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21/11/07

ANNUAL FINANCIAL STATEMENTS

NAME OF THE RETIREMENT FUND: Dynam-ique SA Umbrella Provident Fund

FINANCIAL SERVICES BOARD

REGISTRATION NUMBER: 12/8/37634/1

SOUTH AFRICAN REVENUE SERVICES

APPROVAL NUMBER: SARS 18/20/4/41885

FOR THE PERIOD: 1 September 2005 to 28 February 2006

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* (Not subject to audit)

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Dynam-ique SA Umbrella Provident Fund

**SCHEDULE A
REGULATORY INFORMATION**
for the period ended 28 February 2006

REGISTERED OFFICE

Postal address Postnet Suite No. 306
Private Bag X30500
Houghton
2041

Physical address 3rd Floor North Wing
Oakhurst
11 St Andrews Rd
Parktown

FINANCIAL REPORTING INFORMATION

Financial reporting periods
Current 1 September 2005 to 28 February 2006

BOARD OF TRUSTEES

Full name	Capacity	Date appointed	Date resigned
T Kamionsky	E & C	1 July 2005	
G Fowler	M	1 October 2005	31 August 2006
S Dube	M	1 October 2005	28 February 2006
R Botha	I	1 October 2005	
O Mokoena	I	1 October 2005	

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

	Principal Officer	Monitoring person*
Full Name:	Oswald Mokoena	Geraldine Fowler
Postal Address:	Postnet Suite No. 306 Private Bag X30500 Houghton 2041	Postnet Suite No. 306 Private Bag X30500 Houghton 2041
Physical Address:	3rd Floor North Wing Oakhurst 11 St Andrews Rd Parktown	3rd Floor North Wing Oakhurst 11 St Andrews Rd Parktown
Telephone number:	011- 484 8002	011- 484 8002
Email address:	oswald.mokoena@dynam-ique.co.za	geraldine.fowler@dynam-ique.co.za

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

SCHEDULE A
REGULATORY INFORMATION (continued)
 For the period ended 28 February 2006

PROFESSIONAL SERVICE PROVIDERS

	Actuary/Valuator	Auditors
Full Name:	Tony Kamionsky	BDO Spencer Steward
Postal Address:	Postnet Suite No. 306 Private Bag X30500 Houghton 2041	Private Bag X60500 Houghton 2041
Physical Address:	3rd Floor North Wing Oakhurst 11 St Andrews Rd Parktown	13 Wellington Road Parktown 2193
Telephone number:	011- 484 8002	011-481-1700
Qualifications:		Chartered Accountants (SA) Registered Auditors

	Benefit Administrator	Fund Consultants
Full Name:	Dynam-ique SA	Dynam-ique SA
Postal Address:	Postnet Suite No. 306 Private Bag X30500 Houghton 2041	Postnet Suite No. 306 Private Bag X30500 Houghton 2041
Physical Address:	3rd Floor North Wing Oakhurst 11 St Andrews Rd Parktown	3rd Floor North Wing Oakhurst 11 St Andrews Rd Parktown
Telephone number:	011- 484 8002	011- 484 8002
Benefit administrator's registration no. in terms of section 13B:		

	Investment Administrators	Investment Advisors
Full name:	Allan Gray	Allan Gray
Postal Address:	P O Box 51605 V&A Waterfront Cape Town 8001	P O Box 51605 V&A Waterfront Cape Town 8001
Physical Address:	Granger Bay Court Beach Road V&A Waterfront Cape Town, 8001	Granger Bay Court Beach Road V&A Waterfront Cape Town, 8001
Telephone number:	0860 000 654	0860 000 654
Investment administrator's registration no. in terms of section 13B:		
Investment advisor's FAIS application number:		

	Risk insurers
Full name:	Sanlam
Postal Address:	P O Box 1 Sanlamhof 7532
Physical Address:	2 Strand Road Belville
Telephone number:	(021) 917 9002
FSB approval no.:	24/85

Dynam-ique SA Umbrella Provident Fund

**SCHEDULE A
REGULATORY INFORMATION (continued)
For the period ended 28 February 2006**

PARTICIPATING EMPLOYERS

The following employers participate in the fund in terms of the rules of the fund:

Albes Distributions CC
Apparel Plastics
Caxton Books
Diamond's Discount Liquors
Eagle Technology
EMB SA Actuar and Consult (Pty) Ltd
Fashion Adventure CC
Flavour Creative Cuisine CC
Ina Paarman's Kitchen (Pty) Ltd
Inverskye Africa (Pty) Ltd
Kilotreads (Pty) Ltd
Mbeva Investment Holdings
Medic Alert Foundation of SA
Nettex (Pty) Ltd
Pernod Richard SA (Pty) Ltd
Rabie Property Projects (Pty) Ltd
Renaissance Risk Management (Pty) Ltd
Roller Coverers cc
Roxburgh Trust (Pty) Ltd
SA Link Jewellery
Sporti Products
Thompson's Guarding cc
Vecboards cc
Warwick Wine Estate
Whitfield Property Management cc
Zizwe General Services CC

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES
For the period ended 28 February 2006

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 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 Dynam-ique SA Umbrella 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 9 to 19 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 financial statements on page 13 to 14,
- 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, BDO Spencer Steward, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The board of trustees believes that all representations made to the independent auditors during their audit were valid and appropriate. The report of the independent auditors is presented on page 7 .

SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF TRUSTEES (continued)
For the period ended 28 February 2006

These financial statements:

- were approved by the board of trustees on _____;
- are certified by them to the best of their knowledge and belief to be correct
- fairly represent the net assets of the fund at 28 February 2006 as well as the results of its activities for the period then ended; and
- are signed on the board of trustees behalf by:

Name: _____
Trustee Date

Name: _____
Trustee Date

Name: _____
Trustee Date

Name: _____
Trustee Date

Date

Dynam-ique SA Umbrella Provident Fund

**SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
For the period ended 28 February 2006**

I confirm that for the year under review Dynam-ique SA Umbrella 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.

Oswald Mokoena

PRINCIPAL OFFICER

Date



Dynam-ique SA Umbrella Provident Fund

SCHEDULE D

QUALIFIED REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF Dynam-ique SA Umbrella Provident Fund

We have audited the annual financial statements of Dynam-ique SA Umbrella Provident Fund which comprise the report of the board of trustees, the statement of net assets and funds at 28 February 2006, the statement of changes in net assets and funds for the period then ended, and the notes to the financial statements, which include the principal accounting policies and other explanatory notes, as set out on pages 9 to 19.

Board of Trustees's responsibility for the Annual Financial Statements

The board of trustees is responsible for the preparation and fair presentation of these annual 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 annual 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

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

Opinion

We are unable to verify the existence and completeness and accuracy of the contributions made to fund due to lack of payrolls provided by the respective participating employers. We therefore cant place any reliance on the payroll related expenses such as risk and administrations costs.

Certain participating employers have also contravened the specific rules by not contributing at the correct rates as set out in the rules of the fund.

In our opinion, except for the effect on the annual financial statements of the matter referred to in the preceding paragraph, the annual financial statements fairly present, in all material respects, the net assets of the fund at 28 February 2006 and the results of its activities for the period then ended in accordance with basis of accounting applicable to retirement funds in South Africa, the financial rules of the fund and the requirements of the Pension Funds Act in South Africa.

Other matters - Restriction on use

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

BDO Spencer Steward
Chartered Accountants (South Africa)
Registered Auditors
Per: Richard Henry

Date



**SCHEDULE E
REPORT OF THE BOARD OF TRUSTEES
For the period ended 28 February 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 Pension Fund fund. The fund is a defined contribution fund.

1.2 Benefits

1.2.1 Lump sum payments to retirees or their dependants, as well as death benefits. Retrenchment benefits. Retirement benefits.

1.2.2 Unclaimed benefits stay with investments Managers until the administrator receives notification of the members's exit.

1.2.3 In respect of unclaimed benefits, complete records, as prescribed, are maintained as from 28 February 2006.

1.3 Contributions

1.3.1 Description in terms of the rules of the fund

1.3.1.1 Members contribute at a rate as set out per the rules of the fund.

1.3.1.2 Participating employers contribute at a rate set out per the rules of the fund

1.4 Rule Amendments

No rules were amended during the period under review.

1.5 Reserves

No reserves were utilised by the fund during the period under review.

2. INVESTMENTS

2.1 Investment strategy

The board of trustees have formulated an investment strategy whereby the investments are managed according to the following principles. This investment strategy complies with the provisions of regulation 28 of the Pension Funds Act in South Africa.

2.1.1 General

Cash will be invested and disinvested with Allan Gray. Different portfolio's are selected and invested according to the wishes of the trustees or participating employer's.

2.1.2 Fund Specific

Participating employers invest their monies in Alan Gray in different policies according to the trustees or participating employers risk preference.

2.1.3 Unclaimed benefits

Unclaimed benefits stays with Investment Managers until the administrator receives notification of members exit.

2.1.4 Reserve accounts

There are no Reserves

SCHEDULE E
REPORT OF THE BOARD OF TRUSTEES (continued)
 For the period ended 28 February 2006

2.2 Management of investments

The fund's investments consist of Unitised Investments with Allan gray. All investment administrators have complete discretion as to the composition of their share of the portfolio within the boundaries allowed by the Pension Funds Act in South Africa. The board of trustees meets twice a year to discuss investment policy and to monitor the asset allocation and performance of the investment administrators against the investment strategy of the fund.

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

	28 February 2006 R	2005 R
Total value of investments managed	1,044,608	-
	<u>1,044,608</u>	

3. MEMBERSHIP

	Active members
Numbers at the beginning of period	-
Additions	590
Withdrawals	(28)
Numbers at the end of the period	<u>562</u>

4. ACTUARIAL VALUATION

The fund has been exempted from the provisions of sections 9A and 16 of the Pension Funds Act in South Africa. In order for the fund to continue to be exempted, an actuarial report for the three years ending 2 August 2005 was obtained in terms of regulation 2(e). The actuarial report was submitted to the Registrar of Pension Funds on 1 August 2008.

5. HOUSING LOAN FACILITIES

No loan facilities were made available by the fund during the year under review.

6. INVESTMENTS IN PARTICIPATING EMPLOYERS

During the year under review no investments in participating employers were held by fund.

7. SUBSEQUENT EVENTS

Since the financial period end there were no subsequent events on which to report.

Dynam-ique SA Umbrella Provident Fund

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
As at 28 February 2006

	Notes	28 February 2006 R	31 August 2005 R
ASSETS			
Non-current assets			
Investments	2	1,044,608	-
Current assets			
Accounts receivable	3	29,238	-
Contributions receivable	8	520,464	-
Cash at bank		154,660	-
Total assets		1,748,970	-
FUNDS AND LIABILITIES			
Members' funds			
Members' individual accounts		1,531,307	-
Current liabilities			
Benefits payable	5	24,944	-
Accounts payable	6	181,316	-
Retirement Fund Taxation	7	11,403	-
Total funds and liabilities		1,748,970	-

Dynam-ique SA Umbrella Provident Fund

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
 For the period ended 28 February 2006

	Notes	Members' individual accounts R	Total Previous Period R
Contributions received and accrued	8	1,988,703	-
Net investment income	9	63,720	-
Less:		(496,172)	-
Re-insurance premiums		(251,433)	-
Administration expenses	10	(233,336)	-
Retirement fund taxation	7	(11,403)	-
Net income before transfers and benefits		1,556,251	-
Transfers and benefits		(24,944)	-
Benefits	5	(24,944)	-
Net income after transfers and benefits		1,531,307	-
Funds and reserves			
Balance at beginning of period		-	-
Balance at end of period		<u>1,531,307</u>	<u>-</u>

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
For the period ended 28 February 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.
- Presentation and disclosure in terms of IFRS4 insurance contracts

The financial statements are prepared on the historical cost basis and going concern basis, modified by the valuation of financial instruments and investment properties to fair value, and the revaluation of land and buildings to market 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.

1.2 FINANCIAL INSTRUMENTS

Measurement

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors, leases and borrowings. 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. Kruggerands are valued at market value.

Insurance policies

Linked 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.

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
For the period ended 28 February 2006

Asset impairment

Asset impairment tests are applied annually to assets whose measurement basis is historic cost or historic cost as adjusted for revaluations. An impairment loss is recognised when an asset's carrying value exceeds its recoverable amount. Impairment losses are initially adjusted against any applicable revaluation reserve then expensed in the statement of changes in net assets and funds. If the impairment loss for an asset exceeds the carrying value of the asset the excess is recognised as a provision.

The recoverable value is the higher of the asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Value in use is the present value of estimated future cash flows expected to flow from continuing use of the asset and from its disposal at the end of its useful life.

If the recoverable amount of an asset subsequently exceeds the carrying value resulting from the application of its accounting policy, an impairment reversal is recognised to that extent. The impairment reversal is applied in reverse order to the impairment loss.

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.

1.3 PROVISIONS

Provisions are recognised when the fund has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

1.4 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.

1.5 DIVIDEND INCOME, INSURANCE POLICY INCOME, INTEREST AND RENTALS

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.

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.

1.6 COMPARATIVES

This is the first year of audit therefore there are no comparatives.

1.7 TRANSFER TO AND FROM THE FUND

Section 14 and 15B transfers to or from the fund are recognised on approval being granted by the Financial Services Board. Individual transfers are recognised when the individual member's transfer is received or paid.

Dynam-ique SA Umbrella Provident Fund

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 For the period ended 28 February 2006

2. INVESTMENTS

2.1 Investment Summary	A				B		A+B		Total previous period R	Fair value current period R	Categorised per IAS 39
	Local R	Foreign R	Foreign R	Local R	Foreign R	Local R					
Collective investment scheme	973,794	70,814	70,814	1,044,608	-	-	1,044,608	1,044,608	At fair value through statement of changes in net assets and funds		
Total	<u>973,794</u>	<u>70,814</u>	<u>70,814</u>	<u>1,044,608</u>	-	-	<u>1,044,608</u>	<u>1,044,608</u>			

3. ACCOUNTS RECEIVABLE

	28 February 2006 R	2005 R
Investment Paid with Cash	<u>29,238</u>	<u>-</u>

4. ARREAR CONTRIBUTIONS

	28 February 2006 R	2005 R
Current contributions by participating employers	<u>520,464</u>	<u>-</u>
	<u>520,464</u>	<u>-</u>

Dynam-ique SA Umbrella Provident Fund

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 For the period ended 28 February 2006

5. BENEFIT PAYMENTS

5.1 Benefits - current members

	A	B	C	D	E	A+B+C-D-E
	At beginning of period	Benefits for current period	Return allocated	Payments	Transferred to unclaimed benefits	At end of period
	R	R	R	R	R	R
Lump sums on retirements	-	24,944	-	-	-	24,944
Lump sums before retirement	-	24,944	-	-	-	24,944
- Withdrawal benefits						
Benefits for current period (B)						24,944
Return allocated (C)						-
Statement of changes in net assets and funds						24,944

6. ACCOUNTS PAYABLE

	28 February 2006	2005
	R	R
Provision for audit fees	51,300	-
Reinsurance premiums	78,452	-
Creditors Consulting Fee	26,933	-
SAS Admin Fee payable	24,631	-
	181,316	-

Dynam-ique SA Umbrella Provident Fund

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 For the period ended 28 February 2006

7. RETIREMENT FUND TAXATION

	28 February 2006 R	2005 R
Taxable income	63,350	-
Retirement fund taxation at the rate of 18% (2005 - 18%)	11,403	-
Retirement fund taxation for the year (as per statement of changes in net assets and funds)	11,403	-
Reconciliation of retirement fund tax (receivable) / payable:		
Retirement fund taxation	11,403	-
At end of period	11,403	-

8. CONTRIBUTIONS

	A At beginning of the period R	B Towards retirement R	C Towards re- insurance and expenses R	D Contributions received R	A+B+C-D At end of the period R
Member contributions - received and accrued	-	487,535	-	(487,535)	-
Employer contributions - received and accrued	-	1,501,168	-	(980,704)	520,464
	-	1,988,703	-	(1,468,239)	520,464
Towards retirement					1,988,703
Towards reinsurance and expenses					-
Statement of changes in net assets and funds					1,988,703

9. NET INVESTMENT INCOME

	28 February 2006 R	2005 R
Income from investments	63,350	-
• Interest	5,457	-
• Collective investment schemes distribution	57,893	-
Interest on late payment of contributions	417	-
	63,767	-
Less: Expenses incurred in managing investments	(47)	-
Total	63,720	-

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 For the period ended 28 February 2006

10. ADMINISTRATION EXPENSES

		28 February 2006 R	2005 R
Administration fees		89,240	-
Audit fees		51,300	-
Consultancy fees		90,961	-
Other expenses		266	-
Bank Services Fees		266	-
Trustees' fees and remuneration	10.1	1,569	-
Total		233,336	-

10.1 Trustees' expenses

		28 February 2006 R	2005 R
Trustees' fees - expenses		1,569	-
Total		1,569	-

11. Risk management policies

Solvency risk

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the funds contractual obligations to members.

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.

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
For the period ended 28 February 2006

Liquidity risk

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

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.

Investments

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

Investments are managed with the aim of maximising the fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

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.

12. RELATED PARTIES

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

- The participating employer made contributions to the fund for members' retirement and towards the fund's expenses to the value of R1 501 168 and R0 respectively.

Dynam-ique SA Umbrella 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 Dynam-ique SA Umbrella Provident Fund for the period ended 28 February 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:

	Procedures	Findings
1	We selected 26 participating employers or pay points and for the following three months: March, June, February , performed the following procedures:	
1.1	We agreed, in total, the data received by the administrator to the cash received by the fund.	We could not agree any payrolls to the administrators system as the administrator uses a prebilling system and does not require the participating employer to lodge any payrolls.
1.2	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 not 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
1.3	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 not been paid to the fund in accordance with the requirements of section 13A of the Act.
2	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 does not hold investments prohibited in terms of section 19(4) of the Act'.
2.1	No investments were held in the participating employer during the under review.	
2.2	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 did agree to the details in the confirmations received from the investment managers .
3	No housing loan facilities were advanced to members by the fund during the year under review.	

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 28 February 2006

	Procedures	Findings
4	No 'other' loans were made available during the year under review which could be checked for compliance with section 19(5) B.	We found that other loans were/were not granted in terms of the requirements of section 19(5)B.
5	We obtained a written confirmation from the fund's insurer that fidelity insurance cover was in place for the financial period ended 28 February 2006.	We found that the confirmation indicated that fidelity insurance cover for the trustees was in place for the financial period ending 28 February 2006.
6	No Section 14 transfers were made during the period under review.	
7	We obtained a list of accumulated member credits as reflected on the administrator's member register as at 28 February 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 did not agree to the corresponding account in the general ledger by R 52 329.
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:	
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 employers for a sample of 3 months.	We found the member and employer contributions received for the selected member per the administrator's system did not agree to information supplied by the participating employers for the 3 months selected. No payrolls were supplied to the administrator.
7.2.2	[For non-unitised funds] We agreed the return allocated to the member's fund credit on the administrator's records to the return approved in accordance with a trustees' 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 a trustee resolution or the rules of the fund.
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.	There was no surplus in the fund available for allocation.
8		
9	No reserve accounts were utilised by the fund during the period under review.	
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 agreed to the respective general ledger benefit expense accounts
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 did agree to the authorised supporting documentation.
10.2.2	We confirmed that no death benefits were claimed during the period under review.	
10.2.3	We agreed that the calculation of the benefit payment to the requirements of the rules of the fund.	We found that the calculation of the benefit payment agreed to the requirements of the rules of the fund.
10.2.4	We inspected documentation authorising the payouts made by the fund.	We found that the payouts made by the fund agreed to authorizing documentation.
11	The fund had no pensioners during the period under review.	

Dynam-ique SA Umbrella Provident Fund

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

Had we performed additional procedures 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.

**BDO Spencer Steward
Chartered Accountants (South Africa)
Registered Auditors
Per: Richard Henry**

Date



Dynam-ique SA Umbrella Provident Fund
 SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
 For the period ended 28 February 2006

INVESTMENTS

Notes	A		B		C		D		A+B+C+D =X+Y		X	Y	Total percentage of foreign exposure
	Direct Investments	related R	Non-market related R	insurance policies R	Market related insurance policies R	Collective investment schemes R	Total R	Local R	Foreign R	Total percentage of foreign exposure			
A	154,660	-	-	-	-	-	154,660	154,660	-	-	154,660	-	-
Collective investment schemes	-	-	-	-	-	1,044,608	1,044,608	973,794	70,814	70,814	973,794	70,814	5.905 %
Total investments	154,660	-	-	-	-	1,044,608	1,199,268	1,128,454	70,814	70,814	1,128,454	70,814	5.905 %

Dynam-ique SA Umbrella Provident Fund
SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
For the period ended 28 February 2006

A DIRECT CASH AND DEPOSITS

	Fair value R
Standard Bank	154,660
Total	<u>154,660</u>

Dynam-ique SA Umbrella Provident Fund
 SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
 For the period ended 28 February 2006

	R	R
A Total assets of the fund as per Statement of Net Assets and Funds		1,748,970
B Less: Non-investment items of Statement of Net Assets and Funds:		
B.1 Property Plant and Equipment	-	
B.2 Current assets (excluding cash at bank)	(549,702)	(549,702)
	<hr/>	<hr/>
C Subtotal (A-B)		<u>1,199,268</u>

Categories or kinds of Assets	%	Fair value R	% of fair value
1. Deposits in banks, mutual banks, Postbank and SAFEX:	100%	154,660	12.90 %
(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%	154,660	12.90 %
(i) Per bank or mutual bank		154,660	12.90 %
• Standard Bank	20%	154,660	12.90 %
(ii) Post Bank	20%	-	-
(iii) SAFEX	5%	-	-
(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		154,660	12.90 %

Dynam-ique SA Umbrella Provident Fund
 SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
 For the period ended 28 February 2006

Categories or kinds of Asscets	%	Fair value R	% of fair value
Brought forward		154,660	12.90 %
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%	-	- %
Limitations in respect of investments in items 6 and 7	90%	-	- %
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%	-	- %
These investments are subject to the following limitation:			
(a) Inside the Republic-	25%	-	- %
(b) Outside the Republic -	10%	-	- %
Carried forward		154,660	12.90 %

Dynam-ique SA Umbrella Provident Fund
SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
For the period ended 28 February 2006

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		154,660	12.90 %
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%	-	- %
Subject to the following limitations:			
(a) Inside the Republic -	75%	-	- %
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%	-	- %
(aa) Companies with a market capitalisation of R2 000 million or less	75%	-	- %
(bb) Companies with a market capital of more than R2 000 million	75%	-	- %
(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%	-	- %
(d) Outside the republic			
Units in equity collective investment schemes which objective is to invest their assets mainly in shares	15%	-	- %
Carried forward		154,660	12.90 %

Dynam-ique SA Umbrella Provident Fund
SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
For the period ended 28 February 2006

Categories or kinds of Assets	%	Fair value R	% of fair value
Brought forward		154,660	12.90 %
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%	-	- %
These investments are subject to the following limitations:			
(a) Inside the Republic -	25%	-	- %
(i) Claims against residents	25%	-	- %
(ii) Claims against companies	25%	-	- %
(b) Territories outside the Republic-	15%	-	- %
(i) Claims against residents	15%	-	- %
(ii) Claims against companies	15%	-	- %
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%	-	- %
(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%	-	- %
(c) Bills, bonds or securities issued or guaranteed by the Government of the Republic or by a provisional administration	100%	-	- %
(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%	1,044,608	87.10 %
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%	-	- %
TOTAL (equal to the fair value of assets (C) above)		1,199,268	100.00 %

Dynam-ique SA Umbrella Provident Fund

REPORT BY THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN RESPECT OF REGULATION 28

We have audited the attached Schedule IB 'Assets of the fund held in compliance with Regulation 28' (the "Schedule") by Dynam-ique SA Umbrella Provident Fund as at 28 February 2006, as set out on pages 25 to 28.

Board of Trustees's 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 annual financial statements are 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 Dynam-ique SA Umbrella Provident Fund as at 28 February 2006 has been prepared, in all material respects, in accordance with the requirements of Regulation 28 of the Pension Funds Act of South Africa.

Dynam-ique SA Umbrella Provident Fund

**REPORT BY THE INDEPENDENT AUDITORS TO THE REGISTRAR OF PENSION FUNDS IN RESPECT OF
REGULATION 28 (Continued)**

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.

**BDO Spencer Steward
Chartered Accountants (South Africa)
Registered Auditors
Per: Richard Henry**

Date

