned	15%	-	-
Carried forward		597,967,778	4.54 %

**Mineworkers Provident Fund**  
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28**  
**For the year ended 31 December 2006**

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		597,967,778	4.54 %
4. Bills, bonds and securities issued by and loans to an institution in the Republic, which bills, bonds, securities and loans the Registrar approved in term of section 19(1)(h) of the Act before the deletion of that section by section 8(a) of the Act No. 53 of 1989, also bills, bonds and securities issued by and loans to an institution in the Republic, which institution the Registrar likewise approved before such deletion	100%	-	- %
5. Bills, bonds and securities issued by and loans to an institution in the Republic, which bills, bonds, securities and loans the Registrar approved in term of section 19(1)(i) of the Act before the deletion of that section by section 8(a) of the Act No. 53 of 1989, also bills, bonds and securities issued by and loans to an institution in the Republic, which institution the Registrar likewise approved before such deletion	100%	67,465,621	0.51 %
• Bonds( other than goverment bonds)	20%	67,465,621	0.51 %
Limitations in respect of investments in items 6 and 7	90%	5,327,933,183	40.54 %
6. Immovable property and claims secured by mortgage bonds thereon. Units in collective investment schemes in property shares and shares in, loans to and debentures, both convertible and non-convertible, of property companies:	25%	5,451,625	0.04 %
These investments are subject to the following limitation:			
(a)Inside the Republic-	25%	5,451,625	0.04 %
• Emira Property Fund	5%	5,451,625	0.04 %
(b)Outside the Republic -	10%	-	- %
Carried forward		670,885,024	5.09 %

**Mineworkers Provident Fund**  
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28**  
**For the year ended 31 December 2006**

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		670,885,024	5.09 %
7. Preference and ordinary shares in companies excluding shares in property companies. Convertible debentures, whether voluntarily or compulsorily convertible and units in equity unit trust schemes which objective is to invest their assets mainly in shares:	75%	5,322,481,558	40.50 %
Subject to the following limitations:			
(a) Inside the Republic -	75%	3,422,801,797	26.04 %
Preference and ordinary shares in companies, convertible debentures whether voluntarily or compulsorily convertible			
(i) Unlisted shares, unlisted convertible debentures, shares and convertible debentures listed in the Development Capital Sector of the JSE	5%	-	- %
(ii) Shares and convertible debentures listed on the JSE, other than the Development Capital Sector	75%	3,422,801,797	26.04 %
(aa) Companies with a market capitalisation of R2 000 million or less	75%	256,322,234	1.95 %
• Primedia Limited "N"	10%	9,740,000	0.07 %
• Anglo American Platinum	10%	110,873,586	0.84 %
• Advtech limited	10%	4,386,962	0.03 %
• Amalgamated Appliance	10%	2,001,280	0.02 %
• Astrapak Group	10%	14,946,282	0.11 %
• Barnard Jacobs Mellet Ltd	10%	1,120,000	0.01 %
• Brimstone N	10%	5,192,971	0.04 %
• Business Connexion	10%	5,842,500	0.04 %
• Cash Build	10%	12,416,600	0.09 %
• Digicor Ltd	10%	4,408,619	0.03 %
• Envirioserv	10%	1,095,000	0.01 %
• Glenrand	10%	1,927,499	0.01 %
• Group Five	10%	24,601,850	0.19 %
• Delta Electrical	10%	3,203,728	0.02 %
• Kagiso Media Ltd	10%	7,119,750	0.05 %
• Johnnic Holdings	10%	30,747,301	0.23 %
• Mobile Industries	10%	434,940	- %
• Mobile Industries- N	10%	1,897,770	0.01 %
• Oceana Fisheries	10%	3,032,123	0.02 %
• Spur Corporation	10%	9,362,850	0.07 %
• Tiger Auto Ltd	10%	239,200	- %
• Tiger Wheels Ltd	10%	1,290,273	0.01 %
• Lereko Debenture	10%	441,150	- %
(bb) Companies with a market capital of more than R2 000 million	75%	3,166,479,563	24.09 %
• Eland Platinum	15%	7,967,469	0.06 %
• Makalani Holdings	15%	4,514,575	0.03 %
• Afgri Ltd	15%	12,709,093	0.10 %
• Brait South Africa	15%	11,169,000	0.08 %
• Wesco Investments	15%	17,945,100	0.14 %
• New Clicks	15%	16,833,069	0.13 %
• Peermont Global	15%	34,534,248	0.26 %
• Mvelaphanda Group	15%	13,987,309	0.11 %
• Super Group	15%	8,487,113	0.06 %
• Trencor	15%	1,681,679	0.01 %
• Liberty Holdings	15%	37,827,097	0.29 %
Carried forward		1,094,863,010	8.26 %

**Mineworkers Provident Fund**  
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28**  
**For the year ended 31 December 2006**

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		1,094,863,010	8.26 %
• Mr Price Group	15%	15,012,752	0.11 %
• Consol	15%	14,456,955	0.11 %
• Avi Limited	15%	48,645,597	0.37 %
• Mvelaphanda Resources Ltd	15%	22,705,800	0.17 %
• Allied Technologies	15%	14,720,350	0.11 %
• Illovo Sugar	15%	23,407,402	0.18 %
• Alexander Forbes Ltd	15%	8,226,020	0.06 %
• Hosken Cons Investments	15%	19,381,323	0.15 %
• Pick N Pay Holdings	15%	7,544,460	0.06 %
• AECI	15%	58,291,984	0.44 %
• Metropolitan Life Ltd	15%	30,847,605	0.23 %
• Medi -Clinic Corp	15%	15,879,856	0.12 %
• Santam	15%	5,942,752	0.05 %
• African Oxygen	15%	7,901,800	0.06 %
• Tongaat Hulett Group Ltd	15%	36,345,792	0.28 %
• Northam Plats	15%	8,950,105	0.07 %
• Shoprite Holdings Ltd	15%	11,419,380	0.09 %
• Sun International	15%	14,451,360	0.11 %
• JD Group	15%	44,321,283	0.34 %
• Nampak Ltd	15%	22,824,304	0.17 %
• Discovery Holdings	15%	16,293,868	0.12 %
• Reunert Ltd	15%	15,173,536	0.12 %
• Woolworths Holdings	15%	73,945,170	0.56 %
• Pick N Pay Stores	15%	26,429,721	0.20 %
• Exxaro Resources	15%	4,782,120	0.04 %
• Investec Bank Ltd	15%	27,602,565	0.21 %
• Kumba Resources	15%	23,108,194	0.18 %
• Edgars Stores Ltd	15%	56,654,223	0.43 %
• Liberty Group Ltd	15%	26,090,043	0.20 %
• Network Healthcare Holdings	15%	80,553,302	0.61 %
• Sappi	15%	46,259,633	0.35 %
• Steinhoff International	15%	67,179,763	0.51 %
• Tiger Brands	15%	21,182,796	0.16 %
• Imperial	15%	34,000,867	0.26 %
• Anglogold Ashanti	15%	90,190,722	0.69 %
• Rmb Holdings Ltd	15%	53,233,655	0.41 %
• Sanlam	15%	38,980,427	0.30 %
• Bidvest Group	15%	78,075,511	0.59 %
• Mittal steel SA Ltd	15%	50,218,817	0.38 %
• Naspers N	15%	148,960,266	1.13 %
• GFL Mining Ltd	15%	34,013,338	0.26 %
• Telkom SA	15%	81,836,826	0.62 %
• Remgro Ltd	15%	108,977,722	0.83 %
• ABSA Group	15%	51,635,400	0.39 %
• Impala Plats	15%	140,090,976	1.07 %
• First Rand Limited	15%	89,940,547	0.68 %
• Standard Bank Group	15%	258,726,353	1.97 %
• MTN Group	15%	155,951,772	1.19 %
• Sasol Ltd	15%	187,989,455	1.43 %
• Anglo American Plats	15%	15,584,741	0.12 %
• Bhp Billiton Plc	15%	147,261,029	1.12 %
• Anglo American Plc	15%	74,589,516	0.57 %
• Richemont Securities Ag	15%	127,304,808	0.97 %
• SAB Miller	15%	58,672,587	0.45 %
Carried forward		4,037,630,159	30.66 %

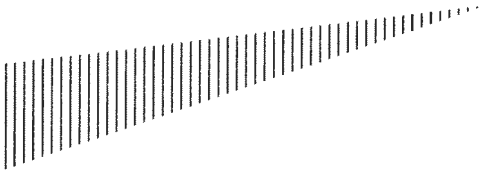
**Mineworkers Provident Fund**  
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28**  
**For the year ended 31 December 2006**

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		4,037,630,159	30.66 %
<ul style="list-style-type: none"> <li>• ATNP/Allied Elec Part Prefs</li> <li>• Johnnic Communications</li> <li>• Lewis Group</li> <li>• Investec Plc</li> </ul>	15% 15% 15% 15%	9,964,419 6,938,438 14,365,285 24,788,520	0.08 % 0.05 % 0.11 % 0.19 %
(b) Territories outside the Republic	15%	-	- %
Preference and ordinary shares in companies, convertible debentures whether voluntarily or compulsorily convertible			
(i) Unlisted shares, unlisted convertible debentures	2.5%	-	- %
(ii) Shares and convertible debentures listed on any recognised foreign exchange	15%	-	- %
(aa) Companies with a market capitalisation of R2 000 million or less	15%	-	- %
(bb) Companies with a market capital of more than R2 000 million	15%	-	- %
(c) Inside the Republic			
Units in equity collective investment schemes which objective is to invest their assets mainly in shares	75%	1,161,417,868	8.84 %
(d) Outside the republic			
Units in equity collective investment schemes which objective is to invest their assets mainly in shares	15%	738,261,893	5.62 %
8. Listed and unlisted debentures, units in collective investment schemes with the objective to invest in income generating securities and any secured claim against individuals and companies	25%	999,122,678	7.60 %
These investments are subject to the following limitations:			
(a) Inside the Republic -	25%	686,197,804	5.22 %
(i) Claims against residents	25%	-	- %
(ii) Claims against companies	25%	686,197,804	5.22 %
• Old Mutual : Community Growth Management Company Ltd	5%	686,197,804	5.22 %
(b) Territories outside the Republic-	15%	312,924,874	2.38 %
(i) Claims against residents	15%	-	- %
(ii) Claims against companies	15%	312,924,874	2.38 %
• Pudential Portfolio Manager ( South Africa) (Pty) Ltd	5%	312,924,874	2.38 %
9. Investments in the business of a participating employer inside the Republic in terms of-			
(a) The provision of section 19(4) of the Act	5%	-	- %
(b) The exemptions granted in terms of section 1(4A) of the Act	10%	-	- %
10. Any other assets not referred to in this Annexure, excluding -	2.5%	5,242,714	0.04 %
(a) Money in hand in the Republic	95%	-	- %
(b) Loans granted to members in accordance with -	95%	-	- %
(i) The provisions of section 19(5) of the Act		-	- %
(ii) Exemptions granted in terms of section 19(6)(a) of the Act		-	- %
Limitations for investment in items 6-9, and items 10(a) and (b)	95%	6,332,298,575	48.18 %
Carried forward		6,997,731,974	53.19 %



**Mineworkers Provident Fund**  
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28**  
**For the year ended 31 December 2006**

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		6,997,731,974	53.19 %
(c) Bills, bonds or securities issued or guaranteed by the Government of the Republic or by a provisional administration	100%	558,591,826	4.25 %
(d) Units in a collective investment scheme as defined in the Collective Investment Schemes Control Act, 2002, the underlying assets of which consist only of -	100%	-	- %
(i) Assets referred to in paragraphs (i), (ii) and (iii) of item 1(a) of this Annexure	100%	-	- %
(ii) Assets referred to in paragraph (c) of item 10 of this Annexure; or	100%	-	- %
(iii) Assets referred to in items 3,4 and 5 of this Annexure.	100%	-	- %
11 Fair value of units in a collective investment scheme included in total assets to be excluded in terms of subregulation (2)a(i) of Regulation 28	100%	-	- %
12 Fair value of insurance policies included in total assets to be excluded in terms of subregulations 2(a)(ii) and (3) of regulation 28	100%	5,586,175,540	42.50 %
<b>TOTAL (equal to the fair value of assets (C) above)</b>		<u>13,142,499,340</u>	<u>100.00 %</u>
	%	% of Fair Value	Fair value of assets R
(a) Deposits with banks outside the Republic	15%	-%	-
(b) Bills, bonds and securities issued by a Government outside the Republic	15%	-%	-
(c) Immovable property, units in collective investment schemes in property shares, shares in, loans to and debentures of property	10%	-%	-
(d) Preference and ordinary shares in companies, convertible debentures outside the Republic.	15%	-%	-
(e) Units in equity collective investment schemes outside the Republic	15%	5.62%	738,261,893
(f) Debentures and other secured claims against individuals and companies and units in income collective investment schemes outside the Republic	15%	2.38%	312,924,874
(g) Other	2.5%	-%	-
<b>Total</b>		<u>8.00%</u>	<u>1,051,186,767</u>



**Mineworkers Provident Fund**

**REPORT BY THE INDEPENDENT AUDITORS TO THE BOARD OF TRUSTEES AND REGISTRAR OF PENSION FUNDS**

We have audited the attached Schedule IB 'Assets of the fund held in compliance with Regulation 28' (the "Schedule") by Mineworkers Provident Fund as at 31 December 2006, as set out on pages 52 to 57.

**Board of Trustees' responsibility for Schedule IB**

The trustees are responsible for the preparation of the Schedule in accordance with Regulation 28 of the Pension Funds Act of South Africa (the Act), from information derived from the accounting records of the fund, and for ensuring that the Schedule is in compliance with Regulation 28 of the Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of the Schedule that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

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

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

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

**Opinion**

In our opinion, Schedule IB 'Assets of the fund held in compliance with Regulation 28' by Mineworkers Provident Fund as at 31 December 2006 has been prepared, in all material respects, in accordance with the requirements of Regulation 28 of the Pension Funds Act of South Africa.

**Other matter - Restriction on distribution and use of this report**

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

*Ernst & Young Inc.*  
Ernst & Young Inc.  
Registered Auditor  
Johannesburg

27 February 2007  
Date