

MONIES IN TRUST KEPT IN THE GUARDIAN'S FUND ANNUAL REPORT

2012 | 13



DEPARTMENT OF JUSTICE AND
CONSTITUTIONAL DEVELOPMENT



the doj & cd

Department:
Justice and Constitutional Development
REPUBLIC OF SOUTH AFRICA



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REPORT OF THE ACCOUNTING OFFICER ON THE ACTIVITIES OF THE GUARDIAN'S FUND FOR THE YEAR ENDED 31 MARCH 2013

INTRODUCTION

The Guardian's Fund (GF) is a statutory trust established in terms of Chapter V of the Administration of Estates Act, 1965 (Act No. 66 of 1965). The GF consists of all monies received by the Master of the High Court under the Administration of Estates Act or any other law or pursuant to an order of court or any money accepted by the Master in trust for any known or unknown person.

Whenever any money is received or accepted by the Master, he or she must open an account in the books of the GF in the name of the person to whom the money belongs or in the name of the estate of which the money forms part. The Master must, on application of any person who has become entitled to receive money from the Fund, pay that money to the applicant.

The purpose of the GF is therefore to protect and manage monies of persons deemed to be legally incapable or lacking the capacity to manage their own affairs as well as undetermined, unknown or absent heirs and untraceable persons.

The GF is held under management of the Masters of the High Court of South Africa.

Some of the functions of the GF performed with the prescripts of the said Act, inter alia, are to –

- Invest trust monies held with the Public Investment Corporation (PIC);
- Calculate interest accruing in respect of monies received on behalf of beneficiaries at the interest rate as determined by the Minister for Justice and Constitutional Development annually; and
- Process inheritance applications and make the payments to persons entitled thereto.

The GF has representation in six Masters' offices, namely: Pretoria, Cape Town, Pietermaritzburg, Grahamstown, Bloemfontein and Kimberley.

CORE SERVICE DELIVERY ENVIRONMENT

The operational functionality of the Guardian's Fund System (GFS) has been improved, and stricter control processes are being enforced. The GFS development has progressed to the stage where it is one unified electronic application that can process and control all beneficiary information.

In the Guardian's Fund service delivery arena, the GFS roll-out programme has resulted in the implementation of an electronic platform for operations. The management and administration of the GF is automated in all six Masters' offices where GF services are offered. The computerisation of the administration of the GF has facilitated greater accuracy in reporting on the activities of the Fund.

The GFS has reached the extent of its possible development. Significant development work is still required to upgrade and integrate the current GFS into a full financial platform. This should be achieved with the minimum impact on the current operation of the GF.

The integration to the financial system will deliver functionality to further support the Department in managing the financial affairs in the GF and to improve service delivery to beneficiaries.

The full financial integration of the Guardian's Fund is to be included with the Department's overall system objectives. The Department is considering several all-encompassing options which include, amongst others, the Integrated Case Management System (ICMS) Financials.

Over the 2012/13 financial year, all Guardian's Fund Offices have effected electronic payments to beneficiaries by way of the ABSA Bi-Online System. This electronic payment system has greatly improved service delivery at these offices in reducing payment turnaround times as well as ensuring that beneficiaries did not have to travel to the Guardian's Fund offices to collect their cheques.

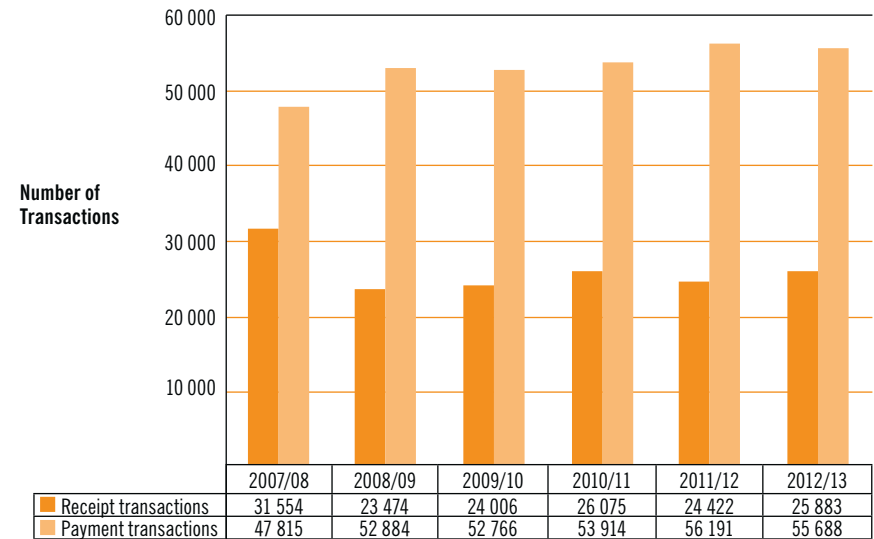
FRAUD PREVENTION AND DETECTION

During September 2012, the President has issued a proclamation so that the Special Investigating Unit may investigate the loss of funds and the management of the Guardian's Fund in Pretoria and Pietermaritzburg. This process will give comfort that all fraud and loss matters as well as any maladministration are addressed. The process is planned to be completed within 18 months.

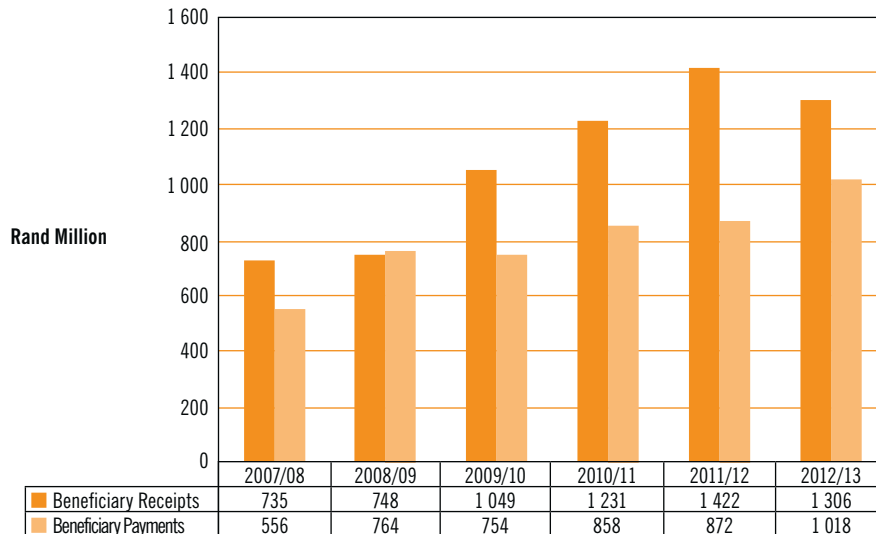
GROWTH OF BENEFICIARY LIABILITY

As has been disclosed in more detail in the financials on pages 15 to 44, the Fund continues to show positive growth in the volume of transactions handled as well as in the total funds under management.

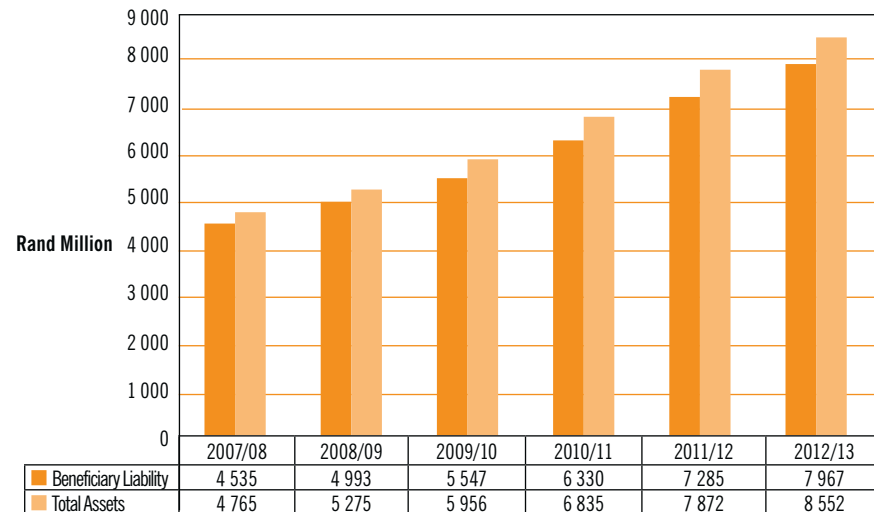
GUARDIAN'S FUND - TRANSACTION VOLUMES (RECEIPTS & PAYMENTS)



GUARDIAN'S FUND - BENEFICIARY RECEIPTS & PAYMENTS



GUARDIAN'S FUND - TOTAL ASSETS VS BENEFICIARY LIABILITIES



FINANCIAL MANAGEMENT AND OTHER REPORTING ISSUES

INVESTMENT MANAGEMENT

The Office of the CFO, with assistance from the Office of the Chief Master, is responsible for formulation and supervision of the mandate given to the Investment Manager (the Public Investment Corporation).

With a balance sheet of over eight billion rand in investable assets and growing, the stewardship of GF assets is a challenging and complex endeavour. I would like to take this opportunity to extend my sincere gratitude to our expert advisors and also to colleagues at National Treasury who have ensured that the Department is able to discharge its obligations and match the expectations and the safeguarding of the GF assets and growing the investments.

The GF generated more than R480 million in investment income in the 2012/13 financial year.

MANAGEMENT OF THE INTEREST RATE PAYABLE TO BENEFICIARIES

In light of the current global economic challenges it has become more imperative to keep a finger on the pulse of developments in the investment arena, and to this end, we have resolved to do more regular reviews on the interest rates for the benefit of beneficiaries.

Investment returns are continually re-assessed by the Fund, whereafter the rates payable to beneficiaries are adjusted by the Department accordingly. Rates in operation are adjusted, should the Fund lag behind and be placed in a situation where there is a mismatch between income receivable and distribution via interest to beneficiaries.

ACKNOWLEDGEMENT

I wish to extend my sincere appreciation towards our various stakeholders for their loyal support and valuable contributions.

APPROVAL

The annual financial statements as set out on pages 15 to 44 have been approved by the Accounting Officer.



MS N SINDANE

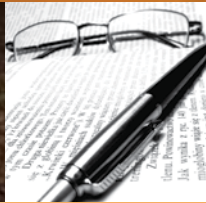
ACCOUNTING OFFICER

DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT

DATE: 31 JULY 2013

PART 2

REPORT OF THE AUDIT COMMITTEE



REPORT OF THE AUDIT COMMITTEE ON GUARDIAN'S FUND

1. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2013.

1.1 AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consisted of the members listed below and is required to meet at least four times per annum as per its approved terms of reference. During the current year 6 meetings were held and one member retired as indicated below.

NAME OF MEMBERS	NUMBERS OF MEETINGS ATTENDED	STATUS
Mr. Motsamai Karedi (Chairperson)	5	Reappointed- 09 January 2013
Mr. Cedric Boltman	6	Reappointed- 09 January 2013
Ms. Bajabulile Luthuli	5	Retired – 15 December 2012
Ms. Besky Ngunjiri	5	Appointed-28 February 2012
Ms. Keneilwe Moloko	3	Appointed-28 February 2012
Mr. Wilson Ramabulana	5	Reappointed- 09 January 2013
Ms. Livhuwani Vuma	6	Appointed-28 February 2012
Mr Andy Sello	1	Appointed - 09 January 2013

1.2 AUDIT COMMITTEE RESPONSIBILITY

We report that we have adopted appropriate formal terms of reference in our charter in line with the requirements of section 38(1(a) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) and Treasury Regulation 3.1.

1.3 THE EFFECTIVENESS OF INTERNAL CONTROL

The Audit Committee is satisfied that key controls remained in place throughout the year under review and where shortcomings noted in the internal controls were identified, management has been addressing them through the implementation of audit action plans.

Internal Audit validated the progress on the implementation of audit action plans and the Audit Committee has also reviewed the audit action plans throughout the year under review.

1.4 INTERNAL AUDIT

The Internal Audit unit has discharged its responsibilities as per the internal audit plan.

1.5 AUDITOR-GENERAL SOUTH AFRICA

We have also noted the Auditor-General South Africa report and management letter and were satisfied with the outcomes of the audit.

1.6 REPORTS

1.6.1 THE QUALITY OF IN-YEAR MANAGEMENT AND MONTHLY/ QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

We are satisfied with the content and quality of monthly and quarterly

reports prepared by the Accounting Officer of the Department during the year under review.

1.6.2 EVALUATION OF FINANCIAL STATEMENTS

We have reviewed and discussed the audited annual financial statements with the management and also reviewed the department's compliance with legal and regulatory provisions. We have also reviewed the Auditor-General South Africa's report and management letter and management's responses to it.

We concur and accept the conclusions of the Auditor-General South Africa's report on the annual financial statements and are of the opinion that the audited annual financial statements should be accepted, read together with the report of the Auditor-General South Africa.



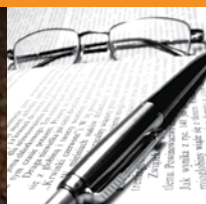
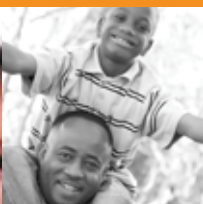
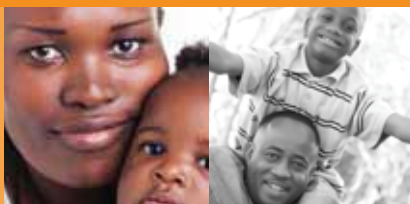
M KAREDI
CHAIRPERSON OF THE AUDIT COMMITTEE
DATE: 31 JULY 2013





PART 3

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE GUARDIAN'S FUND REPORT ON THE FINANCIAL STATEMENTS

INTRODUCTION

1. I have audited the financial statements of the Guardian's Fund set out on pages 15 to 44, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the General Notice issued in terms of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance

with the PAA, the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Guardian's Fund as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the The General Notice issued in terms of the PAA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

PREDETERMINED OBJECTIVES

8. I did not perform an audit of performance against predetermined objectives as the Fund is not required to prepare a report on its performance against predetermined objectives.

The Fund does not fall within the ambit of the PFMA and there is no entity-specific legislation that requires the reporting on performance against predetermined objectives.

COMPLIANCE WITH LAWS AND REGULATIONS

9. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters.

I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA.

INTERNAL CONTROL

10. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations.

I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

OTHER REPORTS

Investigations in progress

The Special Investigation Unit (SIU) is currently investigating the Guardian's Fund of KwaZulu-Natal and Gauteng for matters relating to, amongst others, unlawful appropriation or expenditure of public money or property and intentional or negligent loss of public money or damage to public property in terms of a presidential proclamation. The investigation was still ongoing at the reporting date.



PRETORIA
31 JULY 2013



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence



PART 4

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013



DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT

BRANCH: MASTER OF THE HIGH COURT
GUARDIAN'S FUND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

GUARDIAN'S FUND STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 R	2012 R
Revenue			
Investment revenue	3	483,553,063	450,157,132
Write back reserve account to income	11	-	10,069,494
Less: expenditure			
Management fees	13	2,349,269	2,110,677
Write off bad debts		-	29,584,433
		481,203,794	428,531,516
Other operating expenses/(income)		-	-
Surplus/(deficit) for the year before distribution to beneficiaries		481,203,794	428,531,516
Distribution to beneficiaries - interest paid on beneficiary monies	4	402,180,832	364,942,520
Surplus/(deficit) for the year		79,022,962	63,588,996

GUARDIAN'S FUND

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	Notes	2013	2012
		R	R
ASSETS		8,714,907,047	7,957,070,789
Other receivables	7	55,901,046	52,720,494
Financial instruments	5	8,552,011,044	7,871,700,143
Cash and cash equivalents	6	106,994,957	32,650,152
Total assets		8,714,907,047	7,957,070,789
LIABILITIES		7,978,949,385	7,300,136,089
Beneficiary liability	8	7,967,132,736	7,284,714,318
Other payables	9	11,816,649	15,421,771
Total liabilities		7,978,949,385	7,300,136,089
CAPITAL AND RESERVES		735,957,662	656,934,700
Accumulated surplus/(deficit)	12	735,957,662	656,934,700
Monies in trust reserve	11	-	-
Total net assets		735,957,662	656,934,700
Total net assets and liabilities		8,714,907,047	7,957,070,789

GUARDIAN'S FUND STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2013

	Accumulated surplus (deficit)	MIT reserve	Accumulated other comprehensive income	Total equity
Balance as at 1 April 2012	656,934,700	-	-	656,934,700
Surplus/(deficit) for the year	79,022,962	-	-	79,022,962
Unrealised profit/(losses) for the year	-	-	-	-
Balance as at 31 March 2013	735,957,662	-	-	735,957,662

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2012

	Accumulated surplus (deficit)	MIT reserve	Accumulated other comprehensive income	Total equity
Balance as at 1 April 2011	593,719,842	10,069,494	-	603,789,336
Less: Restatement - Note 18.1	374,139			374,139
			-	-
Restated opening balance as at 1 April 2011	593,345,703	10,069,494	-	603,415,197
Prior year surplus before restatement:	84,788,873			84,788,873
Restated adjustment - Note 18.2	(21,199,876)	(10,069,494)		(31,269,370)
Unrealised profit/(losses) for the year	-	-	-	-
Balance as at 31 March 2012	656,934,700	-	-	656,934,700

GUARDIAN'S FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 R	2012 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts on behalf of beneficiaries		(482,498,029)	(449,056,176)
Cash paid to beneficiaries and creditors		413,670,895	365,625,131
Cash generated from/(utilised in) operations	15	(68,827,134)	(83,431,045)
Investment income received		483,310,316	449,863,095
Interest paid to beneficiaries		(402,180,830)	(364,942,520)
Other payments		(11,494,730)	(682,611)
Net cash inflows/(outflows) from operating activities		807,622	806,919
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		(203,095,274)	(593,500,000)
Net investments of beneficiary monies in PIC		(203,095,274)	(593,500,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash flow financing activities		276,632,456	572,262,336
Increase/(decrease) in beneficiary liability		276,632,456	572,262,336
Net increase/(decrease) in cash and cash equivalents		74,344,804	(20,430,745)
Cash and cash equivalents at the beginning of the year		32,650,153	53,080,897
Cash and cash equivalents at end of the year	6	106,994,957	32,650,152

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. GENERAL INFORMATION

The Guardian's Fund is a statutory trust established in terms of Chapter V of the Administration of Estates Act, 1965 (Act No. 66 of 1965).

The purpose of the Guardian's Fund is to protect and manage monies of persons deemed to be legally incapable or lacking the capacity to manage their own affairs as well as undetermined, unknown or absent heirs and untraceable persons.

The Guardian's Fund is held under management of the Masters of the High Court of South Africa.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for investments that have been measured at fair value. The financial statements are presented in rands.

STATEMENT OF COMPLIANCE

The financial statements of the Guardian's Fund have been prepared in accordance with South Africa Standards of Generally Recognised Accounting Practice as required by the Public Finance Management Act, (Act No. 1 of 1999) (PFMA) and as applicable to a going concern.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2.1 FINANCIAL INSTRUMENTS FINANCIAL INSTRUMENTS AT FAIR VALUE

The classification depends on the purpose for which the financial assets were acquired, and is determined by management at the initial recognition of the financial assets. Financial assets classified at fair value and funds comprise a portfolio of money market instruments.

Money market investments were designated at fair value as these instruments are non-derivative instruments and payments can be determined by the fund.

Fair value financial assets are measured with consideration that unrealised gains and losses are recognised directly in surplus or deficit. Interest earned whilst holding fair value financial investments is reported as interest income using the effective interest rate.

Dividends earned whilst holding fair value financial investments are recognised in the statement of changes in net assets as "other operating income" when the right of the payment has been established.

The losses arising from impairment of such investments are recognised in the statement of financial performance in "impairment losses on financial investments."

Financial assets, other than those at Fair Value Through Profit or Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

2.2.1 FINANCIAL INSTRUMENTS (CONTINUED)

(i) Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulations or convention in the marketplace are recognised on the date that the Guardian's Fund commits to purchase or sell the asset.

(ii) Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics.

All financial instruments are measured initially at their fair value, and transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

(iii) Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

(iv) Derecognition

The financial instrument is derecognised when the contractual agreement in respect of the financial assets is terminated.

2.2.2 CASH AND CASH EQUIVALENTS

Demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value are disclosed under another category of financial instrument, depending on the nature. Cash and

cash equivalents that do not have fixed and determined payments will be classified as available-for-sale financial assets.

Cash and cash equivalents and bank borrowings are recorded at face value.

2.2.3 REVENUE RECOGNITION

The Guardian's Fund recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria in terms of the Estates Act, 1965 (Act No. 66 of 1965) have been met.

INTEREST INCOME

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.2.4 FINANCIAL LIABILITY

This includes beneficiary liability and other payables

(i) Initial recognition

The financial liability is initially recognised at historical cost at the date of receipt of the monies due by the Fund to external parties.

(ii) Subsequent recognition

After initial recognition, the liability is measured at the value of the amount owing to the external parties, who have a right against the fund, after taking into account the provisions of the Estates Act, 1965 (Act No. 66 of 1965).

(iii) Derecognition

The financial liability is derecognised when the obligation of the Guardian's Fund to the external parties has been extinguished.

2.2.5 RELATED PARTY DISCLOSURE

The Guardian's Fund was established in terms of the Administration of Estates Act and operates within the Department of Justice and Constitutional Development. The Guardian's Fund resides in the Branch of the Office of the Chief Master, and all operating costs are funded by the Department.

The interlink of the Guardian's Fund in the Office of the Chief Master creates a complex environment in which to estimate the values of the related party (the Department of Justice and Constitutional Development). Other related party transactions are disclosed in terms of the requirements of the standards.

2.2.6 FRAUD AND LOSSES

(i) Initial recognition

Fraud is defined as the unlawful and intentional making of a misrepresentation resulting in actual or potential prejudice to the Fund while losses result from any other cause that may not be intentional.

Fraud and losses are administered in line with section 12 of the DFI and are disclosed in note 16 on the financial statements as and when they are discovered and reported, and they are not disclosed in the face of the balance sheet.

(ii) Subsequent recognition and derecognition

A Loss Control Officer keeps a register in which particulars of all losses are recorded. For instance, steps taken, amount recovered

or not recovered and how the matter has been disposed of, must be recorded in this register. Every year the note is updated with the movement in the register.

2.2.7 ALLOCATION ACCOUNT

(i) Initial recognition

The Guardian's Fund was operated in a manual environment prior to 31 March 2005. From 1 April 2005, an administrative electronic system called the Guardian's Fund System (GFS), from which the beneficiary liability figures are derived, was introduced.

The Allocation Account is used primarily to apportion transactions that are received through the suspense account to the various types of beneficiary liabilities and also to cater for verification difference.

(ii) Subsequent recognition

The allocation account is updated every year with prior year's adjustments that start from 31 March 2005.

(iii) Derecognition

The allocation account will be de-recognised when the financial benefit to or obligation by the fund is extinguished.

2.2.8 OTHER RECEIVABLES

(i) Initial recognition

These are various amounts that are owed to the Fund from its day-to-day operations. Other receivables are measured at initial recognition at fair value. The bulk of other receivables comprise TBVC losses.

(ii) Subsequent recognition

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Subsequently, these are reported at their net realisable value.

TBVC losses earn interest which is capitalised at the effective interest rate on a monthly basis.

(iii) Derecognition

Other receivables are derecognised when they are fully paid or when there is objective evidence that the amounts will not be collectible.

2.2.9 INTEREST PAID TO BENEFICIARIES

(i) Initial recognition

Interest paid is an expense that represents monies paid to the beneficiaries by the Fund. It is credited to the beneficiary accounts through the GFS.

Interest is accrued from the next calendar month after receipt date up to five years after it has become claimable, unless it is legally claimed before such expiration.

(ii) Subsequent recognition

Interest paid is adjusted in retrospect every year because of the verification process and other adjustments to beneficiary balances.



	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
3 Investment revenue - 31/03/2013								
Interest revenue - PIC	-477,077,321	-221,890,807	-115,625,431	-56,954,024	-31,945,808	-39,153,585	-10,787,492	-720,174
Cash and cash equivalents:								
Interest revenue - PIC	-61,270	-	-	-	-	-	-	-61,270
Interest revenue - ABSA	-3,187,474	-690,185	-1,003,578	-575,755	-291,338	-476,371	-118,794	-31,453
Other debtors:								
Interest revenue - Mmabatho	-1,836,687	-1,836,687	-	-	-	-	-	-
Interest revenue - Thohoyandou	-50,608	-50,608	-	-	-	-	-	-
Interest revenue - Bisho	-508,656	-	-	-508,656	-	-	-	-
Interest revenue - Umtata	-831,049	-	-	-831,049	-	-	-	-
	-483,553,063	-224,468,287	-116,629,009	-54,869,484	-32,237,146	-39,629,956	-10,906,286	-812,897
3 Investment revenue - 31/03/2012								
Interest revenue - PIC	-443,367,139	-204,288,634	-110,928,915	-50,725,177	-30,467,015	-36,707,604	-9,560,857	-688,937
Cash and cash equivalents:								
Interest revenue - PIC	-83,927	-	-	-	-	-	-	-83,927
Interest revenue - ABSA	-3,654,021	-582,286	-1,428,371	-544,223	-295,518	-608,565	-151,440	-43,618
Other debtors:								
Interest revenue - Mmabatho	-1,737,109	-1,737,109	-	-	-	-	-	-
Interest revenue - Thohoyandou	-47,864	-47,864	-	-	-	-	-	-
Interest revenue - Bisho	-481,079	-	-	-481,079	-	-	-	-
Interest revenue - Umtata	-785,993	-	-	-785,993	-	-	-	-
	-450,157,132	-206,655,893	-112,357,286	-52,536,472	-30,762,533	-37,316,169	-9,712,297	-816,482

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
4 Interest paid - 31/03/2013								
Interest paid to interest-bearing beneficiaries	402,180,832	176,408,137	103,357,767	53,926,917	20,510,007	37,340,806	10,637,198	-
Interest is calculated at the gazette rate and capitalised at month end								
Interest is accrued from the next calendar month after receipt date up to five years after it has become claimable, unless it is legally claimed before such expiration								
	402,180,832	176,408,137	103,357,767	53,926,917	20,510,007	37,340,806	10,637,198	-
 Interest paid - 31/03/2012								
Interest paid to interest-bearing beneficiaries	364,942,520	157,447,547	98,277,593	46,466,935	19,508,499	34,144,421	9,097,526	-
Interest is calculated at the gazette rate and capitalised at month end								
Interest is accrued from the next calendar month after receipt date up to five years after it has become claimable, unless it is legally claimed before such expiration								
	364,942,520	157,447,547	98,277,593	46,466,935	19,508,499	34,144,421	9,097,526	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
5 Financial instruments - 31/03/2013								
PIC investment								
Opening balance as originally stated	7,871,700,143	3,672,123,542	1,934,068,224	914,737,758	533,473,702	638,345,453	178,951,465	-
Investment income received during financial year	476,367,146	221,900,807	115,625,431	56,954,024	31,945,808	39,153,585	10,787,492	-
Interest from ABSA for March 2012	284,475	47,713	133,115	14,353	25,587	53,806	9,901	-
Additions during the year	268,000,000	125,000,000	15,000,000	66,000,000	16,000,000	32,000,000	14,000,000	-
Disposals during the year	-64,900,000	-35,000,000	-16,900,000	-	-	-13,000,000	-	-
Interest from ABSA	2,913,884	619,309	922,781	541,131	266,121	452,874	111,669	-
Management expenses	-2,354,603	-1,099,534	-568,979	-280,169	-159,027	-192,599	-54,295	-
Closing balance	8,552,011,044	3,983,591,837	2,048,280,572	1,037,967,097	581,552,191	696,813,119	203,806,232	-

In terms of section 87 of the Administration of Estates Act (Act No. 66 of 1965), beneficiary monies received in the Guardian's Fund should be invested with the PIC. All monies except for those required for immediate disbursements are invested with the PIC. The carrying amount of financial investments approximates their fair value.

PIC investments	8,552,011,044	3,983,591,837	2,048,280,572	1,037,967,097	581,552,191	696,813,119	203,806,232	-
Money Market 0 - 3 months	1,066,856,643	450,870,915	284,647,564	104,003,187	46,741,709	139,098,612	41,494,658	-
Money Market 3 - 6 months	1,381,268,334	801,492,310	254,555,854	121,744,809	148,446,442	40,130,256	14,898,665	-
Money Market 6 - 9 months	982,148,108	397,748,369	225,345,330	175,864,216	53,766,285	94,566,683	34,857,226	-
Money Market 9 - 12 months	4,968,286,691	2,293,730,187	1,257,739,652	608,100,890	309,322,805	409,216,777	90,176,381	-
Monies earmarked for investments	153,451,267	39,750,054	25,992,172	28,253,995	23,274,950	13,800,792	22,379,303	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
5 Financial instruments - 31/03/2012								
PIC investment								
Opening balance as originally stated	6,834,984,459	3,133,351,011	1,712,679,967	771,840,059	488,437,607	582,352,259	146,323,556	-
Investment income received during financial year	442,678,204	204,288,636	110,928,915	50,725,177	30,467,015	36,707,604	9,560,857	-
Additions during the year	596,500,000	335,000,000	110,000,000	92,000,000	17,500,000	19,000,000	23,000,000	-
Disposals during the year	-3,000,000	-	-	-	-3,000,000	-	-	-
Interest from ABSA	2,643,320	452,394	987,511	413,817	216,210	459,838	113,551	-
Management expenses	-2,105,840	-968,499	-528,169	-241,295	-147,130	-174,248	-46,499	-
Closing balance	7,871,700,143	3,672,123,542	1,934,068,224	914,737,758	533,473,702	638,345,453	178,951,465	-

In terms of section 87 of the Administration of Estates Act (Act No. 66 of 1965), beneficiary monies received in the Guardian's Fund should be invested with the PIC. All monies except for those required for immediate disbursements are invested with the PIC.

The carrying amount of financial investments approximates their fair value.

PIC investments	7,871,700,143	3,672,123,542	1,934,068,224	914,737,758	533,473,702	638,345,453	178,951,465	-
Money Market 0 - 3 months	765,644,215	350,766,419	147,851,494	97,486,216	41,002,136	93,435,596	35,102,355	-
Money Market 3 - 6 months	1,865,042,333	940,074,675	480,320,589	126,976,282	174,568,006	112,332,553	30,770,228	-
Money Market 6 - 9 months	893,083,628	390,820,276	199,199,883	145,078,812	48,824,941	79,738,613	29,421,103	-
Money Market 9 - 12 months	4,192,006,106	1,955,898,537	1,078,107,048	519,014,462	239,865,246	329,010,758	70,110,055	-
Monies earmarked for investments	155,923,860	34,563,636	28,589,209	26,181,986	29,213,373	23,827,934	13,547,723	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
6 Cash and cash equivalents - 31/03/2013								
ABSA bank account	90,208,403	17,731,040	30,316,452	20,011,126	8,840,309	9,828,998	3,480,478	-
PIC main and reserve accounts	16,786,555	-	-	-	-	-	-	16,786,555
	106,994,957	17,731,040	30,316,452	20,011,126	8,840,309	9,828,998	3,480,478	16,786,555

For the purposes of the cash flow statement:

Disclosed as:

Cash and cash equivalents	106,994,957	17,731,040	30,316,452	20,011,126	8,840,309	9,828,998	3,480,478	16,786,555
Bank overdraft	-	-	-	-	-	-	-	-
Total cash and cash equivalents	106,994,957	17,731,040	30,316,452	20,011,126	8,840,309	9,828,998	3,480,478	16,786,555

The carrying amount of cash and cash equivalents approximates their fair value due to their short-term maturity

6 Cash and cash equivalents - 31/03/2012								
ABSA bank account	16,675,945	-18,574,943	1,354,805	10,806,749	8,021,369	12,788,487	2,279,478	-
PIC main and reserve accounts	15,974,207	-	-	-	-	-	-	15,974,207
	32,650,152	-18,574,943	1,354,805	10,806,749	8,021,369	12,788,487	2,279,478	15,974,207

For the purposes of the cash flow statement:

Disclosed as:

Cash and cash equivalents	32,650,152	-18,574,943	1,354,805	10,806,749	8,021,369	12,788,487	2,279,478	15,974,207
Bank overdraft	-	-	-	-	-	-	-	-
Total cash and cash equivalents	32,650,152	-18,574,943	1,354,805	10,806,749	8,021,369	12,788,487	2,279,478	15,974,207

The carrying amount of cash and cash equivalents approximates their fair value due to their short-term maturity.

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
7 Other receivables - 31/03/2013								
7.1 TBVC shortfall	55,658,298	32,551,479	-	23,106,819	-	-	-	-
- Mmabatho	31,678,612	31,678,612	-	-	-	-	-	-
- Thohoyandou	872,867	872,867	-	-	-	-	-	-
- Bisho	8,773,142	-	-	8,773,142	-	-	-	-
- Umtata	14,333,677	-	-	14,333,677	-	-	-	-
7.2 Absa interest receivable	242,748	70,878	80,798	34,624	25,218	23,497	7,125	609
These amounts relate to interest that is receivable from Absa for the month on March 2013								
	55,901,046	32,622,357	80,798	23,141,443	25,218	23,497	7,125	609
7 Other receivables - 31/03/2012								
7.1 TBVC shortfall	52,431,298	30,664,184	-	21,767,114	-	-	-	-
- Mmabatho	29,841,925	29,841,925	-	-	-	-	-	-
- Thohoyandou	822,259	822,259	-	-	-	-	-	-
- Bisho	8,264,486	-	-	8,264,486	-	-	-	-
- Umtata	13,502,628	-	-	13,502,628	-	-	-	-
- Guardian`s Fund Debtors	-	-	-	-	-	-	-	-
7.2 Absa interest receivable	289,196	47,711	133,115	14,353	25,586	53,805	9,901	4,725
These amounts relate to interest that is receivable from Absa for the month on March 2012								
	52,720,494	30,711,897	133,115	21,781,467	25,586	53,805	9,901	4,725

	Total R	Pretoria R	Pietermaritzburg R	Grahamstown R	Cape Town R	Bloemfontein R	Kimberley R	Nat-Off Inv R
8 Beneficiary liability - 31/03/2013								
Due to beneficiaries								
Opening balance as at 1 April 2012	7,284,714,318	3,276,898,992	1,817,240,096	914,651,256	467,554,235	631,940,341	176,429,401	-
Monies received during financial year	1,305,831,725	579,552,188	272,615,879	205,659,704	81,992,240	123,329,845	42,681,869	-
Payments to beneficiaries	-1,017,709,199	-448,243,662	-244,863,459	-129,770,740	-61,210,390	-106,268,473	-27,352,476	-
Transfer to SARS 30 year	-7,780,425	-3,277,940	-317,165	-320,747	-3,472,667	-256,895	-135,011	-
5% commission payable to SARS	-104,515	-33,758	-7,977	-811	-60,697	-1,272	-	-
Interest paid to beneficiaries	402,180,831	176,408,137	103,357,767	53,926,917	20,510,007	37,340,806	10,637,198	-
Closing balance	7,967,132,736	3,581,303,958	1,948,025,141	1,044,145,578	505,312,727	686,084,352	202,260,979	-
Beneficiary liability								
Interest-bearing beneficiary monies	7,188,670,936	3,167,841,100	1,821,763,246	982,631,242	366,260,520	655,319,448	194,855,378	-
Non-interest-bearing beneficiary monies (no commission)	527,552,086	257,059,376	103,004,449	53,531,213	87,055,017	20,740,436	6,161,593	-
Non-interest-bearing beneficiary monies (commission)	235,168,238	153,528,150	16,531,455	7,618,421	51,742,879	4,521,607	1,225,724	-
Unallocated beneficiary monies (sus- pense account)	14,114,379	1,695,980	6,237,691	405,014	254,548	5,502,860	18,284	-
Beneficiary monies - allocation account (refer to Note 17)	1,627,098	1,179,350	488,300	-40,314	-239	-	-	-
	7,967,132,736	3,581,303,958	1,948,025,141	1,044,145,578	505,312,727	686,084,352	202,260,979	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
8 Beneficiary liability - 31/03/2012								
Due to beneficiaries								
Opening balance as at 1 April 2011	6,329,723,565	2,763,333,968	1,637,534,738	774,660,901	437,349,281	570,863,865	145,980,812	-
Monies received during financial year	1,462,364,479	661,373,985	338,368,085	223,531,618	80,477,196	115,089,572	43,524,024	-
Payments to beneficiaries	-890,592,574	-316,856,682	-264,763,636	-129,168,976	-67,379,020	-90,310,732	-22,113,528	-
Transfer to SARS 30 year	-11,378,328	-4,988,652	-685,842	-681,628	-3,880,982	-1,012,832	-128,392	-
5% commission payable to SARS	-111,735	-13,892	-4,930	-2,958	-81,927	-8,029	-	-
Allocation account write-off	29,067,478	16,558,055	8,258,247	-562,944	1,561,188	3,154,971	97,959	-
Prior year's adjustments	698,915	44,662	255,840	408,307	-	19,106	-29,000	-
Interest paid to beneficiaries	364,942,518	157,447,547	98,277,593	46,466,935	19,508,499	34,144,421	9,097,526	-
Closing balance	7,284,714,318	3,276,898,992	1,817,240,096	914,651,256	467,554,235	631,940,341	176,429,401	-
Beneficiary liability	-	-	-	-	-	-	-	-
Interest-bearing beneficiary monies	6,540,229,968	2,887,595,306	1,691,597,744	852,384,729	338,761,647	601,010,242	168,880,300	-
Non-interest-bearing beneficiary monies (no commission)	517,652,805	252,263,871	105,701,859	54,622,100	79,400,425	19,396,361	6,268,189	-
Non-interest-bearing beneficiary monies (commission)	213,402,150	136,767,125	15,158,110	7,392,555	48,457,049	4,356,433	1,270,878	-
Unallocated beneficiary monies (suspense account)	13,429,395	272,690	4,782,383	251,872	935,114	7,177,305	10,034	-
Beneficiary monies - allocation account (refer to Note 17)	-	-	-	-	-	-	-	-
	7,284,714,318	3,276,898,992	1,817,240,096	914,651,256	467,554,235	631,940,341	176,429,401	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
9 Trade and other payables - 31/03/2013								
SARS payable								
Opening balance as at 1 April 2012	15,421,771	10,139,469	-2,083,086	747,479	4,753,731	1,644,942	219,236	-
5% commission	104,518	33,758	7,977	812	60,699	1,272	-	-
30 year - beneficiary monies	7,780,426	3,277,940	317,165	320,747	3,472,667	256,896	135,011	-
	23,306,715	13,451,167	-1,757,943	1,069,038	8,287,096	1,903,110	354,247	-
Less: SARS liability paid during financial year	-11,490,065	-5,002,544	-690,772	-684,587	-3,962,909	-1,020,861	-128,392	-
Closing balance as at 31 March 2013	11,816,649	8,448,623	-2,448,716	384,451	4,324,188	882,249	225,855	-
9 Trade and other payables - 31/03/2012								
SARS payable								
Opening balance as at 01 April 2011	3,931,705	5,136,924	-2,773,858	62,894	790,822	624,081	90,843	-
5% commission	111,735	13,892	4,930	2,958	81,927	8,029	-	-
30 year - beneficiary monies	11,378,331	4,988,653	685,843	681,629	3,880,982	1,012,832	128,392	-
	15,421,771	10,139,469	-2,083,085	747,481	4,753,731	1,644,942	219,235	-
Less: SARS liability paid during financial year	-	-	-	-	-	-	-	-
Closing balance as at 31 March 2012	15,421,771	10,139,469	-2,083,085	747,481	4,753,731	1,644,942	219,235	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
10 Accumulated other comprehensive income - 31/03/2013								
Opening balance as at 1 April 2012	-	-	-	-	-	-	-	-
Unrealised profit/(losses) for the year	-	-	-	-	-	-	-	-
Revaluation increase/(decrease) on investments								
Balance at the end of the year	-	-	-	-	-	-	-	-
10 Accumulated other comprehensive income - 31/03/2012								
Opening balance as at 1 April 2011	-	-	-	-	-	-	-	-
Unrealised profit/(losses) for the year	-	-	-	-	-	-	-	-
Revaluation increase/(decrease) on investments								
Balance at the end of the year	-	-	-	-	-	-	-	-
11 Monies in Trust reserve - 31/03/2013								
Opening balance as at 1 April 2012	-	-	-	-	-	-	-	-
Transfers to/(from) reserves								
Revaluation increase/(decrease) on investments								
Balance at the end of the year	-	-	-	-	-	-	-	-
11 Monies in Trust reserve - 31/03/2012								
Opening balance as at 1 April 2011	10,069,494	-	-	-	-	-	-	10,069,494
Transfers to accumulated surplus	-10,069,494	-	-	-	-	-	-	-10,069,494
Revaluation increase/(decrease) on investments								
Balance at the end of the year	-	-	-	-	-	-	-	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
12 Accumulated surplus/(deficit) - 31/03/2013								
Opening balance as at 1 April 2012	-656,934,700	-397,222,036	-120,399,131	-31,927,238	-69,212,693	-17,602,462	-4,592,208	-15,978,933
Surplus for the year	-79,022,963	-46,970,615	-12,702,263	-4,662,398	-11,568,112	-2,096,552	-214,794	-808,231
Balance at the end of year	-735,957,662	-444,192,651	-133,101,394	-36,589,636	-80,780,805	-19,699,014	-4,807,002	-16,787,164
12 Accumulated surplus/(deficit) - 31/03/2012								
Opening balance as at 1 April 2011	-593,345,705	-365,622,422	-115,245,665	-25,652,107	-59,722,979	-17,854,855	-4,149,883	-5,097,794
Surplus for the year	-63,588,995	-31,599,614	-5,153,466	-6,275,131	-9,489,714	252,393	-442,325	-10,881,139
Balance at the end of year	-656,934,700	-397,222,036	-120,399,131	-31,927,238	-69,212,693	-17,602,462	-4,592,208	-15,978,933
13 Management fees - 31/03/2013								
Investment management fees - PIC investment	2,349,269	1,089,534	568,979	280,169	159,027	192,599	54,295	4,666
	2,349,269	1,089,534	568,979	280,169	159,027	192,599	54,295	4,666
Fees are payable to the Public Investment Corporation Limited for managing the Guardian's Fund investments in terms of the Investment management agreement								
13 Management fees - 31/03/2012								
Investment management fees - PIC investment	2,110,677	968,499	528,169	241,295	147,130	174,248	46,499	4,837
	2,110,677	968,499	528,169	241,295	147,130	174,248	46,499	4,837

Fees are payable to the Public Investment Corporation Limited for managing the Guardian's Fund investments in terms of the Investment management agreement.

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R

14 Related party transactions - 31/03/2013

Name of related party:

Department of Justice and Constitutional Development.

Relationship:

Department under common Ministry. All administration costs of the Guardian's Fund are paid for by the Department of Justice and Constitutional Development. Other transactions relate to TBVC transactions as stated in **Notes 3 and 7**

Total administration costs (salaries) disclosed as: **63,414,184**

Office of the Chief Master	59,421,970
Office of the CFO	3,992,214

Key personnel costs disclosed as: **10,780,701**

Level 15 - Chief Master (1)	1,437,255
Level 14 - Chief Director (3)	3,441,801
Level 13 - Directors (1) and Masters (6)	5,901,645

Name of related party:

The Public Investment Corporation Limited

Relationship:

In terms of section 87 of the Administration of Estates Act (Act No. 66 of 1965), beneficiary monies received in the Guardian's Fund should be invested with the PIC. Details of transaction values as stated in **Notes 3, 5 & 13**

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R

14 Related party transactions - 31/03/2012

Name of related party:

Department of Justice and Constitutional Development

Relationship:

Department under common Ministry. All administration costs of the Guardian's Fund are paid for by the Department of Justice and Constitutional Development. Other transactions relate to TBVC transactions as stated in Notes 3 and 7

Total administration costs (salaries) disclosed as: **47,112,742**

Guardian's Fund Directorate	43,400,116
	3,712,626

Key personnel costs disclosed as: **7,504,448**

Level 15 - Chief Master (1)	996,750
Level 14 - Chief Director (1)	964,915
Level 13 - Directors (2) and Masters (6)	5,542,783

Name of related party:

The Public Investment Corporation Limited

Relationship:

In terms of section 87 of the Administration of Estates Act (Act No. 66 of 1965), beneficiary monies received in the Guardian's Fund should be invested with the PIC. Details of transaction values as stated in Notes 3, 5 & 13

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
15 Cash generated from/(utilised in) operations - 31/03/2013								
	-	-	-	-	-	-	-	-
Plus: SARS paid	11,490,062	5,002,544	690,772	684,586	3,962,908	1,020,860	128,392	-
Less: Investment income received	-482,498,028	-224,397,410	-116,548,210	-58,834,860	-32,211,928	-39,606,459	-10,899,161	-
Plus: Interest paid	402,180,832	176,408,137	103,357,767	53,926,917	20,510,007	37,340,806	10,637,198	-
Net cash flows from operating activities	-68,827,134	-42,986,729	-12,499,671	-4,223,357	-7,739,013	-1,244,793	-133,571	-
15 Cash generated from/(utilised in) operations - 31/03/2012								
Surplus/(deficit) before interest	-	-	-	-	-	-	-	-
Plus: SARS paid	682,612	82,180	307,747	116,053	53,722	94,922	27,988	-
Less: Investment income received	-449,056,176	-206,608,182	-112,224,171	-52,522,118	-30,736,946	-37,262,363	-9,702,396	-
Plus: Interest paid	364,942,519	157,447,547	98,277,593	46,466,935	19,508,499	34,144,421	9,097,526	-
Net cash flows from operating activities	-83,431,045	-49,078,456	-13,638,831	-5,939,130	-11,174,725	-3,023,020	-576,882	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
16 Disallowance account (fraud and losses) - 31/03/2013								
Balance at at 31 March 2012	10,507,349	7,882,115	1,740,000	76,993	296,361	492,806	19,073	-
Current year fraud cases	2,320,524	520,287	314,543	-	-	1,485,694	-	-
Current year losses	629,788	205,566	389,714	-	33,237	1,272	-	-
Finalised cases - investigation finalised	-3,108,532	-1,442,102	-	-	-110,642	-1,555,788	-	-
Cases still under investigation as at 31 March 2013	10,349,129	7,165,866	2,444,257	76,993	218,956	423,984	19,073	-
16 Disallowance account (fraud and losses) - 31/03/2012								
Balance at at 31 March 2011	6,876,724	6,035,383	578,113	65,000	120,996	58,159	19,073	-
Current year fraud cases	1,540,430	707,661	674,708	-	-	158,061	-	-
Current year losses	2,090,195	1,139,071	487,180	11,993	175,366	276,586	-	-
Finalised cases - investigation finalised	-	-	-	-	-	-	-	-
Cases still under investigation as at 31 March 2012	10,507,349	7,882,115	1,740,000	76,993	296,362	492,806	19,073	-

	Total	Pretoria	Pietermaritzburg	Grahamstown	Cape Town	Bloemfontein	Kimberley	Nat-Off Inv
	R	R	R	R	R	R	R	R
17 Beneficiary monies - Allocation account - 31/03/2013								
Balance as at 31 March 2013	1,627,097	1,179,350	488,300	-40,314	-239	-	-	-
The net transactions totalling R1.6 million originate from current year differences between the Guardian's Fund System and the cash book which will be corrected in the following year								
Beneficiary monies - Allocation account - 31/03/2012								
Balance as at 31 March 2012	-	-	-	-	-	-	-	-

	As disclosed in 2012	As restated in 2013	Prior period errors for the financial year ending 31 March 2012	Pre-prior period error for the financial years ending 31 March 2006 to 31 March 2011	Nature of restatement
	R	R	R	R	R
18 Restatement of comparatives					
The financial statements for 31 March 2012 were restated due to more accurate financial information becoming available and as historical issues are addressed					
18.1 Restatement of financial position					
ASSETS					
Financial investments available-for-sale (PIC investments)	7,871,700,143	7,871,700,143	-	-	
Cash and cash equivalents	32,159,721	32,650,152	490,431	-	Cashbook restated (PMB & GHT) Write off (PMB & CPT)
Other receivables -	52,720,495	52,720,495	-	-	
- TBVC	52,431,295	52,431,295	-	-	
- ABSA interest	289,200	289,200	-	-	
Total assets	7,956,580,359	7,957,070,790	490,431	-	
LIABILITIES					
Total liabilities	7,268,002,148	7,300,176,067	31,759,802	374,139	
Beneficiary liability	7,252,580,377	7,284,754,296			
- Restatement of interest paid			2,367,548	374,139	Due to an increase of interest payable due to restatement of beneficiary liability
Write off allocation account			29,067,478		Allocation account written off
Allocation account adjustment (affecting bank)			324,776		Resolving of reconciling items in bank reconciliation
Other payables	15,421,771	15,421,771			

	As disclosed in 2012	As restated in 2013	Prior period errors for the financial year ending 31 March 2012	Pre-prior period error for the financial years ending 31 March 2006 to 31 March 2011	Nature of restatement
	R	R	R	R	R
18.1 Restatement of financial position - Continued					
CAPITAL AND RESERVES					
Total liabilities	7,268,002,148	7,300,176,067	31,759,802	374,139	
Total net assets	688,578,211	646,825,229	-31,269,372	-374,139	
Accumulated surplus/(deficit)	678,508,717	646,825,229			
- Write off allocation account			-29,067,478		Allocation account written off
- Write off bank items			165,654		Prior 2007 bank items written off
- Interest paid			-2,367,548	-374,139	Interest adjustments payable to beneficiaries due to change in beneficiary liability through more accurate data
- Write back MIT reserve			-10,069,494		Reallocate Reserve Account to Surplus through profit and loss-Change in surplus
MIT reserve	10,069,494	-	10,069,494	-	Reallocate Reserve Account to Surplus through profit and loss-Change in MT Reserve
Total net assets and liabilities	7,956,580,359	7,947,001,296	490,431	-	
18.2 Restatement of performance					
Revenue					
Investment revenue	450,157,132	450,157,132	-	-	
Write back reserve account to income		10,069,494	10,069,494		Reallocate Reserve Account to Surplus through profit and loss
Less: Expenditure	365,368,259	396,637,629	-31,269,370	-	
Management fees	2,110,677	2,110,677	-	-	
Provision for doubtful debts	682,611	29,584,432	-28,901,821		Write off bad debt (allocation acc, bank recon items)
Interest paid to beneficiaries	362,574,971	364,942,520	-2,367,549		Increase in interest payable to beneficiaries due to increase of beneficiary liability at 31 March 2012
Surplus/(deficit) for the year	84,788,873	63,588,997	-21,199,876	-	

GUARDIAN'S FUND RISK MANAGEMENT STATEMENT

19. RISK MANAGEMENT

19.1 INTRODUCTION

As a client of the PIC, the Guardian's Fund specifies its desirable risk parameters in accordance with its own risk appetite. This risk appetite informs the formal investment mandate given to the PIC.

The mandate consciously promotes a responsible approach to risk to ensure the long-term survival of the Fund and to protect the reputation of the Fund.

The ultimate responsibility for investment risk management oversight lies with the PIC and not with the Guardian's Fund.

19.2 MARKET RISK

Market risk is the exposure to adverse change in the market value of our investment position caused by changes in prices and rates. The Entity's activities expose it primarily to the risks of fluctuations in interest rates.

Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Market risk exposures are measured by using sensitivity analysis. A sensitivity analysis shows how net surplus, and/or net assets would have been affected by changes in the relevant risk variable that were reasonably possible at the reporting date.

19.3 INTEREST RATE RISK

This risk is the potential financial loss as a result of adverse movements in interest rates that affect the value of money market instruments. As a PIC client, the Guardian's Fund has exposure to interest rate risk through investments in money markets.

Sensitivity to interest rate movements is measured by the duration of the fixed interest exposure. Such duration is dictated in the Guardian's Fund client investment mandate to PIC, relative to the appropriate benchmark.

Furthermore, these investment mandates prescribe how the assets should be managed by PIC, in line with Guardian's Fund liquidity needs and its liability profile.

19.4 INTEREST RATE RISK SENSITIVITY ANALYSIS

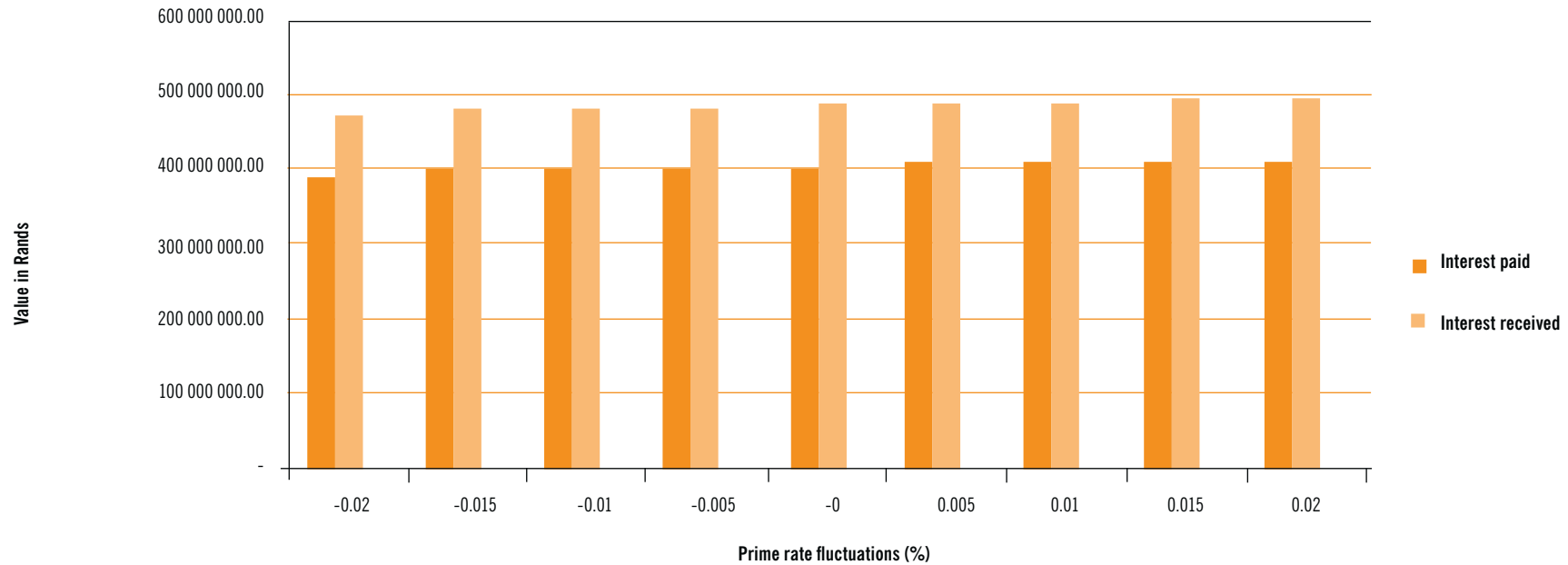
The sensitivity analysis below has been determined based upon financial instruments exposure to interest rates at the Statement of financial position date.

The basis points increase or decrease, as detailed in the table below, were determined by management and represent management's assessment of a reasonable change in interests rates.

The positive number indicates an increase in net surplus, and a negative number indicates a decrease in net surplus.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from one year to the next. In the graph, the zero interest rate represent the base - as disclosed in the Audited Financial Statements.

INTEREST RATE SENSITIVITY ANALYSIS



The above sensitivity analysis shows that even with a 2% change (both ways) in the interest rate, the Guardian's Fund would have earned sufficient interest investment income to cover the interest paid to fund beneficiaries at the gazetted rate of interest.

19.5 CREDIT RISK

Guardian's Fund investment portfolios are exposed to the potential for credit-related losses that can result due to an individual, counterparty or issuer being unable or unwilling to honour contractual obligations.

To mitigate this risk and minimize excessive credit exposure to one single counterparty, the Guardian's Fund mandate to PIC states that PIC will only invest with local commercial banks or

institutions that have a credit rating of at least "A" from one of the recognised domestic and/or international credit rating agencies.

19.6 CONCENTRATION RISK

Concentration risk is the risk of losses arising due to poor diversification within funds, which can result in undesirable risk exposures.

The Guardian's Fund manages this risk through the PIC investment mandate, which dictates the level of concentration. Money market investments are spread across banks to reduce and diversify the client's concentration risk.

19.7 LIQUIDITY RISK

Liquidity risk is the potential that there will not be adequate liquid assets available to meet the obligations of the Guardian's Fund when they fall due.

The Guardian's Fund manages this risk through the investment mandate that is signed with PIC. The mandate is in line with the Fund's liquidity need and its liability profile. Currently, the Guardian's Fund liquid assets holding is R8.5 billion.

19.8 OPERATIONAL RISK

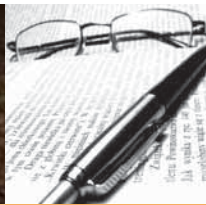
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and external events.

The Fund recognises the significance of operational risk, which is inherent in all the Fund's activities.

Operational risk is managed within acceptable levels through an appropriate level of management focus and resources.

A multi-skilled Guardian's Fund Governance Committee was instituted by the Chief Master during this year to further manage this risk.





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